



## ***Continue the fight against capitalist austerity!***

### **Orr's plan is a crime against the workers and poor!**

The horrible city bankruptcy plan of Detroit Emergency Manager Orr has been given a "yes" vote by city workers. The workers hate the plan, but the vote gave them no real choice. If they had voted no, Orr would have automatically imposed even greater cuts in their pensions. Meanwhile, the sellout leadership of the unions had already declared their support for Orr's bankruptcy plan and urged the workers to vote "yes." It would have taken enormous fortitude by the workers to break out of this trap. But despite the outcome of the vote, the struggle against pension cuts and other attacks on the workers must continue!

And while Orr tries to tighten the noose around city workers, the water department authorities, with his blessings, launched a new phase in their attacks against the poor. They cut water service to over 11,000 residents and threatened cuts to tens of thousands more. The main victims are those with financial hardships who may owe as little as \$150 for a 60-day period. Against this outrage the people mounted a vigorous protest demo downtown on July 18. In response Mayor Duggan has taken over administration of the Water Board and its cuts, but his "new" plan still faces the very poor with heartless water cutoffs. Demos continue against them.

Now Orr has submitted his Plan of Adjustment to the bankruptcy court. It's a plan to decimate the retirement and health care funds owed to city workers. It promises to reduce the workforce and wages. And the plan jeopardizes the financing of the Detroit Institute of Arts, a treasured part of Detroit culture. Prior to releasing the plan, Orr and the City Council also decided to privatize the trash collection system, another anti-worker disaster.

#### **Orr's pension plans, old and new**

The initial Orr plan to cut city workers pensions was shocking. The city workers' pensions averaged a modest \$19,000/year. Under Orr's first plan, these pensions would be slashed 34% immediately. The new plan voted upon by city workers recently is also atrocious though. The immediate cut is 4.5%, and cost-of-living raises were eliminated. So even with modest inflation for ten years, the buying power of pension payments will decline another 20-30 percent. These pension plans were supposed to be protected by the Michigan Constitution, but the bankruptcy judge doesn't give a damn. He's only interested in helping Orr stomp on the workers. Orr had made it known to the workers that if they rejected his "kinder" second plan, he would simply return to immediate

giant cuts like the first plan. That's the sham democracy of the vote conducted by the Orr dictatorship.

#### **Bankruptcy plan to cut off water to poor residents**

Duggan's modest promises aside, the city bankruptcy plan includes depriving the workers and poor of water. Those behind on their bills must pay soon or see their water cut off. At first glance that might seem fair. After all, a few months ago half of all the 323,000 accounts were delinquent. But is this plan really fair? **NO!**

Water bill rates have been soaring, doubling over the last decade. Meanwhile working class and poor people have been hammered with job and pay cuts, and large cuts in social benefits. Such citizens find it impossible or very hard to pay their water bills without gutting some other necessities. On top of that there are cases where impoverished people find their water turned off without proper notice. One other thing. Although the vast majority of delinquent are ordinary folk, as of March these delinquencies made up only half of the money owed to the water department.

The other half of the money (\$175 million) was owed by a relative handful of businesses and industries. On average, each of these entities owed more than 10 times the amount of a residential homeowner or renter (\$7,700 vs. \$600). One golf course operator owed over \$500,000! It seems the authorities have been looking the other way for a long time when it comes to the wealthy. While from April thru June there were almost 15,000 shutoffs at residences, as of July 9th there were no shutoffs at commercial or industrial entities even though a significant number of them had been issued shutoff notices. Others have not yet been issued notices.

It's true that not all businesses are the same, and smaller businesses would feel the effects of the crackdown more than the big businesses. But this only emphasizes the general nature of the water shut offs and threats. It is a crackdown on those who can least afford to pay their bills.

#### **City ends responsibility for retiree health care**

EM Orr has sought to end the city's responsibility for employee health care. Now this has been accomplished through a deal with the sellout union leaders of AFSCME. With the recent ratification of AFSCME's new 5-year contract the city negates the more than \$4 billion it owes its healthcare fund and agrees to give the union about \$450 million for accepting responsibility for retiree health care. Retiree committees who had previously been negotiating with the city months ago said health care funding will greatly decrease under such a VEBA

(Voluntary Employees' Beneficiary Association). So the city emergency plan now insures that workers will see higher premium costs, rising out-of-pocket expenses, etc.

### **The AFSCME union leadership: partners in crime**

City workers and other workers and activists are outraged by Orr's bankruptcy plans. But they are being betrayed by the leadership of the unions. At first the union leaders put on a show of opposition. But now they are telling the workers they have no choice but to bow down and accept their whipping to avoid future whippings by slave master Orr. We have just seen how they accepted the end of city-provided health care. Traitors like AFSCME leaders Ed McNeil and Al Garrett also called for acceptance of the whole rotten bankruptcy plan. Thus, Garrett said their recent contract agreements with the city are "the best path forward for city employees and retirees. They simply cannot risk the further serious reductions in pension, pay and job security if the Plan [Orr's bankruptcy plan], and our collective bargaining agreements are not approved".

### **The Republicans and Democrats vs. the workers**

Orr was sent to decimate the masses of Detroit by Republican Governor Snyder. Together they are carrying out the so-called Grand Bargain. They, and various capitalist foundations, promise to help reduce Detroit's deficits and save the Detroit Institute of Arts. But first the anti-worker onslaught must be accepted. So the "bargain" is the workers should be run over by the capitalists, the rich corporations and banks who caused the crisis.

Where then are the Democrats, the party that claims to be against Republican plans against the workers? Detroit Mayor Duggan is a Democrat and has pledged to cooperate with Orr. Snyder's predecessor Jennifer Granholm instituted Emergency Manager laws similar to the law that allowed Snyder to send Orr to Detroit. Democrat president Obama has done virtually nothing. Basically the local Democrats are allied with the sellout union leaders.

### **The road ahead**

With such powerful forces lined up against the workers and poor, the situation may seem hopeless. But the final verdict has yet to be rendered by the bankruptcy judges, and there may be opportunities to get changes in favor of the working masses. This rests on the struggle of the rank and file.

There is still great anger against Orr's plan and that anger needs to be organized. Within the unions there have been some voices raised against the sellout leaders, and in 2012, AFSCME Local 207 organized a walkout of some water department workers. There have been many worker and community meetings, marches and other protests of the bankruptcy plan, including recent attempts to block vehicles sent to shut off water supplies. Related movements have broken out against house foreclosures and to raise the minimum wage to \$15/hour.

The struggle against the Detroit bankruptcy plan has not been strong enough to reverse Orr's plan, but it has caused the

authorities to reconfigure some of the worst aspects, meaning the protests have had some effect. But even if the Plan goes through with little basic change, the beginning steps at organizing will not be in vain.

Stronger organization of the workers will be needed. Go directly to the workers and poor in the workplaces and communities. Such organizations must have no illusions in the capitalist parties and the present union leaderships and prepare for battle without them. That's what will matter in the long battle against capitalist austerity.

**Down with Orr's bankruptcy plan!**

**No to water shutoffs!**

**Solidarity with the city workers! []**

### **Website: [www.comunistvoice.org](http://www.comunistvoice.org)**

Read *Communist Voice* for revolutionary working-class theory against the capitalist system. True Marxism-Leninism has nothing to do with the false "communist" regimes like the former Soviet Union, China, or Cuba.

#### **The free market versus the environment**

Say **NO** to fracking! ([communistvoice.org/47cFracking.html](http://communistvoice.org/47cFracking.html))

Fukushima shows why we must build the fight against all nukes! ([communistvoice.org/CV46pFukushima.pdf](http://communistvoice.org/CV46pFukushima.pdf))

The carbon tax – another failed market measure to avoid environmental planning ([communistvoice.org/42cCarbonTax.html](http://communistvoice.org/42cCarbonTax.html))

Marx and Engels on protecting the environment ([www.comunistvoice.org/40cMarx.html](http://www.comunistvoice.org/40cMarx.html))

#### **International solidarity**

Why to support the Syrian uprising: the Arab Spring and anti-imperialism ([www.comunistvoice.org/48cImperialismPanel.html](http://www.comunistvoice.org/48cImperialismPanel.html))

Solidarity with the people of Gaza! ([www.comunistvoice.org/43cGaza.html](http://www.comunistvoice.org/43cGaza.html))

#### **In defense of Marxism-Leninism**

Trotskyism and Stalinism as equally evil twins ([communistvoice.org/49cTrotskyism.html](http://communistvoice.org/49cTrotskyism.html))

The labor hour is **NOT** the natural unit of economic calculation for socialist society ([communistvoice.org/00LaborHour.html](http://communistvoice.org/00LaborHour.html))

#### **Communist organizing at the workplace**

Drawing the working class into the political movement ([communistvoice.org/WAS8702Politics.html](http://communistvoice.org/WAS8702Politics.html))

The CPUSA's work in auto and the change in line of the mid-1930s ([communistvoice.org/WAS8703CPUSA-UAW.html](http://communistvoice.org/WAS8703CPUSA-UAW.html))

#### **Fight capitalist austerity!**

Postal workers and postal service under attack ([communistvoice.org/DWV106.pdf](http://communistvoice.org/DWV106.pdf))

The fiscal cliff, and what to do about it ([communistvoice.org/DWV-130113.html](http://communistvoice.org/DWV-130113.html))

The auto bailout – devastating the workers to resurrect the auto capitalists ([communistvoice.org/DWV-090614.html](http://communistvoice.org/DWV-090614.html))

**E-mail:** [mail@communistvoice.org](mailto:mail@communistvoice.org)

**Write:** **CV, PO Box 28536, Joyfield Sta., Detroit, MI 48228**