

REVOLUTIONARY TRANSIT WORKER

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Samuelsen & Co. Stab LIRR Unions in the Back

Samuelsen pledged solidarity with the LIRR unions and then negotiated a contract that gave the MTA leverage against them. This was good for Cuomo but bad for all of us. To cover this up, the Local 100 leadership even wrote in official union literature during the contract campaign: “the LIRR unions are using our proposed contract as leverage to win an improved recommendation.” But in fact, the LIRR unions “argued that the Transit Authority-Local 100 tentative agreement was not yet ratified and

thus did not warrant acknowledgment as a pattern or even as a worthy comparator”. They didn’t even want the mediation board to look at our contract!

This is why when Samuelsen’s right hand man, Maintenance of Way VP Tony Utano, was confronted with facts about the LIRR deal he could only lash out to say that he didn’t care about LIRR workers.

Shame on him! This is not the kind of leadership transit workers need or deserve.

Samuelsen – Lackey of Cuomo & Wall Street’s Democratic Party

NYC Contract Sellouts: Setback for Whole Working Class

The TWU contract we are now living with was a setback for the working class and poor in New York City as well as for transit workers. That contract, and the one for the New York City teachers’ union (United Federation of Teachers-UFT), set a concessionary pattern for the other public sector unions and threw up significant obstacles to the united struggle that workers in NYC need to fight back against economic and social injustice. We can still overcome those obstacles. But we need to assess this setback and learn lessons from it.

Among opponents of the contract, League for the Revolutionary Party/RTW supporters in transit were able to make a strong showing in a practical way for workers to unite in defense of their interests against the bosses, politicians and union bureaucrats who would sell them out. The Facebook page and flyers were both well-received and distributed by many other workers. But in an uphill battle against the bureaucracy the campaign was unable to go further than that.

To be sure, we did not have to try hard to convince workers that the contract was not a good one. It involved a special sell-out for new hires, making them work an extra two years to reach top pay. Cleaners in particular, who even more than the rest of the transit workforce are Black and Latino, will start out at only 60% of top pay. There are 1% raises for two years (with retroactive pay), then 2%, 2% & 2% for a total five-year contract. This is far below cost-of-living increases – that is, it’s really a pay cut. The contract further raises the healthcare deduction

to 2% (from 1.5%).

But one of the most common things our supporters and other “Vote No” campaigners heard was a variation on “Of course I’m against it but you know it’s going to pass”. This reflected demoralization and division from the lack of an active struggle bringing workers together. It also pointed to the underlying issue that even though many thought it was a bad deal, they didn’t see an alternative way forward and so voted for it anyway.

Further, in the union leadership’s campaigning for the contract (whose intensity was only matched by their effort



Local 100 leaders fawn over Cuomo, called “Tea Party Governor” by Samuelsen, help him shaft TWU members and whole New York working class.

when running for office) the leadership used the threat of the city unions possibly accepting zeros as a cudgel against the membership, and when the teachers' contract did have zeros, they made sure everyone knew it – instead of offering to help the teachers fight those zeros. The message here was not just the possibility of a worse contract; underlying that was, “This is all we’ve got and we’re not going to bat for you if you vote against us.” In other words, the union leadership did its best to stir up and deepen the cynicism in the ranks. The union leadership’s campaign for the contract drove home the message that no one could or should have any confidence in their ability to win a better contract – and in the absence of much social struggle in this country, the prospect of a united fight did not feel real to most members.

WHY A UNITED FIGHT WAS POSSIBLE

This is tragic because in fact the possibilities for such a fight were indeed there. Class anger has been rising. Workers and poor have seen the rich make the city their playground, flaunting their wealth while rents skyrocket, social services are cut and jobs remain scarce. And before these deals, virtually all city and transit unions were working without contracts. They could have presented a united front to demand retroactive pay raises that protect us from the rising cost of living in conjunction with broad social demands against the inequality and injustice all the city’s workers and poor face. While we’ve pointed out that Mayor De Blasio did not offer a genuine way forward for workers (www.lrp-cofi.org/statements/deblasio_020514.html), the vote for him did represent a desire among broad layers of the city to oppose inequality and injustice. He won because his “tale of two cities” approach emphasized a real divide in the city. You only have to look at your rent and bills this year compared to past years – and all this while the bonuses to Wall Street have risen.

TWU Local 100 in particular had a unique opportunity – given its size, history, social composition and position in the city – to play a key role in building the kind of struggle needed to turn this situation around. Local 100 could have organized delegations of officers and ranks to go to workplaces and union meetings across the city to build for an escalating campaign of mass action against injustice. It could have challenged the other union leaders to participate. It could have joined forces with every group in struggle, such as the low wage workers fighting for a \$15 minimum wage and union recognition. It could have provided the organizational backbone to carry forward the ten thousand protesters that turned out on their own to protest

the Zimmerman verdict in Florida.

More recently, the rebellion against police murder in Ferguson, Mo, and protests for Justice for Eric Garner here in NYC provided an opportunity to build the kind of struggle we need. Samuelsen endorsed the Eric Garner protest only the day before and made no real effort to build it.

But the leadership made no move to fight back. Instead, they negotiated a contract that will divide its own workforce, pit public workers against each other and abandon this opportunity to build a real fight against inequality and injustice.

SAMUELSEN’S RACE-TO-THE-BOTTOM

That’s because for all his militant talk, Samuelsen plays the same game as the other sellout union leaders. His style is to offer flash when the real substance of a fightback is needed. While, for example, he was the first union leader to endorse Occupy Wall Street, he did not use the power of the union to give the confused OWS movement the working-class focus it needed if it was to continue. And when a bold new policy was needed for the contract fight, he played the same old game of bargaining for his own slice of the ever-shrinking pie instead of leading a joint movement that could advance all our interests.

Samuelsen’s contract in turn had a negative effect on the struggle of Long Island Rail Road (LIRR) workers. He had earlier pledged solidarity to LIRR workers, who like TWU Local 100 work for the Metropolitan Transit Authority. A government mediation panel recommended 2.8% yearly raises for workers there. In advance of the second mediation panel required in federal railroad rules, the MTA countered that they should not get more raises than the TWU accepted, which is almost certainly the reason the contract was announced so suddenly in the first place: so that the lowball offer could be in place before that second panel started meeting to be used as a wedge against the LIRR workers. The MTA’s attempt, however, was so ham-fisted that the panel rejected their proposal. It still gave the MTA leverage against the possibility of a strike, though the union’s credible threat of a strike was a factor in reducing concessions. Nonetheless, the LIRR unions were forced to accept the worst giveback in the TWU contract: the sellout of new hires.

All of this helps those attacking the working class. Governor Cuomo, a Democrat, has been so openly anti-union that President Samuelsen himself called him a “Tea Party” governor. Samuelsen – by calling on him for “assistance” in negotiating this contract – has given Cuomo a helping hand in his upcoming re-election campaign which can only increase his ability to attack the workers and poor. And now the TWU officially endorses the Tea Party governor.

Moreover, these attacks have deepened the entrenched racism in this country. Public sector employment in general is one of the few ways out of poverty for Black and Latino workers struggling against this country’s systematic racism and Samuelsen’s sell out contract concedes to the ongoing attack on public workers.

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The “yes” vote for the TWU contract is a setback, but it is not the ringing endorsement Samuelsen has bragged about; it does not reflect any firm acceptance of its terms. Our union is still a powerful organization of strategically located workers. Any workers with illusions in Samuelsen’s claims to offer a way forward are apt to have more doubts in his ability and willingness to lead a real fightback. The key is to look towards an alternative social vision and leadership.

SOCIALIST POLITICS, PRACTICAL POLITICS

Many will be wondering why it is so hard for us to get a decent raise, and why we keep losing real wages and benefits year after year. Why are we going backwards instead of making progress year after year? Why do the politicians from both parties attack us and blame us, while bailing out the banks and corporations and giving them sweetheart deals?

The answer is the economic and social system we’re living under: capitalism. The system works for the profit of the few based on the exploitation of workers and poor. Workers do all the labor, the bosses collect the profits. Under capitalism, all institutions work to further the interest of the capitalist class, the big bosses. So the media, the cops, the courts, the Democratic party, the Republican party, the educational system - all work to protect and aid the capitalist class in their battle against workers. When workers try to organize and fight for a better life, the media and the politicians all blame us as ‘greedy’ saying we have lavish lives and pensions that are ruining the economy, when in reality we’re struggling to provide a decent life for our families.

The rapid advances capitalism allowed in the living standards of the masses is a thing of the past. It has become a system increasingly wracked by crisis. The fundamental

response of the capitalist class is to look to increased attacks on the working class as a means to restore and maintain profit levels. In the wake of the financial meltdown of 2008, those attacks on workers’ standard of living have accelerated – here and internationally. Wages, pensions, healthcare and even unions themselves are being hammered, and we are losing on all fronts. The business-as-usual unionism that our leaders have been following, with support for the capitalist politicians has led to downward spiral of defeats (private sector membership is at almost a century-long low, while the public sector is now enemy number one). We shouldn’t look to a revived capitalism as a basis for any serious improvement. The stock market bounced back, but working people know that the hard times continue. And even the Wall St. recovery is a balloon waiting to burst.

We do need to fight for what we can under this system, but achieving gains or holding onto them over any serious period of time becomes less and less possible. That’s why we say socialist revolution is a necessity. Analysis and experience show that capitalism cannot be saved, and there is no future for workers under this system. Our entire class, the working class, has to organize and fight together, against the capitalists and their allies. They’re taking away everything workers fought and died for in the last century, and the only way to insure that we hold onto it for good, and to have it spread to all workers, is to overthrow capitalism, once and for all, with a workers’ revolution and build socialism: a society where human need is the organizing principle.

We think the experience of the contract fight shows the ever more urgent necessity of building a new leadership not just for the union, but for the working class as a whole – a leadership that we believe must be a revolutionary socialist party leadership. ★

The Sad Career of Steve Downs

The contract sellout we are saddled with and the Samuelsen leadership’s effort in selling it mark a new stage in the degeneration of Steve Downs from union militant to paid toady for the union bureaucracy. He wrote a series of pieces during the contract that then became official union literature. This meant not only being the mouthpiece for a bad contract, but as such covering up the union bosses’ collaboration with the anti-union Governor Cuomo and with MTA management.

A low point (there were certainly others) was Downs’s email when the teachers’ contract deal was announced. There was no sense of solidarity to stand against the potentially union-busting attack that the teachers’ faced – nor with the NYC public workers who’d most likely get similar concessionary deals – but only the idea of using it as a weapon against the vote no campaign, a weapon to further demoralize and divide transit workers. The day it was announced Downs wrote a gloating email on how the teach-

ers’ proposed contract proved the Local 100 leaders right, which the union leadership then made into ad copy for their campaign the next day. The situation was so bad that *The Chief* could write the headline “TWU Local 100 Leader’s Decision Draws Sustenance From UFT Pact” with no protest from the leadership. Unionists shouldn’t draw “sustenance” from another union’s betrayal!

Another low point was his relationship to the struggle of LIRR workers. One of the fundamental issues of the vote no campaign was that the Local 100 contract undermined the LIRR unions in their own bargaining. Downs’s response was to write a long email and then letter to *The Chief* trying to cover over that the Local 100 sellout gave the MTA leverage against another group of workers. The union leadership used this to argue that our contract did not undermine LIRR and even claimed the LIRR unions were using it to get a better deal (Downs did not say this himself, but he surely didn’t dash off emails disagreeing with it). This lie was



Thousands of LIRR workers expressed readiness to strike. Problem is not worker “apathy,” but betrayal by boss-loving union bureaucrats who support capitalist Democratic/Republican parties.

exposed soon after the vote when the mediation hearings were released and it recorded: “the [LIRR] Unions further argued that the Transit Authority-Local 100 tentative agreement was not yet ratified and thus did not warrant acknowledgment as a pattern or even as a worthy comparator.” The LIRR unions didn’t even want the board to look at the Local 100 agreement – and that was just one of many arguments they used to try to distance themselves from Samuelson’s contract.

This lie was further exposed when neither Downs nor any other TWU leader attended the LIRR solidarity rally on June 21, because they knew they should stay out of sight of the LIRR workers. (Despite our small numbers, Local 100 member supporters of the LRP attended.) Based on what they were saying before the vote and what Downs was writing, one would think TWU leaders could’ve been there with their heads high and banners raised. Instead, they hid their faces and skipped the rally, afraid to encounter workers who knew their shameful role.

So Downs helped sell the MTA’s attempt to divide-to-conquer the NYCT & LIRR workers. Yesterday’s Steve Downs fought getting thrown out of union meetings for distributing militant union literature, today Downs does the throwing out. Yesterday’s Downs argued that concessions were a betrayal, today he sells them himself. His career has ended up a rather cushy one, based on blaming the workers for lack of struggle and being able to justify whatever the bureaucrats need. The bosses should be happy to have a cynical hack like Downs working for the union.

How did this come about? His degeneration was rooted in the political approach of his political organization “Solidarity” and its affiliated union publication *Labor Notes*. Their method was to fight for militancy and democracy – and who could be opposed to that? The problem in short is that the problems workers face require a broader political perspective to win. The capitalist assault can be

fought successfully only by workers who understand the nature and roots of the attack, the role of the labor bureaucracy as the agents of the bosses in the movement, and how to win the entire working class and all those oppressed by this society to a movement for a better world, a socialist world. This is why we say we need a revolutionary party based on an understanding of how to change the world.

Opposed to this, their method was based on putting aside their revolutionary, socialist politics for the moment (the moment has now become eternity). By splitting union reform work from the priority of building of a revolutionary party and the class consciousness necessary for that, their pragmatic approach led them to compromising with the labor bureaucracy at key points. They modified their political positions to allow in elements from the old guard, and by 1999 despite a movement to prepare for a strike from the rank-and-file they supposedly based themselves on, they avoided any effort to lead a pro-strike movement so that they could focus on getting elected. “Militancy & democracy” had become just “democracy” and that has now become simply...bureaucracy.

The evolution of Downs from fighter to bureaucrat should be a warning to other activists: you don’t want to end up like him, a tool of the anti-worker union bureaucracy who has wasted his life’s work. The 2008 economic crisis and the waves of revolutions in the Middle East and North Africa from 2011 portend even greater upheavals. Preparing for them requires serious discussion, debate and study on the way forward. Looking at the history of Local 100 is a small, but key, part of that. ★

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A “BI-PARTISAN” ATTACK

Make no mistake: the capitalist attack on the majority-Black Detroit working class and poor is a bipartisan effort. All across the country, both Democrats and Republicans (like our very own vicious, anti-union Governor Andrew Cuomo) have mounted similar public relations campaigns that scapegoat unionized public sector workers. Both capitalist parties paint workers' pay and benefits as the cause of state and city budget shortfalls to justify freezing wages, attacking pensions, raising worker payments for health care, cutting benefits and in many cases to justify mass layoffs and job cuts.

These politicians front for a nation-wide offensive by powerful sections of the American ruling class, especially the banking, real estate, retail and energy industries. They have differences over exactly how to proceed in this offensive, and those differences have proved troublesome in carrying out policies. But they agree on the fundamentals of the attack.

Republican Governor Snyder was wise, from the exploiters' viewpoint, to appoint Orr as Detroit's ruler. Orr is Black and a big fund raiser for the Democratic Party. He was a former member of the Jones Day law firm which specializes in corporate “bankruptcy reorganization,” that is, helping CEO's steal worker's pensions, slash benefits, and lay off thousands. He was heavily involved in Chrysler's bankruptcy reorganization.

Snyder needed and got the participation of Black Democratic Party politicians to push through his attacks. Their participation allowed Orr and Snyder to push through their attacks with the help of the pro-capitalist union bureaucrats. The latter helped sell their surrender by playing up the right-wing's viciousness and preying on worker's fears that if they did not concede, the bosses would be more vicious. (Sound familiar, TWU?).

On June 13, 2014, AFSCME Local 25 announced it had reached a tentative agreement with the city of Detroit that would limit pension cuts to 4.5 percent instead of the 27 percent cuts originally proposed in the bankrupt city's reorganization plan. The agreement also included the total elimination of COLA payments for most public employee pensions. This agreement then served as a pattern for concessions from 14 other Detroit city unions.

A June 15, 2014 CNBC article quotes a union letter urging the members to vote yes, saying, “The agreement ‘presents the best possible outcome under uniquely difficult circumstances.... A ‘no’ vote risks much worse outcomes for our active and retired members.’” The letter explains that if the union rejects the compromise, private and state funds pledged to shore up the pension system would go away and the deeper cuts would be imposed.” (www.cnbc.com/id/101760478)

DECLINE OF DETROIT AUTO

The fate of Detroit has been tied for over a century to the auto industry. But that hardly means that the profit needs of the auto bosses are the same as the needs of auto workers or of the city's black residents. In fact, the early assembly lines were examples of the most degrading forms of capitalist production, and Blacks for decades were relegated to the squalor of unemployment or marginal jobs.

But due to mammoth struggles of both groups – auto workers with sit-ins, strikes and other upsurges in the 1930s and 1940s; Blacks with the civil rights movement and urban rebellions of the 1960s – the people who built the cars gained steady increases in wages and benefits, and Blacks became a significant part of that workforce. While the capitalist class never willingly granted gains, the capitalist media used them as examples of how workers and blacks could achieve the “American Dream,” relatively stable and rewarding economic existence through hard work.

However, auto production has for decades been leaving the city itself, starting in the 1950s, and the American auto companies began losing market share to foreign producers. For a time, the “Big 3” American companies were able to keep profits healthy through sales of overpriced SUVs and minivans; but that did not add up to a genuine reversal of the overall trends. The number of auto workers shrank drastically since its peak in the 1970s. The poorer-situated workers and Blacks in particular no longer had the auto plants as a ladder out of poverty.

For decades, the union leadership in this country has suppressed the anger and actions of its union membership and instead offered electoral “action” and in particular support for Democratic Party politicians as the answer to the bosses' attacks. The United Auto Workers (UAW) bureaucracy was no exception. It had resisted rank and file revolts of the 1960s and 1970s, at one point employing a 1000-man goon squad to break a wildcat strike. As the crisis in the American auto industry deepened, the best the union leaders could manage was to roughly maintain pay and benefits for the declining number of members in the plants. And as SUV sales declined, foreign competition became even sharper and the economy tanked, the union mis-leaders caved in to company demands to sock it to those still in the plants and those who had retired.

OBAMA CAME TO DETROIT'S RESCUE, RIGHT?

This reached new heights with the auto bailout of late 2008. At that time what the new Obama administration proposed and the United Auto Workers (UAW) agreed to was a massive gift that keeps on giving to the bosses of Ford, GM, and Chrysler. The auto bailout deal included the re-opening of the existing contract to allow the auto bosses to slash the wages of new hires from \$28 an hour to \$15 an hour, to delay payments to retiree health care, and to eliminate the “Job bank” which provided payments to laid off auto workers to maintain them until they got new jobs in the industry. And to top off their gifts to the auto bosses,

the UAW agreed to an indefinite no-strike pledge at all of the domestic Big 3 automakers. It also should be no surprise that partly as a result of these sellouts, the ranks of auto workers continued to shrink. General Motors, for example, was able to cut 51,000 jobs as of 2012 due largely to buyouts of discouraged auto workers.

In the next contract in 2011, the UAW leaders agreed to a four year wage-freeze in return for an increase in the wages of new hires to \$19.28 an hour. This contract also opened the door to the elimination of pensions at the Big 3 automakers. A hidden clause allowed the UAW leadership and the auto bosses to re-open negotiations over pension concessions at any time without asking the workers. This was a new and massive defeat for one of the biggest and previously most militant unions in this country.

THE HOUSING BUBBLE BURSTS

Around this time, Detroit also became Ground Zero for the nationwide sub-prime mortgage debacle. This was part of the banking and housing market crisis that brought the global economy to the verge of collapse. A prime culprit was the racist, predatory sub-prime lending practices of every major bank. (A sub-prime mortgage carries an interest rate more than 3 percent above the standard rate.) According to the Michigan State Housing Development Authority, 62% of all mortgage loans to African-Americans in Metro-Detroit between 2005 -2007 were sub-prime, compared to only 28% for white homeowners. According to the Detroit News, a huge 87% of African-American borrowers in Wayne County, where the city of Detroit is located, had sub-prime mortgages in 2006.

A January 2009 report by Detroit's Planning and Development department noted that of 330,000 new mortgages in Detroit from 2004-2006, 73% were sub-prime, and that from 2005 to 2009, the city had 67,000 bank foreclosures, more than 20% of all household mortgages! As a result, the average sale price of a federal-backed mortgage in Detroit plunged from \$46,702 in 2003 to \$8,672 in 2008 and \$6,035 for the first three months of 2009.

Predictably, depressed housing prices caused by the foreclosure crisis financially ruined homeowners, and greatly reduced property tax receipts in many cities. According to the Detroit News, only half of property owners in Detroit pay any property taxes. This is the highest unpaid property tax rate in the country. As a result, Detroit has 78,000 abandoned, unoccupied homes. Desperate, poor residents scavenge abandoned properties for metal wiring and other raw materials that they can sell for as little as \$5 a piece. This has led to a massive increase in fires, some caused by real estate owners hiring arsonists to burn down houses for insurance money and some by squatters lighting fires to stay warm. Detroit is also home to one of the biggest homeless populations in the country, well over 20,000 at last count.

The foreclosure plan that Obama and the Democrats passed in February 2009, was supposed to modify the sub-prime mortgage mess and rescue victimized homeowners. But Obama and the Democrats reform plan was in fact a

massive rescue for predatory, racist bankers – because it guaranteed that poor and overwhelmingly black homeowners – not the lenders – would pay every dollar they owed in inflated housing prices at 2% interest to these racist predators! Mortgages were extended to as much as 40 years and many victims of the sub-prime mortgage crisis are now being forced to pay 4-5 times what their houses are now worth on the market.

THE CITY SUFFERS – BUT THE BANKERS ARE DOING FINE

The dramatic loss of population and income that the city has suffered over many decades made Detroit's financial collapse only a matter of time; but agreements worked out with the same major banks behind the housing crisis greatly sped up the process. As early as 2005, Detroit like many other American cities was struggling to pay bond debt to bankers and rich investors. These bonds – loans – were taken out to pay for basic city services, and the pensions and health care of those who made those cities work, instead of using tax revenue. In that year, Democratic Party Mayor Kwame Kilpatrick renegotiated Detroit's pension bond debt, by agreeing to a deal for \$1.4 billion in credit default swaps with major banks including Bank of America, UBS, Chase, Goldman Sachs, Merrill Lynch, and Citibank. Detroit would supposedly avoid balloon debt payments by locking in a fixed interest rate of 6%.

In late 2008, however, the interest rate market in the United States fell through the floor. The Federal government in response lowered the interest rates for lending to businesses and banks to almost 0%. Detroit, however, was locked in to paying the banks 6% interest for the life of the deal in the midst of the worst economic crisis since the Great Depression!

A withered industrial base, a housing crisis, the loss of over 8,500 city worker jobs and devastating cuts to basic city services is a guarantee of mass misery. Basic statistics show the miserable conditions which Detroiters now face. 40% of the streetlights do not work. The average response time when you call for police is 58 minutes. Police stations are closed to the public 16 hours a day. Average wait time for an ambulance is 29 minutes because only about a third of the city's ambulances are in working order. Two-thirds of the parks in Detroit have been permanently closed since 2008. About 47% of the residents of the city of Detroit are functionally illiterate. 60% of children and 38% of all residents in the city of Detroit live in poverty. Currently, 80% of Detroit's tax receipts meant to fund the schools go instead to debt payments to the bankers!

To add insult to injury, Detroit has also become a city where privately owned energy companies and city leaders who are working to privatize publicly-run utilities have seemingly been in competition with each other to show who can be more vicious and ruthless in cutting off heat, electricity and running water to Detroit's poorest residents who have fallen behind on their bills by as little as \$150.00!

According to the Detroit Free Press, from January-September 2013, DTE energy company cut off heat and

electricity to 169,407 customers for non-payment and 25,000 of these cut-offs took place in the month of January, in the middle of winter! (www.freep.com/article/20140127/NEWS06/301270015/Michigan-utility-shutoffs)

Not to be outdone, the Detroit city council voted to increase Detroit city water bills 8.7% to almost \$71.00 a month effective July 1, or nearly double the national average of \$40.00 per month! The Detroit Water and Sewerage Department is issuing thousands of shutoff notices in an effort to collect on more than 90,000 active accounts owing \$90.3 million past due. Water service to 7,556 Detroit customers was cut off in April and May, according to the department. Officials have said enough shutoff crews are in place to halt service to 3,000 delinquent accounts per week. (*Detroit Free Press*, July 3, 2014. www.freep.com/article/20140703/NEWS01/307030129/Detroit-water-bottle-emergency)

Who pays and who doesn't pay for the mess the bankers and the bosses created tells us all we need to know about fairness and progress under capitalism. For years, Democratic Party politicians from Obama on the national level to mayors like Coleman Young, Kwame Kilpatrick and Dave Bing have overseen the attacks on the workers and poor of Detroit. The success of these vicious attacks by the Democrats with the help of the union bureaucrats, have set up Detroit's working class and poor for an even more vicious attack by Republican Governor Snyder. As we said, it is a bi-partisan effort.

ASSAULTS ON DEMOCRACY

While by far the greatest example, Detroit is only one of Michigan's cities to come under the gun of Governor Snyder, a venture capitalist and former chairman of Gateway Computer company. Upon being elected in late 2011, he imposed Emergency Financial Managers on city after city. By March 2013, fully half of the African-American population of Michigan (over 700,000 people) lived under Emergency Financial Managers. The effect was to deprive poor, overwhelmingly black cities of self-governance. Blacks, poor and workers have lost any democratic right to choose representatives with even slight influence over the direction of their cities and towns.

The Emergency Financial Manager of the city of Pontiac has privatized the city's Public Works department as part of cutting the city workforce by 90%. In Muskegon Heights, the Emergency Financial Manager fired 158 teachers and brought in a private contractor to run the schools. And after pushing through Emergency Financial Manager law, in December of 2012, Snyder pushed through a law making union rights to collective bargaining over wages and benefits illegal. With this law, Michigan became the 24th state ban such collective bargaining.

It is clear that taking huge chips out of the democratic rights promised by capitalism is directly connected to attacking the workers' and poor living standards, and with further growth in privatization. The "free enterprise" system increasingly finds democratic rights, even in its better-off imperialist citadels, in conflict with its needs to

shore up profits.

CAPITALIST MISERY & THE REVOLUTIONARY SOLUTION

Capitalism is in crisis. It has been based on the raw exploitation of workers, racial oppression and division of the world's masses. But in earlier times it was capable of an ongoing development of the productive forces of society.

But the longer the capitalist system survives, the less willing and able it is to develop modern productive forms. Its huge monopolies are too tied up in existing, aging plant and equipment, and increasing portions of its economy is devoted to wasteful, risky speculation by banks, real estate interests, etc. Where it has introduced technological change, it has all too often been in order to cut the workforce. To shore up its profits, it must increasingly rely on the very methods we see employed in Detroit; attacks on wages, benefits, jobs and the social "safety net." It long ago outlived its usefulness in developing human society.

It is possible to build a society truly capable of meeting human needs. But that means taking power out of the hands of the capitalists, cleaning up the mess they have made and more – by organizing a planned economy run in the interests of the great mass of people. Only the working class, due to its position as the collective producer of modern and industrial society, has the capability and consistent interest in creating such an economy.

A worker's state would create a massive program of public works to rebuild the infrastructure of the country and would train and provide jobs at a living wage to all those unemployed by the capitalist economy. Automation and other new technologies could be used to reduce the working hours of all workers and free humanity from back breaking, mind numbing work such as work on assembly lines. This would free workers to spend more time with their loved ones and to further develop themselves and their talents.

We need to get rid of the capitalist state. But for now, we need to make demands on it for measures that are in the interest of the working class and oppressed people as a whole. This includes protecting the inadequate but real gains we have won in the past, like Medicare, Social Security, as well as fighting for new ones like a serious jobs program. We can't primarily raise these demands through calling on Congress and the President, but through mass struggle in the streets and workplaces. Even while making demands on capitalist politicians, we must pressure the unions and the working class as a whole to break from the political control of Democrats and Republicans alike. This requires politically defeating and ousting the union bureaucrats who want to keep us chained to those parties.

Only by uniting in struggle for the real needs of the whole working class can we as workers begin to understand and respect our power as a class and the inability of the capitalist system to provide any future for the working class and poor. We need the workers' state and we need to prepare for the revolution it will take to win it. ★

Capitalist Gangsters Assault Detroit Working Class and Poor

The ongoing bankruptcy crisis of Detroit is actually a demonstration of the bankruptcy of the whole capitalist system. It is a prime example of how this system allows one of its most important cities to decay, and then proposes that the most direct victims of that decay, its working class and poor inhabitants, pay for the crude attempts at restoration. This has involved a series of cruel attacks, including the cutting off of water to tens of thousands of residents and the raising of water bills, which have led to mass protest in the Motor City and to international condemnation. In this same process, it shows that capitalism is increasingly incompatible with the democracy it has claimed to champion through the years.

ROOTS OF BANKRUPTCY

While the underlying causes of the bankruptcy are deep and long, the bankruptcy itself stems from an effort by Kevyn Orr, the “Emergency Financial Manager” appointed on March 25, 2013 by Michigan’s Republican Governor Rick Snyder, to extort severe cuts from Detroit’s public sector unions. Orr spent his first 3 and a half months in office on this. Orr and Snyder originally proposed 27% across the board cuts in pensions, the elimination of all cost of living increases on city pensions and the elimination of retiree health insurance and its replacement with a \$125.00 monthly stipend check for health care costs!

When the unions did not surrender quickly enough for Orr, he filed for Chapter 9 bankruptcy protection for Detroit on July 18, 2013, claiming \$18 - \$20 billion in debt – the largest bankruptcy filing in US history. These debts include unfunded obligations to current and former city employees for pensions and retiree health care costs. The insolvency of Detroit’s pensions has nothing to do with extravagant benefits. The average Detroit pensioner receives less than \$19,000 a year as of 2011. Firemen and cops get more because they do not receive social security, but they still max out at around \$30,000 a year **on average**. Detroit police and firefighters pensions are slightly over half what workers in Los Angeles and Chicago receive. (*CNN Money*, July 23, 2013: money.cnn.com/2013/07/23/retirement/detroit-pensions/). (The police are not workers, but security guards for the capitalists against the workers. When the capitalists stiff them as hard as genuine workers, you know that the crisis is really bad!

Snyder and Orr originally proposed to cut retiree pensions by 27%, to eliminate retiree health insurance entirely and replace

it with a \$125 monthly stipend, though the current “solution” cuts pensions by 4.5% and eliminates most cost-of-living allowances. City workers’ union leaders and some Democratic Party politicians had told the workers that their pensions were safe: Michigan’s State Constitution specifically prohibits the cutting of current retiree pensions. But Federal Judge Steven Rhodes ruled that federal bankruptcy law trumps any state protections!

The insolvency of public worker pension plans throughout the country is due largely to cities and states failing to make their **Annually Required Contributions (ARC’s)** to these pension funds. They then spend that tax-payer money on other “budget priorities”, by which they mean corporate welfare and funding for Wall Street. In this way, state governments, both Republican and Democratic, essentially took out illegal, interest-free loans from their public worker pensions for decades. The logic of these pro-capitalist politicians was that stock market and housing prices would go up forever, providing high enough returns on investment to fund their pension obligations in coming years.

States and cities have paid as little as 27% of their ARC’s (Massachusetts). Detroit is actually 77% funded. But the capitalists and their governments attack the relatively vulnerable, not necessarily the relatively broke, and Detroit was in their crosshairs. Another major cause of the crisis of public worker pensions nationally was the success of hedge fund managers and pay-day loan companies in convincing both Democratic and Republican party politicians to invest billions of pension fund dollars in their stock and investment funds. When these funds went bust, they got government aid. The workers’ pensions which

(continued on page 5)



Detroit workers call for fightback. Detroit shows: capitalist system can only survive by driving workers, Black people, immigrants way, way down.