



## **No to union-busting Emergency Financial Managers! Down with austerity budgets!**

### **Fight Governor Snyder's war on the workers and poor!**

Republican Governor Rick Snyder and the Republican-controlled state legislature are out to make workers and the poor pay for the state budget crisis. Snyder's state budget proposal includes huge tax cuts for business to be paid for by massive cuts in education and funding for cities, concessions from state workers and teachers, and a new tax on pension income. This will increase the budget crises of cities and schools. But Snyder doesn't care. Under a new Republican-backed law, Snyder can send Emergency Financial Managers (EFMs) to abolish the elected local government or school administration and impose the EFMs' dictate. The EFMs can then carry out further budget cuts. And they have the power to end union contracts.

Thus, Snyder follows in the footsteps of Wisconsin Gov. Walker, notorious for banning collective bargaining for public workers. Michigan workers are inspired by Wisconsin, too. That's because hundreds of thousands of workers and students there took to the streets in protest. Now Michigan workers, students, retirees and others being run over by the Snyder regime are starting to stir.

Across the country, Republican and Democratic politicians are helping the capitalists shift the burden of the economic crisis onto the masses. Workers, unionized or not, employed or jobless, public sector or private sector, we must stand together in a united class struggle against the capitalist austerity program!

#### **Snyder's budget: steal from the needy, give to the greedy**

Snyder claims his budget is about everyone sharing the pain. But he does not include his capitalist buddies. Businesses get a tax cut of \$1.8 billion. Personal income taxes will soar to compensate for this. A large part of this will be taxing pensions. Meanwhile, the state Earned Income Tax Credit that provided tax credits to 800,000 poor people is eliminated. Those who can least afford it are ruined, middle-income pensioners will be pinched, while the business community hits the jackpot. And Snyder's already promising the manufacturing capitalists he's looking into reducing property taxes on them in the future.

Snyder's budget treats public education like a disease to be eradicated. School administrators estimate the budget cuts for K-12 education will be about \$700 per student. This will create a new wave of budget crises for already-strapped school districts. State universities don't escape punishment. They will suffer a 15% spending cut at minimum, and more if they don't meet certain conditions.

While Snyder slashes school aid to help his business friends, he blames the teachers and school workers for the budget problems. Using this capitalist logic, he demands teachers and other school employees take concessions. Shamefully, Snyder pretends his cutbacks are assisting students. For example, Snyder says he is encouraging universities to keep tuition increases somewhat more limited. How? He's threatening even bigger cuts in state aid to schools that raise tuition too high. Of course, by cutting state aid, Snyder really creates more pressure on school administrators to raise tuitions. So how are the schools administrators to

escape the dilemma? Snyder demands they decimate their workforces by outsourcing and wage and benefit cuts, something which the administrators have already done time and again. Snyder's not out to solve the money woes for either the universities or their students, but to scapegoat campus work staffs for crimes of his pro-capitalist budget.

State aid to cities and counties will be gutted as well. Detroit alone will lose \$178 million, and hundreds of other local governments will suffer as well. Just as in education, Snyder is intent on making local budget crises worse, providing local officials with another excuse to attack city and county workers.

State workers, of course, are also being targeted by Snyder. He is demanding \$180 million in concessions, which would drive down their compensation by about \$3,200 per employee.

#### **Union-busting emergency financial dictators**

Having insured that the budget crises of schools and cities grows worse, Snyder and state Republicans just passed legislation allowing them to dissolve any local government or school board they deem has financial problems and replace them with their own hand-picked Emergency Financial Managers. Replaced officials could even be banned from running for office for six years. Local officials, Republican and Democratic alike, have already been cutting services and wringing concessions from workers. Elected officials aren't ruthless enough for Snyder though. So he threatens every town and school with outright dictators to do the job. The EFMs are given an array of powers to cut back public services. They can force local government bodies and schools to merge their operations so as to cut staff and services. The new law also bans lawsuits to challenge anything they do, though once the EFM leaves, local officials can be sued for what the EFM officials did. Republican anti-government rhetoric turns out to be unelected austerity budget czars.

A special target of the EFMs are unionized public employees. The new financial dictators have the power to terminate union contracts, essentially ending workers' rights to collective bargaining. This would give the EFMs a free hand to drive down the conditions of public workers. It will also pave the way for more layoffs and contracting out of services to low-wage private companies. Snyder the Liar says he's not union-busting, he's just helping communities and schools survive. Indeed. He's teaching the working masses to survive without education or public services or unions!

#### **Are the Democrats on the workers' side?**

Snyder is one of many Republican governors who are not only for austerity measures, but for banning collective bargaining rights. Democrats cry how horrible this is. But the truth is that the Democrats too are carrying out austerity measures wherever they rule. Obama agreed to keep Bush's massive tax breaks for the rich. He froze wages for federal workers, and proposed a ten year program to slash social programs, including recent cuts to

home heating assistance, WIC food vouchers and student aid. New Democratic Governors in New York and California are demanding concessions and layoffs for public employees and slashing social services. In Wisconsin, the “pro-union” Democratic legislators agree with union-buster Republican Governor Walker’s concession demands against public employees.

Well, what have Michigan Democrats done? Ex-governor Granholm cut state aid to education and cities. Snyder’s Democratic opponent in the governor’s election, Virg Bernero, cut union worker benefits as Mayor of Lansing and boasted in the election he’d do the same as governor. Democratic mayors in Detroit have wrung concessions out of city workers for decades, and have given big tax breaks to corporations and slashed services.

Do Democrats reject emergency financial managers? No. They denounce the new Republican EMF law. But Democrats like Granholm used the old EFM law (Public Act 72) to take over Pontiac, Benton Harbor, Ecorse and the Detroit schools. The old law granted EFMs many of the same powers as the new law. EFMs were allowed to dictate budgets, implement layoffs, worker concessions and service cuts, sell off city assets, and sideline elected officials. Snyder’s law is worse, but there’s no justice under the old EMF law either.

### **Republicans & Democrats unite to kill Detroit public schools**

The destruction of the Detroit public school system was largely carried out by Granholm using the old emergency measures. She placed the schools under EFM Robert Bobb. Previous school administrators were corrupt, but Bobb drove the school system into the ground. Bobb raised corruption to a new level, making \$425,000 a year, including funds from school privatization foundations. And he managed to balloon the school budget deficit from \$217 million to \$327 million. Nevertheless, the new Snyder administration was thrilled to see Bobb dismantle the public schools and approved a plan devised by Bobb to close half the public schools and drive class sizes to 60.

Recently, Bobb came up with a new Republican-friendly plan under which some of the schools slated to be closed would be converted into charter schools. Bobb’s new plan proposes the option of eventually converting all Detroit schools to charter schools. The right-wing *Detroit News* editorial of March 14 says this is “a direction Gov. Rick Snyder is said to be leaning towards.” Charter schools are run by private firms that often employ unqualified teachers, have no track record of improving education, and are often worse than the schools they replace. But they rarely hire union teachers and turn education into a profit-making venture, so the Republicans love them. Obama and his Education Secretary Arne Duncan promote charter schools, too. The Bobb charter school plan is backed not only by Snyder, but by the head of the Detroit school board, Anthony Adams, who was Deputy Mayor under former Democratic mayor, Kwame Kilpatrick.

While a Bobb spokesperson claimed charters don’t have to hire union teachers, union teachers contend their contract says otherwise. Snyder’s new emergency financial measures rescue Bobb’s plan by allowing the EFM to wipe out the union contracts, thus starting the process of ridding the schools of union employees altogether. Despite all the anti-Republican noise from the Democrats, they’ve worked hand-in-hand with them to dismantle the Detroit schools. And this bipartisan model will no doubt now be attempted in districts all over the state.

### **Two parties of the capitalists**

The failure of the Democrats to stand up to the Republicans is not just because they are political cowards. The truth is both parties are owned and operated by the capitalists. The Wall

Street sharks and big corporations have created the economic crisis. And they want the masses to bear the burden of the crisis. They want taxes on business and the rich cut with the proceeds from massive slashes to public services. They want to make private and public workers suffer huge layoffs and assaults on their wages and benefits. This is exactly what both parties are doing. The root cause of the austerity measures by Republicans and Democrats is the capitalist class and capitalism itself.

### **Lessons for the workers’ movement**

Clearly, we cannot rely on the Democrats to save us from the capitalist austerity drive. They claim to be saviors of the working class and downtrodden. But in real life, they assault the workers too. True, they have not gone as far as the Republicans. But everywhere they are pushing their own variety of austerity on the masses, and telling protesters to concede to Republican concession demands. The Democrats are screaming about Republican union busting, not because they want to see workers beat back austerity, but because they believe the present union leaderships will help them sell austerity measures to the workers.

The ties between the Democratic politicians and the mainstream union leaders doesn’t show that the Democrats are pro-worker, but that the union bureaucrats collaborate with the capitalists to stab the workers in the back. In Wisconsin, the main union leaders’ big demand was that they be allowed to negotiate an agreement to give in to Republican demands for economic concessions. Michigan workers have seen the UAW leadership offer concessions for 30 plus years to “save jobs” while auto jobs disappeared. The public sector union leaders have offered concessions time and again. But this has only whetted the appetite of the capitalists for more concessions. Indeed, the docile attitude of the union leaders has paved the way for the Republicans to try and eliminate the unions altogether.

The fight against capitalist austerity can only be carried out by the working masses themselves. Wisconsin showed the potential power of mobilized workers. It inspired protest in many other states. Demonstrations have started in Michigan too. Every gain of the workers’ movement has been a product of powerful mass actions. Workers and activists should strive to spread these protests and coordinate them so they can grow into a powerful class struggle.

Workers must not let the actions be diverted by pro-concessions Democrats and union leaders. Networks have begun to form among those who see the need to link the fight against union-busting to the fight against the austerity measures themselves. Such networks should be encouraged everywhere. The more the struggle develops, the more workers will consider more militant forms of action. Some Wisconsin workers were contemplating a general strike. Whether or not such actions can be organized right now, worker-activist networks should encourage such ideas.

The capitalists have had their way far too long. It’s time for the workers to stand up!

***Down with Snyder and his emergency budget dictators!***

***Fight the Republican union-busters!***

***No to the bipartisan austerity budget cuts!***

***Tax the corporations and the rich!***

***Build the class struggle!***

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Or write: CV PO Box 28536, Joyfield Station, Detroit, MI 48228-0536