

University of Michigan welcomes the dictator of Detroit

Statement of the Socialist Equality Party
25 March 2014

Kevyn Orr, the emergency manager of Detroit and UM alumnus, will be speaking today on the “Future of Detroit, Urban Governance.” Orr will be hailed as a champion of the “turnaround” of Detroit, dedicated to restoring basic services and improving the lives of the city’s 700,000 citizens. This is a pack of lies!

For Orr and the corporate and financial interests he represents, the “future of Detroit” is one in which the working class is made to suffer brutal cuts in jobs, wages and benefits as part of a restructuring of the city for the benefit of the Wall Street banks and the rich.

When he was installed as emergency manager a year ago, Orr had one basic task: to throw the city into bankruptcy and use the federal courts to override the state constitution and other legal obstacles to the looting of city worker pensions and other public assets. As early as 2010, Orr’s former law firm, Jones Day, was crafting a plan for municipal governments to use Chapter 9 to go after the pensions of millions of public workers across the country.

There is overwhelming popular opposition to the Greek-style austerity plan being implemented in Detroit. Yet within the political establishment—from Michigan Governor Rick Snyder, to the Obama administration, to local city officials—there is universal agreement that the working class must pay for a crisis it did not create. Significantly, Obama rejected any federal bailout for Detroit and backed the bankruptcy in the courts.

It is precisely because there is such a chasm between the interests of the vast majority and the demands of the corporate elite, that Orr’s task could not be accomplished through democratic means. Instead, the corporations and big business politicians have been engaged in a political conspiracy, carried out behind the backs of the population, to impose their dictates.

What are the main components of Orr’s restructuring plan? They include:

- Slashing the pensions of 23,500 retired city workers by as much as one-third, and eliminating all cost-of-living adjustments. This means that thousands more retirees and their families—whose meager pension checks barely allow them to keep their heads above water—will be thrown into instant poverty.

Public Meeting

The Unfinished Twentieth Century: The Philosophy and Politics of Historical Falsification

Speaker: David North, chairman of the WSWS
editorial board

Tuesday, April 1, 7:00 p.m.

University of Michigan, Ann Arbor

Michigan League

Koessler Room (3rd Floor)

UM IYSSE Weekly Meeting

Wednesday, March 26, 6-8 p.m.

Mason Hall, Room 3359

- Eliminating the city's retiree health care program and reducing city expenditures by 85 percent. All retirees over 65 are being dumped into Medicare. Those under 65 will receive paltry subsidies and be pushed into Obama's new health care exchanges, where they will be forced to pay impossible fees for inadequate coverage.
- Transferring the world-renowned Detroit Institute of Arts to the control of private, wealthy foundations, ending the museum's century-long ownership by the people of Detroit.
- Privatizing trash collection, public lighting and other city services. The Detroit Water and Sewerage Department—one of the largest publicly owned water systems in the US—is threatened with being taken over by private equity firms. In order to make it a more lucrative investment, Orr plans to lay off 700 DWSD workers and begin sending shutoff notices to 1,500 to 3,000 homes a week for payment failures.
- Forcing hundreds of low-income retirees out of their homes to make way for a newly gentrified district that includes state-subsidized stadiums and upscale housing and retail districts for billionaire investors like Mike Ilitch and Dan Gilbert.

Wall Street and the political establishment are using the Motor City as a model for destroying all the social rights of the working class throughout the United States, and indeed internationally.

This is why Orr—an unelected official installed using an emergency manager law that was overwhelmingly rejected by the population of Michigan—is being put on the lecture circuit and touted as an expert on “urban governance.” This only means that the ruling class is contemplating using similar dictatorial methods in city after city across the country.

Just yesterday, Orr and Snyder participated in a panel discussion at the right-wing Manhattan

Institute on “Detroit, the Next American City for Opportunity.” By “opportunity,” they mean the destruction of wages and benefits of working people and the fire sale of public assets in order to channel more wealth into the hands of the super-rich.

Detroit is a symbol of the decline and decay of American capitalism. Over the last half-century, over 90 percent of the city's manufacturing jobs have been lost as the ruling class shifted its focus from industrial production to the most parasitic forms of financial speculation. Now the same financial institutions, after being bailed out with trillions of dollars, want to grab the money owed to workers in the form of pensions and access to culture and health care.

For young people, including students at the University of Michigan, Orr represents all that must be opposed and rejected. The destruction of Detroit is part of a ruling class policy that holds out nothing for the vast majority of the population but low-wage jobs, soaring tuition, perpetual debt, poverty and war. The dictatorial means through which these attacks are being imposed in Detroit, which go hand-in-hand with NSA spying, are indicative of the types of methods the ruling class will utilize to enforce its regressive and deeply unpopular policies.

There is an alternative. On February 15 the Socialist Equality Party held the Workers Inquiry into the Bankruptcy of Detroit and the Attack on the DIA & Pensions to expose the social, economic and political forces behind the bankruptcy. The conception behind the inquiry was that the working class needs the truth in order to organize opposition to these attacks.

The future for young people lies in the construction of an independent movement of the working class in opposition to the corporate and financial elite and the social system that it defends. This is the program advanced by the International Youth and Students for Social Equality.

Sponsored by the International Youth & Students for Social Equality
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