

In state of city address

Bing demands smaller, more exploited Detroit

Tom Eley
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In his annual state of the city address, Detroit Mayor Dave Bing reiterated his demand for the shutdown of neighborhoods and appealed for private investment through cuts to city services and ramped up exploitation of workers. The central thrust of Bing's plan is to shut down vast areas of the city, driving out the residents by ending city services. This "reclaimed" land will be made available to developers.

"The harsh reality is that some areas are no longer viable neighborhoods," the mayor said on Tuesday. "But instead of looking at our land as a liability, we need to begin to think creatively about how it can be a resource as we rebuild our city."

Listening to Bing's speech one would never know that Detroit—which once boasted the highest living standard of any major US city—is suffering a social catastrophe without historical precedent.

Official unemployment is at 30 percent and the real unemployment rate has been estimated to be 50 percent, similar to the worst levels of joblessness in large cities during the Great Depression. Tens of thousands of households live without gas, water, and electricity because of utility shutoffs. The most rudimentary services associated with urban living have been sharply curtailed, including medical care, public education, transportation, libraries, street maintenance, fire protection, and sanitation.

In a city of 900,000 there are no longer any national grocery store chains. Forty percent of pregnant women receive no prenatal care.

In 2007—that is, *before* the present economic crisis hit—about 34 percent of the population and nearly 50 percent of children, lived below the official US poverty

line. Eighteen percent lived below *half* the official poverty threshold, and about a third survived on food stamps. One could ask: What share of Detroit's people would now fall in these categories? Two-thirds? Three-quarters?

This real "state of the city" is comparable to the worst levels of social misery in the third world. Bing and his accomplices are aware of this reality, but they view it as a money-making opportunity. They want to use the decline in Detroit's population, which fell by 200,000 from 1990 to 2007, for their own ends. "We have an opportunity to reinvent Detroit like never before," Bing declared in his speech.

It was expected that Bing, a multi-millionaire businessman, would discuss his shutdown and resettlement plans in greater depth during his speech. These measures are being coordinated with Detroit Public Schools CEO Robert Bobb's closure of dozens of schools. According to Mlive.com, Bing's reticence to reveal details has to do with mounting opposition to the plans.

In a Wednesday morning interview, Bing outlined a program of forced relocation. "In the end, it is my decision to take the plan forward, and I know it is not going to be easy," Bing said. "There are people that are going to have to be displaced and there will be people who are angry. I understand that, but I've got to do what I have to do and what's best for the City of Detroit, not just specific individuals."

Bing's shutdown plans are backed by the Obama administration, which has allocated \$20 million to Detroit through its "Neighborhood Stabilization" fund.

In his 10 months in office Bing has also cut hundreds of jobs and reduced the pay and benefits of most city workers by 10 percent. He used his state of the city address as a bully pulpit against workers who have resisted these actions.

Bing praised trade unions in his speech, noting that “all across the state, unions in the private and public sector are recognizing that times have changed and making tough but necessary concessions. That includes the 27 unions in the City of Detroit.” This is, in fact, an accurate portrayal of the unions in the current crisis.

“Unfortunately, one union continues to fight, delay and undermine our efforts to move Detroit forward,” Bing continued, referring to workers in the AFSCME union. “Their refusal to recognize the fiscal realities we face costs the city half a million dollars every month; that’s half a million of your tax dollars and half a million less for your city services.”

AFSCME heads hope to work out a deal with Bing that will ensure their own positions and perks while defusing overwhelming hatred of Bing and his cuts among city workers. Appealing directly to union bureaucrats, Bing said “Now is the time to end the gamesmanship and begin the real discussion about the future of our city.” AFSCME official Ed McNeil reciprocated, telling a reporter “we’re here to work with the city and we want the city to work with us.”

About 120 city workers and their supporters protested Bing’s speech, carrying signs that read “Stop Bing’s Assault on Detroit,” and chanting “Bail out the People, Not the Banks.” If city workers belonging to AFSCME take a 10 percent pay cut, they will earn less than \$30,000 per year and many will qualify for welfare, according to a leaflet distributed at the protest.

Earlier in the day, a larger protest was held by Detroit school teachers against Bobb’s plans for shutting down more than 40 schools in the next year.

Behind the pay cuts and shutdown of schools, services, and whole neighborhoods is Wall Street, as Bing candidly noted in his speech.

“We worked with our City Council and the state to go to Wall Street with a deal that will bring an infusion of \$250 million to begin reducing our deficit immediately and provide us time to realize savings from all of the changes we’re making,” Bing said.

Bing was referring to the increasing likelihood that the city will be able to sell new bond debt to investors. This was predicated on Michigan lawmakers lifting the city’s debt ceiling, and more importantly, on the major Wall Street ratings agencies and investment firms’ belief that Bing’s ruthless cost-cutting measures will provide a good return on investment.



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