

The depopulation of Detroit

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The revelation by the US Census that Detroit's population declined by 25 percent in just ten years, from 2000 to 2010, is a stark expression of the crisis and decay of American capitalism.

There is no parallel in American history for such a decline outside of the destruction of New Orleans caused by Hurricane Katrina in 2005. Berlin's population fell by a similar proportion, 27 percent, between the start of World War II in 1939 and 1946, after years of intense Allied bombing. The Great Plague of 1665-1666 is said to have wiped out 20 percent of London's population.

Yet one quarter of Detroit's population left—a rate of one person every 22 minutes—not because of a natural disaster, aerial bombardment or plague. These people were driven from their city by the class-war policies of the American financial aristocracy: the wholesale liquidation of industry to redirect money into financial speculation and the rollback of basic social services such as public education, health care, housing, fire protection and the maintenance of infrastructure.

As a result, Detroit is the poorest city in America, with a real unemployment rate of about 50 percent.

What has been done to Detroit is a concentrated expression of a broader process. Other industrial cities in the Midwest and Northeast continue to decline sharply—Cleveland's population fell by over 17 percent between 2000 and 2010. Cleveland, Chicago, Cincinnati, Detroit, Toledo, Pittsburgh, Milwaukee, St. Louis and Buffalo—formerly the arc of American industrial might—have fallen in population to levels not seen in many decades.

The transformation of the United States from the world's industrial colossus into a second-rate industrial power was a protracted process, spanning many decades. It is a profound expression of the decline of American capitalism. At the same time, the gutting of manufacturing was a critical component of the conscious class policy pursued by the American ruling elite.

In 1979, after a decade in which American industrial corporations suffered a decline in their control of markets both internationally and within the US, and American workers struck in large numbers to maintain their wage

levels, President Jimmy Carter's appointee to head the Federal Reserve Board, Paul Volker, raised interest rates past 20 percent.

This was a deliberate move to rein in inflation by driving up unemployment and using mass joblessness to break the militant resistance of the working class. This “shock therapy” resulted in a wave of plant closures and layoffs in steel, rubber, coal mining, auto and other industries.

It set the stage for the election of Ronald Reagan, who intensified the turn of the ruling class from the post-war policy of relative class-compromise to one of class war, signaled by his firing of the PATCO air traffic controllers in 1981.

This shift both grew out of and accelerated the turn by the American bourgeoisie to financial speculation, laying the basis for the series of financial bubbles and busts that have characterized the economy ever since. The outlook was forthrightly stated by one hedge fund manager, Raymond Dalio, who in 2004 declared “the money that's made from manufacturing stuff is a pittance in comparison to the amount of money made from shuffling money around.”

Indeed, the destruction of industry and impoverishment of the working class is the corollary to the dizzying enrichment of this layer of financial parasites.

Detroit has been targeted with special vengeance because of the militant history of its working class. In 1936 and 1937, three years after the general strikes in Minneapolis, San Francisco and Toledo, auto workers in Detroit and Flint engaged in the great sit-down strikes, fighting off what were then the most powerful corporations in the world, chasing the rotten craft unions out of the plants, and establishing industrial unionism. This elevated working class living standards in Detroit, Pontiac and Flint to some of the highest in the world, and workers all across the country sought to emulate the achievements of the Michigan workers.

The American ruling class never reconciled itself to this state of affairs, and immediately sought out ways to scale back the social power of Detroit workers. In 1947, there were 3,272 manufacturing firms employing 338,400 workers in Detroit. By 1972, this had been reduced to 1,518 manufacturers employing 180,400 workers, and by 2008

there were but 30,000 Detroit residents who worked in manufacturing.

Total employment in Detroit declined by 440,000 between 1970 and 2009, and by 50,000 between 2000 and 2009. Detroit has had the highest unemployment rate of the top 50 largest US cities each year since 2000.

This process has been intensified by the Obama administration's reorganization of the auto industry in 2009, which was predicated on slashing auto workers' wages in half, shutting plants, eliminating work rules, and tearing up the contractually-obligated benefits of retirees—tens of thousands of whom still reside in Detroit.

Just as the auto workers led the American working class on its way up from the 1930s through the 1960s, so now they would be forced to lead on the way down. Since 2009, the Obama administration and both big business parties have extended their attack on private-sector workers to teachers and government workers, as the recent anti-worker bills advanced in Wisconsin, Ohio, Indiana and Michigan make clear.

How has this happened and who is responsible? After World War II, the United Auto Workers union (UAW), then as now headquartered in Detroit, concluded a pact with the major auto makers. In return for foreclosing on any challenge to capitalism—which required witch-hunting and purging the socialist and radical workers who had led the sit-down strikes—the UAW would be recognized as part of the institutional framework of the industry. Every industrial union in the US followed suit.

“The Treaty of Detroit,” as it was called, set the stage for the transfer of production out of Detroit, beginning in the 1950s, to midsized cities and small towns throughout the Midwest. From the 1970s, militant locals in Detroit were specifically targeted for plant closures.

In the 1980s, beginning with the Chrysler bailout, the UAW helped impose one round of wage cuts and concessions after another, while it worked to suppress the resistance of the rank-and-file to plant closures and give-backs. It adopted the program of corporatist union-management partnership, becoming an auxiliary arm of corporate management.

The Obama bailout of GM and Chrysler was the culmination of this process. The UAW gained major ownership stakes in the companies, completing its transformation into a business operation headed by wealthy executives whose fat paychecks depend on increasing the exploitation of the workers they purport to represent.

The political lynchpin of the unions' betrayals was and remains the subordination of the working class to the Democratic Party. One constant throughout the American unions' modern history has been opposition to the

development of a politically independent movement of the working class.

This was buttressed in Detroit by the promotion of a layer of black politicians, beginning with the election of Coleman Young as mayor in 1973. It was argued that, based on Young's skin color, he would better serve the interests of the increasingly African-American population.

Instead, the promotion of a new black elite through racial politics and affirmative action programs has brought into being a social layer that enriches itself precisely through the extreme exploitation of Detroit's people. This process has found its culmination in Mayor David Bing, who brazenly calls for shutting down whole neighborhoods by choking off the few remaining social services.

Detroit, the birthplace of modern mass production, has over the past century generated unfathomable wealth. But this has been looted by a tiny minority of the population. Today, with 700,000 people struggling to survive in Detroit, 400 Americans by themselves control upwards of \$1.37 trillion, according to *Forbes*.

This wealth can and must be taken back and used to launch a massive rebuilding campaign in Detroit and in cities and towns across the US. But this can be achieved only on the basis of a new political perspective—the fight for a revolutionary socialist program in opposition to the two-party system and the financial aristocracy which both parties of big business defend.

New organizations of struggle, independent of the unions and guided by this political perspective, must be established. The Socialist Equality Party encourages the broadest possible discussion among workers looking for a means to fight back, beginning with our conferences on “The Fight for Socialism Today” being held next month in Ann Arbor (April 9-10), Los Angeles (April 16) and New York (April 30). We warmly encourage *World Socialist Web Site* readers to make plans to attend.

For information or to register for the conferences, click here.

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