

For a struggle against the bankers' dictatorship in Detroit

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14 June 2012

Officials in Detroit and the state of Michigan have been cleared to implement a consent agreement that gives dictatorial power to the banks over the city's finances and expenditures, following the dismissal of a lawsuit challenging the agreement's legality.

The consent agreement, which will be overseen by a panel of corporate heads and investment bankers, allows for the ripping up of union contracts and the destruction of the jobs, living standards and pensions of thousands of city workers. It also paves the way for the slashing of fire protection, bus transportation and other vital services and the selling off of the lighting company and other public assets.

This is a bipartisan attack on workers, involving both the Democratic administration of Mayor David Bing in Detroit and Michigan's Republican governor, Rick Snyder.

What is being done to the workers and poor people of Detroit is no different than what the International Monetary Fund and European banks are doing to the working class of Greece through the imposition of savage austerity measures. In Greece, tens of thousands of public-sector jobs have been wiped out, wages and pensions have been slashed, the retirement age has been sharply increased, and the official jobless rate has shot up to 21 percent and 50 percent for youth.

As Detroit's leading business journal noted, "The only big difference between Detroit and Greece may be the number of zeroes in the debt."

As in Greece, the bankers will brook no obstacles to their dictates. The credit rating agency Fitch cited the largely symbolic lawsuit against the consent agreement to downgrade Detroit's debt rating further to junk status.

A *Detroit Free Press* columnist denounced the lawsuit as "suicidal defiance," while Michigan officials

backed up their demand for the legal challenge to be dropped with a threat to cancel a revenue sharing payment to the city, resulting in payless paydays for Detroit's 10,000 public workers.

The situation in Detroit gives the lie to Obama's claims about a "strong, robust recovery." Detroit shows what the capitalist system and whichever big business candidate wins the presidential election have in store for the entire working class. Both Obama and Romney plan to implement trillions in budget cuts in order to force the working class to pay for the crisis of American and world capitalism.

The conditions in Detroit are an indictment of the profit system. Once an industrial powerhouse with some of the highest living standards for workers in the country, Detroit is today the poorest big city in America, its neighborhoods scarred by tens of thousands of vacant homes and businesses.

After decades of deindustrialization, which coincided with the rise of the most reckless forms of financial speculation, the city has become something of a Mecca for photographers and artists who depict urban decay. They comb through its abandoned factories and neighborhoods like archeologists examining a lost civilization.

City and state officials have no solution to the crisis. Responding to the demands of wealthy bondholders who collect tax-free interest on the city's debt, Mayor David Bing, a multi-millionaire former auto executive, has outlined a plan to downsize the city. This includes canceling services, including aid to senior citizens, in order to drive residents out of neighborhoods deemed too under-populated or poor for profitable investment.

The big business politicians and media pundits claim there is simply no money to pay for pensions, decent wages and city services. This is a lie.

After slashing tens of thousands of jobs over the last few years and cutting the wages of new-hires in half, the Detroit auto companies are making record profits. GM, Ford and Chrysler are reportedly sitting on a cash hoard of over \$60 billion—more than 200 times the city’s operating deficit.

The Obama administration has pointed to the restructuring of the auto industry as the model for reviving American manufacturing. Young workers are paid half the wages of older workers and cannot even afford to buy the vehicles they are producing. Wages have been driven so low that some manufacturers are relocating their operations from China, Mexico and other low-wage countries to Detroit and other impoverished cities.

There are rich and powerful traditions of class struggle and socialism in the working class of Detroit. The unions built by earlier generations, including the United Auto Workers, long ago betrayed those traditions and became junior partners in the exploitation of the working class. Far from opposing the attack on city workers, unions like AFSCME have repeatedly offered their services in cutting jobs, wages and working conditions.

The protests of the unions and a section of the Democratic Party against the state takeover of Detroit never had anything to do with opposition to austerity and attacks on city workers. Rather, they sought to divert and dissipate popular opposition by channeling it into the reactionary dead end of racial politics.

As the Socialist Equality Party’s candidate for US president, I reject the demands of the banks for the impoverishment of workers in Detroit and around the country. The alternative to the capitalist dictatorship is socialism. I call for the nationalization of the banks and major corporations under public ownership and the democratic control of the working class, and the reorganization of the economy on the basis of human need, not private profit.

Rather than downsizing the city, I call for a multi-billion-dollar public works program to expand social services and hire tens of thousands of unemployed workers—at good wages—to build new housing, schools, clinics and recreation centers and create the social infrastructure necessary to guarantee a high quality life to all of the city’s residents.



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