

Michigan governor moves to appoint emergency manager in Detroit

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At a Friday “town hall” event in Detroit, Michigan, Republican Governor Rick Snyder declared a financial emergency in the city. The announcement paves the way for the governor to appoint an emergency manager, armed with draconian powers, to take control of the city’s finances.

The declaration by the governor follows the finding by a six-member review team, headed by Democratic State Treasurer Andy Dillon, that a financial emergency exists in the Detroit. The city of Detroit now has a 10-day window in which to appeal the governor’s decision. Snyder indicated he would wait until the end of the appeal period before announcing his choice for emergency manager.

Under provisions of a new state law set to take effect later this month, emergency managers are armed with the power to void union contracts, cut services, sell city assets and privatize city functions. The new law replaces the previous emergency manager legislation, Public Act 4, which was repealed by Michigan voters in a popular referendum last November.

Detroit reportedly faces a cash shortfall of \$100 million by June and has some \$14 billion in long-term debt, although these figures are disputed. If Snyder appoints an emergency manager, as appears all but certain, Detroit would be the largest city in the US placed in state receivership.

For decades, working people in Detroit have been subjected to an unrelenting assault on jobs and social services. The attacks have escalated in the recent years, with basic city services like bus transportation and fire protection gutted and city workers subjected to round after round of pay cuts and layoffs.

The brief “town hall” event, held on the campus of Wayne State University before a carefully vetted audience, was an exercise in cynicism and deceit.

Snyder, the multimillionaire venture capitalist, dripped with pious hypocrisy as he professed his concern for the people of the city. In fact, the interests Snyder speaks for are the bankers and wealthy holders of tax-free Detroit bonds, who are determined to squeeze every last drop of blood out of working people through massive new cuts.

Bankruptcy is being openly discussed as an option. This would open the way to attacks on retiree health benefits and pensions, which the financial elite considers an intolerable waste of resources.

In his opening remarks, Snyder briefly outlined the decline of Detroit, which was once one of the most prosperous cities in the United States, to its present decrepit state. However, he insisted that no assessment should be made of the reasons for this staggering transformation. We must not quarrel or try to assign “blame,” the governor declared.

What has taken place in Detroit is a massive social crime for which the big banks and corporations, and the politicians of both parties, are responsible. After reaping enormous profits off the labor of auto workers, the Big Three carmakers abandoned the city, closing scores of factories and leaving wide areas of the city in ruin and destitution. Plants in the Detroit area, such as the Dodge Main facility in Hamtramck, were deliberately targeted for closure because of their reputation for militancy. The depopulation of Detroit has been used to justify further cuts, in which schools, fire stations, parks and libraries—requirements of modern civilized life—have been gutted.

In the question period following the governor’s remarks, no one in the audience challenged the essential premise that working people had to pay for the financial crisis facing the city. Those in attendance, for the most part well-heeled preachers and businessman,

were interested in finding out not what would happen to the working people of Detroit under an emergency manager, but if they would be included in the process. As one questioner put it, “Are you going to give local consultants and business interests input?”

Local Democratic Party officials, despite previous posturing, have indicated that they will advance no serious opposition to the appointment of an emergency manager. Democratic Mayor Dave Bing declared in response to reports of Snyder’s decision, “I think there is a way for us to work together.” Former city Councilwoman Sheila Cockrel indicated her agreement with the call for drastic cuts, saying, “It’s a can that’s been kicked down the road for decades, and there’s no more can and there’s no more road.”

To the extent that forces in the City Council, along with trade union executives and groups around the Democratic Party, have criticized emergency manager plans, it is from the standpoint of maintaining their own role and positions in the corporate-driven attack on the working class.

The establishment press did not ask a single probing question about the plans by the governor to establish the equivalent of financial martial law in the city.

At a press briefing following the “town hall,” a reporter for the *World Socialist Web Site* asked Snyder how he could justify a state takeover of Detroit when the new emergency manager law was enacted by a lame duck session of the state legislature after Michigan voters repealed the previous emergency manager law in a referendum.

Snyder dodged the question. He claimed that the new law was not identical to the one previously repealed, pointing to a provision that allows the city to terminate the emergency manager after 18 months by a vote of the City Council.

In fact, the entire concept of an emergency manager is in flagrant violation of basic democratic principles. The working people of Detroit will have no input as an unelected financial czar decides the fate of jobs, pensions and city services.



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