

# Democratic backers of austerity pose as opponents of emergency manager in Detroit

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Various sections of the Democratic Party, including the NAACP, supporters of Jesse Jackson's Rainbow PUSH Coalition and Al Sharpton's National Action Network, held a press conference on Monday to announce their opposition to the appointment of an emergency manager in Detroit.

Last week Michigan's multi-millionaire Republican governor, Rick Snyder, declared Detroit to be in a state of financial emergency. Snyder is expected to name his choice for an emergency manager next week at the conclusion of a 10-day appeal process.

Michigan's emergency manager law is deeply reactionary and undemocratic. It gives unfettered power to an unelected financial dictator who can abrogate contracts, eliminate jobs and supplant the decisions of elected officials including the mayor and City Council. One of the immediate targets of an emergency manager will be an attack on "legacy costs," that is, the pensions and health benefits of retired city workers.

That being said, the opposition being voiced by a layer of union officials, preachers and local politicians is entirely self-serving and hostile to the working class. The various spokespersons who claim they are opposed to the appointment of an emergency manager are working with Democratic Party officeholders who have carried out massive attacks on workers in the city. The primary concern of this layer is that with the appointment of an emergency manager, they will lose access to the city contracts, expense accounts, appointments and other perks and privileges they presently enjoy.

There is also fear that the too naked and heavy-handed implementation of further cuts could trigger a social explosion. This was reflected in a question posed by a reporter from the *Oakland Press* who asked Snyder at a press conference last week if he was concerned about social unrest as a consequence of the appointment of an emergency manager.

One of the goals of the coalition is to channel the widespread popular anger over the cuts behind the campaign of Democratic politicians, who are telling Snyder that no emergency manager is needed because they are quite capable of imposing the savage budget cuts demanded by the banks without "outside" interference.

Speaking at the press conference Democratic Michigan State Rep. Fred Durhal, a candidate for Detroit mayor, said, "The opposition is continuously going on many levels," referring to the group's decision to send a letter to US Attorney General Eric Holder to investigate the crisis in Detroit and to send a letter of appeal to Democratic State Treasurer Andy Dillon.

This is a fraud. Last week, the Obama administration acceded to \$1.2 trillion in cuts with the Republicans over 10 years, cuts that will have a devastating effect on the poorest layers of society. Immediate cuts will affect 600,000 low-income women and children, who will be denied benefits under the federal nutrition program for women, infants and children, known as WIC, the Low Income Heating and Energy Assistance Program (LIHEAP) and the popular Head Start program.

As for the defense of democratic rights, Eric Holder has been the point man in providing pseudo-legal justifications for Obama's drone campaign, asserting that the president has the right to secretly order the assassination of Americans as a part of the "war on terror."

For his part, State Treasurer Dillon, a former hedge fund manager, has repeatedly made clear his support for a state takeover of Detroit. Dillon recently headed a six-member review team that declared Detroit in a financial emergency, opening the way for Snyder to appoint an emergency manager.

Durhal indicated that he and fellow Democrats were willing to work with Snyder's appointment for emergency manager as long as he and fellow Democrats

were not cut out of the process. “I would urge the governor,” continued Durhal, “if he is going to do an EM that they work with individuals in Detroit and legislatures to try to make sure things are fairly done and the assets of Detroit are preserved.”

Detroit City Council President Charles Pugh has attempted to make the case that an emergency manager is not needed because the council itself is prepared to carry out the necessary cuts. Last month, the City Council voted to impose unpaid furlough days on 600 unionized workers. This follows similar cuts on nonunion workers, amounting to one day of lost pay every two weeks. This comes on top of a 10 percent pay cut and cuts to health care benefits for all Detroit City workers. The council has collaborated with Detroit Democratic Mayor David Bing in carrying out the layoff of 25 percent of the city workforce—close to 4,000 workers—resulting in the gutting of essential services like fire protection and public transportation.

It has now emerged that several members of the City Council met individually with both Dillon and Snyder behind closed doors. There is no word on what was discussed, but council members were undoubtedly sounded out as to their price for collaborating with the Snyder administration’s agenda.

On Monday, the United Auto Workers also issued a statement opposing Snyder’s decision to declare Detroit in a financial emergency, offering its role in the forced bankruptcy and restructuring of Chrysler and General Motors in 2009 as a model.

“We are all deeply concerned about the financial problems facing our great city,” read the statement. “Real leadership in a democracy is bringing parties together and crafting creative solutions as government, business and labor did in the auto industry crisis. This is difficult, tedious work. It is certainly easier to just dictate, but that is not the right way in a democratic society.”

The UAW, working with the Obama government and the auto industry, agreed to cut the pay of new-hires in half and slash retiree health care. As a consequence the auto industry is now making record profits while workers are barely able to make ends meet. In exchange, the union was ceded control over retiree health care benefits in the so-called VEBA, or voluntary employee beneficiary association. In the process, the UAW received billions of dollars of stock in Chrysler and General Motors.

A similar arrangement is reportedly being considered for the Detroit city worker unions as a means of gutting retiree health care.

As with every development in Detroit, the poison of racial politics is invariably injected into the discussion as a means of dividing the working class. “This is a civil rights issue and a voting rights issue,” said Reverend Charles William II, President of the Michigan Chapter of the National Action Network. “All of the advancements that were made by Dr Martin Luther King Jr and activists ... would be overturned.”

In essence, this is a battle over the division of spoils as different sections of the corporate and political establishment vie over potential profits from the carve-up of public services and assets. The thoroughly corrupt layer of black politicians, entrepreneurs and “civil rights” leaders—epitomized by the multi-millionaires Jesse Jackson and Al Sharpton—have long promoted racial politics to gain contracts, positions on corporate boards and other perks, while overseeing the impoverishment of masses of workers, both black and white.

The issue facing workers in Detroit is not race, but class. What is being done in Detroit is a criminal venture—aimed at looting whatever resources can be found in pensions, public school funding and other services, in order to enrich the banks and the billionaire holders of tax free municipal bonds. Detroit is being used as a testing ground for policies that will be implemented across the United States.

Resistance to this attack is only possible on the basis of developing the independent initiative of the working class and building a powerful movement against the Democratic Party and the bankrupt capitalist system it defends.



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