

# Emergency Financial Manager takes over Detroit

Bryan Dyne  
26 March 2013

Kevyn Orr began the first day of his eighteen-month tenure as the state-appointed Emergency Financial Manager (EFM) of Detroit Monday, three days before the new emergency manager law goes into effect. Detroit is now the largest US city to be under the control of an unelected official with sweeping powers to gut public services and the wages and pensions of city workers.

Orr was approved by the Emergency Loan Board, a division of the state treasury department headed by Democrat Andy Dillon on March 14. The Washington, DC attorney was awarded a salary of \$275,000 for his time in the city.

Orr's primary task is to oversee a sweeping assault on the working class. Under the guise of balancing Detroit's \$347 million deficit and paying off some of its \$14 billion in long-term liabilities, he is authorized to cut schools, parks, recreation centers, city services, even to sell off assets of the Detroit Institute of Art, all in the name of "revitalizing" Detroit.

The appointment is being portrayed as a necessary measure to reverse the decaying infrastructure of Detroit. This was the same argument used in 2009, when Orr was brought in during the Chrysler bankruptcy by the Obama administration, which ended in the elimination of thousands of jobs and resulted in several plant closures. The outcome for Detroit will be the same as Chrysler: a full scale assault on what remains of the living conditions of Detroit in order to boost the fortunes of the bondholders who hold the city's debt.

Orr signaled that he is more than willing to work alongside local politicians, particularly the Detroit City Council, to achieve his goals. At a press conference with Mayor Bing Monday morning, Orr said, "I want to offer a sincere olive branch (to the Council) and an

opportunity for us to work together."

He continued, "There is a role for City Council. They are elected officials, and I am not. They certainly have their ear to the rail and the pulse of community."

Afterward, Orr conducted multiple meetings during the course of the day with individual council members, including James Tate, Gary Brown and President Charles Pugh. All expressed a willingness to work with the new emergency manager in implementing cuts against city workers and services.

Pugh prepared a three-page document for Orr, detailing what the council could do under an emergency manager. He focused on letting Orr deal with the finances of the city while letting City Council handle the legislative side, such as contract agreements and changing ordinances. This is aimed at maintaining the lucrative benefits of selecting contractors and dispensing public money—a process that landed the city's previous mayor and several City Council members and their top aides in jail.

"His skill set is of debt restructuring and bankruptcy (and) that's not the council or the mayor's skill set," Pugh said. "He should focus on that lane and let us stay in the lane of daily operations and future planning of the city."

There was also a small protest against the EFM organized by the National Action Network and the Rainbow/Push Coalition of Detroit held at the Spirit of Detroit statue, just outside Orr's office in the Coleman A. Young Municipal Building. No speaker mentioned the social crisis that is facing Detroit. Rather, they presented the appointment of Orr as a race question, saying his aim was the disenfranchisement African Americans.

The main speaker was Rev. David Bullock, who noted that more than 50 percent of African American

elected officials in Michigan were now in cities under the control of an emergency manager. He stressed that the issue was not about Orr—who is a long-time Democratic operative with close ties to the Obama administration, but about Republican governor Snyder. “Orr is Snyder’s representative,” he declared.

Bullock called Orr’s appointment “an agenda by conservative forces.” This ignores the fact that Orr’s appointment was done with the blessing of Michigan’s treasurer Andy Dillon, a Democrat, and that the EFM law was first introduced by long-time Democratic governor James Blanchard in the 1980s.

Rev. Ed Rowe of the Central United Methodist Church in Detroit summed up the perspective of racial politics when he said that the issue was “white racism.” This serves two purposes. The first is to conceal the fact that Orr is a tool of the banks and big business who defends the same capitalist system as the black political establishment in Detroit. Second, it is aimed at tying African American workers in the city behind this corrupt establishment and blocking a unified struggle by workers of all races and nationalities against the attack on jobs, pensions and social programs.

Genuine opposition to an emergency financial manager will not come out of an appeal to race but only in a struggle against such retrograde politics. What is required is the mobilization of the working class independently of the Democrats and the unions and pseudo-left groups that defend them and on the basis of its own class interests. Securing the right to jobs, decent wages, education, health care and retirement requires the building of a powerful political movement of the working class to break the dictatorial grip of the financial aristocracy and reorganize society to meet human need, not profit.



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**