

# White House officials visit Detroit to support “restructuring” plans

Shannon Jones  
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Top figures in the Obama administration travelled to Detroit Friday for a meeting with state and local officials, presenting proposals for token federal aid to the city, which is in the midst of the largest city bankruptcy filing in US history.

The White House delegation included several cabinet secretaries—Attorney General Eric Holder; Shaun Donovan, secretary of housing and urban development; and Anthony Foxx, secretary of transportation. Gene Sperling, Obama’s chief economic advisor, led the team. The meeting followed a series of discussions between the White House and corporate and trade union leaders over the Detroit bankruptcy, which is being used as a precedent for an assault on working people across the United States.

The intervention by the White House comes as the city’s unelected emergency manager prepares to implement savage cuts directed against workers and retirees, along with the selling off of city assets, including masterpieces from the Detroit Institute of Arts. It follows the repeated insistence by the Obama administration that there will be no federal bailout of the city.

The money being allocated for Detroit, some \$300 million in all, consists largely of existing federal and private foundation grants, which had already been earmarked for the city in previous years. They are being repackaged by the Obama administration in a public relations move to cover the complicity of the White House in the looting of the city by its Wall Street creditors.

The derisory sums made available will be channeled into projects that are part of the corporate-driven “restricting” of Detroit.

An article published in the September 26 edition of the *New York Times* characterized the efforts of the

Obama administration as “the fiscal equivalent of looking under sofa cushions for spare change.”

None of the funds will go to safeguard the pensions of city workers, which Emergency Manager Kevyn Orr is proposing to slash. Nor is money being allocated to protect the health benefits of retirees, who face being forced onto Medicare or dumped into the health care exchanges being set up under Obama’s Affordable Health Care Act.

Indeed, the day before White House officials arrived in Detroit Orr announced that he wants to freeze the city’s pension system for public workers. The freeze would close the city’s defined pensions benefit plan to new members as of December 31. It would also terminate cost of living adjustments for current retirees and shift current workers into new defined contribution plans.

Belying claims of “openness” by the Obama administration, the meeting was held at Wayne State University under conditions of secrecy, with police and FBI keeping the press and public away. The invited guests included businessmen, union leaders and city and state officials, including Michigan Governor Rick Snyder, Detroit Mayor David Bing and Orr.

At a press conference following the meeting, White House officials barred reporters from the WSWS, allowing in only pre-selected members of the establishment media.

Orr announced at the press conference the appointment of Detroit billionaire Dan Gilbert to an advisory panel on blight elimination. Roy Roberts, the former emergency manager for the Detroit Public Schools, was appointed to a task force overseeing the use of vacant land in the city.

Gilbert, the founder of Quicken Loans, is involved in buying up properties on the cheap throughout the

downtown area. He hopes to capitalize on the creation of an entertainment district for the wealthy, partially subsidized with millions in public money. The project has involved the eviction of tenants from low rent buildings to make way for upscale apartments.

Roberts for his part oversaw the dismantling of public education in Detroit, slashing the budget, laying off teachers, closing scores of schools and promoting the spread of for-profit charters.

One of those present at the summit was Randi Weingarten, president of the American Federation of Teachers. In remarks to the WSWS, Weingarten defended the Obama administration, which has overseen a huge attack on public education, overseeing the elimination of the jobs of hundreds of thousands of teachers and promoting the spread of charter schools.

Referring to the visit of White House officials to Detroit, Weingarten said, “You have to give the administration a great amount of credit that we went to them and pushed our issues, and they have come here in force to do what they think they can do as a first step.”

The unions are collaborating closely with the Obama administration, which is using Detroit as a test case for using the bankruptcy courts to rob public sector workers of their pensions and health benefits. The attempt by union executives such as Weingarten to dress up the cosmetic measures advanced by the White House in relation to Detroit as significant initiatives shows the complicity of the unions in the assault being carried out on working people in the city.

In exchange for their collaboration, well-heeled executives like Weingarten hope to retain the continued flow of dues income into their union treasuries to maintain their lavish salaries and expense accounts.

*The Socialist Equality Party and International Youth and Students for Social Equality are organizing a demonstration on October 4 to oppose the selloff of the art at the Detroit Institute of Arts and the attack on Detroit workers. To learn more, visit [defendthedia.org](http://defendthedia.org)*



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