

# CBS “60 Minutes” report on Detroit: An apologia for Wall Street looting

Shannon Jones  
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The CBS “60 Minutes” report on the Detroit bankruptcy that aired Sunday night presented no serious examination of the roots of the crisis in Detroit, which in July became the largest American city ever to file for Chapter 9 bankruptcy. Instead the report was chiefly a paean to individuals playing a leading role in the looting of Detroit.

The decades-long decline of the Motor City parallels the fall of the US in the world economy, the decimation of its manufacturing base and the ever-greater reliance of American capitalism on financial parasitism. Moreover, the transformation of Detroit into the poorest big city in America is inseparable from the collapse of what was once called the American labor movement and the conversion of the unions into open instruments of the corporations and the state.

But the words “deindustrialization” and “factory closings” never appear in the CBS report about a city which has lost 90 percent of its manufacturing jobs over the last half century. Nor are the words “United Auto Workers” or “unions” ever mentioned.

While it acknowledges the social devastation in Detroit—CBS interviews firefighters and city residents, and at one point the narrator remarks that the city “looks like Dresden after the allied bombing” in World War II—the report implies that the crisis is a product of overly generous pensions and benefits for Detroit city workers.

It begins, “Few cities have provided more to more Americans than Detroit. When it filed for bankruptcy in July it admitted defeat.” It goes on then to cite, among other factors, “corruption, spending sprees and borrowing binges” as the essential cause.

Meanwhile, CBS presents financial speculators, such as billionaire Quicken Loans founder Dan Gilbert, who is interviewed at length, as one of the saviors of

Detroit. Gilbert, who is now the second largest landowner in the city behind General Motors, has been buying up properties on the cheap in the hopes of making a killing with the development of a downtown entertainment district for the wealthy, partially subsidized with taxpayer money.

In the process Gilbert and Little Caesars Pizza and sports-franchise owner Mike Ilitch are removing low-income downtown residents from their rent-subsidized apartments. A number of residential properties, including several Section 8 residential buildings in the downtown area, are being bought up by companies associated with Gilbert and Ilitch and the tenants evicted. “60 Minutes” reporter Bob Simon notes that Gilbert got his buildings “at what he calls a skyscraper sale.” Asked what he paid for them, Gilbert laughingly replies, “Not a lot. You know, we paid for a lot of these office buildings less than what you would pay for one year’s rent per foot in New York City.”

Asked whether he was doing “what’s good for Detroit or what’s good for him,” Gilbert replies, “I know that sometimes there’s Hollywood movies that, you know, describe every investor and profit-making capitalist as somebody very greedy. But in our case, I think it’s doing well by doing good. And I think that fits very nicely together.”

CBS goes on to portray Kevyn Orr, the unelected financial dictator appointed by Michigan Republican Governor Rick Snyder to run Detroit, as a dedicated public servant, struggling to maintain and improve services for the city’s residents. In fact Orr—a former bankruptcy attorney for Chrysler—has been brought in for one purpose: to ensure repayment of the city’s wealthy creditors by imposing drastic cuts on city workers and retirees, the sale of public assets and the wholesale slashing and privatization of city services.

Orr is proposing to eliminate health care for retired Detroit city workers and to pay just pennies on the dollar to cover pension liabilities. He is moving ahead with plans to privatize most services, including the water department, garbage collection and bus transportation, and to sell off artworks from the Detroit Institute of Arts.

At one point the CBS interviewer Bob Simon asks Orr, “What do you tell a pensioner, making only \$20,000 a year, that he might make less money?” Dripping with hypocrisy, Orr, who is being paid some \$275,000 annually and has handed over tens of millions of dollars to law firms, consultants and others, replies, “It is unfortunate. I recognize how severe it is... I, by no means, am insensitive to the human cost, but we don’t have a choice.”

The scene then shifts to the Detroit Institute of Arts (DIA). It is reported that Christie’s auction house has been brought in to appraise the worth of the DIA’s artworks, which include masterpieces by van Gogh and Matisse as well as the Detroit Industry Murals by Diego Rivera. Simon asks rhetorically, “What do you sacrifice first, a pension or a painting?” He then asks Orr, “Don’t you think it would be a nice symbolic sign to people in the neighborhoods if you sold off a few very valuable paintings?”

Orr seeks to dodge the question, saying, “You know, New York didn’t have to turn Central Park into condos. A number of different cities when they went through this process—you don’t have to sell off your, you know, grandmother’s china and your wedding silver.”

In fact, Orr’s plans to “monetize” the artistic treasures of the DIA—and extract at least \$500 million from the city’s cultural jewel—are well advanced. Orr recently told the Detroit Economic Club that 35,000 out of the museum’s 66,000-piece collection are “free and clear” for appraisal and possible sale.

CBS’s effort to counterpoise cuts to pensions to the sale of art—a mantra that has been repeated by Orr, the media and the union bureaucracy—is a fraud. In fact, the corporate and financial elite is preparing to destroy both pensions and access to culture along with all the other past achievements won by the working class in generations of struggle.

The CBS report reinforces the lie that the decision to throw the city into bankruptcy was essentially an economic, not political, one. But the Obama

administration, which handed over trillions to bail out the Wall Street banks, has rejected any bailout of Detroit.

Obama’s Justice Department has intervened on behalf of Orr to sanction the use of the bankruptcy court to gut workers’ pensions. Just as it did with the restructuring of the auto industry in 2009—which opened the way for wage cuts throughout private industry—the Obama administration is using Detroit as a model for a nation-wide attack on the living standards of tens of millions of public sector workers.

The CBS piece ends with the note: “The country will be watching the Motor City to see if it can begin moving forward—after 50 years of going in reverse.”

With its glowing presentation of Gilbert and Orr, CBS clearly implies what it means by “going forward.” However, the resistance by the working class to the looting of Detroit by the corporate thieves will indeed reverberate around the country and the world.



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