Detroit bankruptcy forum backs attacks on pensions, DIA art

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The *Detroit News* public policy forum on "restoring democracy" to Detroit held Tuesday evening at Wayne State University highlighted the support of the entire political and media establishment for the pro-corporate restructuring of the city by unelected Emergency Manager Kevyn Orr.

The event included remarks by Democratic Detroit Mayor-elect Mike Duggan followed by a panel discussion hosted by Nolan Finley, editorial page editor of the *Detroit News*. The forum came on the eve of an expected ruling by the federal judge hearing the Detroit bankruptcy case on the eligibility of the city for Chapter 9. If, as expected, the judge rules that Detroit is eligible for bankruptcy, it will open the way for slashing the pensions of retired city workers and the wholesale liquidation of city assets, including the sale of artworks from the Detroit Institute of Arts (DIA).

Testimony at the bankruptcy hearing revealed the criminal conspiracy by Michigan Republican Governor Rick Snyder, Democratic State Treasurer Andy Dillon, Orr and others in collusion with the Jones Day law firm to use Chapter 9 to loot Detroit on behalf of the city's wealthy creditors. The hearing brought out the fact that in pushing for bankruptcy, Snyder and Orr followed a blueprint developed by Jones Day two years ago to use Chapter 9 to override language protecting pensions in the state constitution. The bankruptcy filing in Detroit is being used as a test case for the use of Chapter 9 to gut the pensions of municipal employees across the United States.

The choice by the *News* of Finley to host the forum was particularly significant. The event was ostensibly held to discuss returning democracy to Detroit, which is currently under the thumb of an unelected emergency manager. However, in April 2012 Finley wrote in an editorial that, "Democracy has failed Detroit." He went on to declare that the city would be better off under some form of authoritarian rule, writing, "A short-term dictator could have operated outside a political environment to create a sustainable operating model."

Finley tightly controlled the event, only allowing written, pre-screened questions from the audience. None of the participants referred to the recent revelations at the bankruptcy hearings about the behind-the-scenes conspiracy by state and local officials to use Chapter 9 to attack pensions. In their remarks virtually all agreed the bankruptcy was necessary.

Mayor-elect Duggan, the multimillionaire ex-Wayne County Prosecutor and former CEO of the Detroit Medical Center, spoke first, giving extended remarks on the agenda of his administration. He sought to present himself as a hard-working technocrat, committed to restoring services to blighted neighborhoods. His claim to be concerned about the problems confronting city residents was belied by his insistence that he plans to work closely with Emergency Manager Orr. Indeed, in the months leading up to the Detroit bankruptcy filing in March, Duggan was in constant contact with the chief conspirators behind the Detroit bankruptcy, including State Treasurer Andy Dillon and Snyder's consultant Rich Baird, who donated $2,500 to Duggan's election fund.

Inevitably Duggan touted his tenure at the Detroit Medical Center as an example of his experience in carrying out the turnaround of financially distressed institutions. However, Duggan's main contribution at the DMC was to slash costs so that the nonprofit hospital could be taken over by the for-profit conglomerate Vanguard Health Systems, which recently laid off 200 hospital employees.

The second part of the forum consisted of a panel discussion moderated by Finley. Included on the panel

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were Democratic Detroit City Council President Saunteel Jenkins; Daniel Howes, columnist and associate business editor at the *Detroit News*; and Brandon Jessup of Grow Detroit, a group promoting private entrepreneurship. Also participating was former Detroit City Council member Sheila Cockrel, who has longstanding ties to the political establishment and pseudo-left fraternity in Detroit dating back to the administration of Democratic Mayor Coleman Young, the first black mayor of the city.

All were agreed that working people in the city would have to accept massive and painful cuts in the name of restoring solvency.

Cockrel was the most adamant on the need for cuts. In response to a question about the threat to pensions and the DIA art, Cockrel insisted that both needed to be on the table. “Van has got to go,” she declared, repeating a mocking reference to masterworks at the DIA by Dutch painter Vincent Van Gogh that she claimed to have overheard at a local CVS drug store. Agreeing that DIA masterworks should be sold, she added, “Nothing is sacrosanct.” Later she reiterated her call for cuts to art and pensions remarking that everyone should give up their “ideological positions of the past” and accept “sacrifice.”

In an effort to conceal the class character of these attacks, she suggested that the DIA was an issue of concern mainly for residents of the city’s suburbs rather than Detroiters—an overt appeal to racial divisions, which has long been the stock-in-trade of the corrupt Democratic Party establishment in the city. Since the pensions, wages and services of city residents had to be cut, she said, selling the artwork would represent “equal sacrifice.”

Jenkins, while giving lip service to the plight of pensioners, agreed that, “everything should be on the table.” She attempted to counterpoise cuts to pensions to the sale of DIA artworks, suggesting there was a groundswell of support among pensioners for the sale of DIA masterpieces. The claim that money from the sale of Detroit assets, including DIA art, will go fund pensions is an out-and-out lie. In fact, the money will go to fund payouts to the city’s wealthy creditors.

For his part Howes of the *Detroit News* expressed concern that supporters of the DIA and pensioners could “litigate this thing to kingdom come,” warning in particular that a finding by the bankruptcy court that the state constitution prevented cuts to pensions would “gum up the works.”

The claim by all sides that there is no money for pensions or essential services in Detroit is a fraud. The question of who must pay for the bankruptcy of Detroit is a class question. For all the talk of shared sacrifice and everything being on the table, none of the participants at the forum suggested that Detroit billionaires like Quicken Loans CEO Dan Gilbert or Mike Ilitch, owner of the Little Caesar’s Pizza chain, should be made to give up so much as a dime. Nor did they point to the record profits being earned by the Detroit-based auto manufacturers—$12 billion in 2012 alone—or the $85 billion a month the US Federal Reserve bank is spending to prop up Wall Street.

The Socialist Equality Party and International Youth and Students for Social Equality are convening an independent inquiry into the attack on the DIA and the bankruptcy of Detroit to be held February 15, 2014 at Wayne State University. The purpose of the inquiry is to reveal the truth about the conspiracy to place Detroit into bankruptcy and the social and economic forces behind it. By this process we are fighting to initiate a powerful movement in the working class, in Detroit, throughout the US and internationally, against the looting of society by the corporate and financial elite.

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