

Detroit Institute of Arts privatization plan would undermine both art and pensions

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Although the details about the secret discussions involving the fate of the Detroit Institute of Arts remain sketchy, a federal mediator in the Detroit bankruptcy case is reportedly close to a deal that would privatize the DIA and end the century-long public ownership of the art museum and its world famous collection.

According to press reports, the directors of the DIA, to their shame, are going along with this travesty. In a press release Wednesday, the DIA applauded federal mediators “for initiating a positive conversation around the need to protect the museum collection and provide relief and revitalization for the City of Detroit and its citizens.”

The scheme being crafted by US Chief District Judge Gerald Rosen would reportedly involve wealthy private donors, including the Ford Foundation, paying the city \$500 million—the amount Emergency Manager Kevyn Orr has demanded from the DIA to pay off creditors in the bankruptcy case. In return, the city would relinquish control of the DIA, which would be put under control of a non-profit organization.

The proposal is being presented as a “grand bargain,” which would raise money to pay the city’s pension obligations to retired municipal workers while protecting the artwork, which Orr has threatened to put up for sale. This line is particularly being pushed by the *Detroit Free Press*, which gushed, “The proposal would save the DIA’s irreplaceable treasures from creditors seeking billions of dollars from the bankrupt city. The goal is to ensure that the museum never again falls prey to the city’s financial woes or politics.”

In fact, any such agreement will protect neither pensions nor art.

The irreplaceable masterpieces would fall prey to the economic interests of the multi-millionaires who run these so-called charity foundations. In addition to the

\$11 billion Ford Foundation, they include the Kresge and Skillman foundations, which are deeply involved in the dismantling of public education and market-based school “reform.”

Although the “new non-profit DIA,” according to the *Detroit Free Press*, will allegedly be “separate from the control of either the city or the foundations,” in reality the museum would be totally dependent on wealthy private interests, which would more and more determine its direction.

The DIA, which is presently free to residents of a three-county area of Metropolitan Detroit, will likely raise funds by charging admission and higher special exhibit fees, making the museum increasingly inaccessible to broad numbers of working and middle class people and public school students.

The museum, which carries over its main entrance the inscribed message, “Dedicated by the People of Detroit to the Knowledge and Enjoyment of Art,” will have to tailor its operations—including the choice of exhibits and what and where it sends its art work—to making money with “blockbuster” exhibits or exclusive events designed for the nouveaux riches. No longer city-owned, there would be even less restrictions on leasing or outright selling of masterpieces to raise needed money.

The main purpose of this proposal is to lull workers and young people to sleep and undermine the popular hostility to the bankruptcy ruling and the attack on both culture and pensions. These fundamental rights will not be defended by backroom deals between multi-millionaire donors, judges, museum officials and union bureaucrats—but only through the independent initiative of the working class.

In its article, the *Free Press* added that the agreement would “pave the way to a speedier resolution of the

bankruptcy.” The action is aimed at shutting down potential lawsuits. The DIA has threatened legal action if Orr goes ahead with his threat to “monetize” the artwork. For their part, the trade unions and union-controlled retiree groups joined a legal motion with top creditors demanding that Orr extract even more than \$500 million from the DIA to pay for unfunded pension plans.

No doubt Judge Rosen hopes a few hundred million is enough to buy off the trade union bureaucracy, which is not concerned with the pensions or any other rights of its members, but only in maintaining a large investment fund to benefit the union executives. Even if the deal goes through, the amount of money generated would fall far short of the city’s obligations to bondholders. Demands for pension cuts will not let up, and the unions will be more than willing to oblige.

Rosen, a Republican appointed to the federal bench by President George H.W. Bush, is seeking to expedite the bankruptcy case and the restructuring of the city in the interest of the rich. According to the *Detroit Free Press*, “In the best case scenario, Rosen’s grand bargain would come together in the next few weeks, allowing Detroit emergency manager Kevyn Orr to include it in his plan-of-adjust to restructure city debt that he expects to file by early January.”

There is no assurance, however, that the deal will even hold together. The plan, the *Free Press* writes, “is likely to be contested by creditors looking to sell DIA art as a way of recovering more of the money owed to them by the city.” This includes unions like the American Federation of State, County and Municipal Employees, which may not think the figure is enough.

Finally, the foundations, the newspaper notes, “still have to agree that supporting municipal pensions is consistent with their mission.”

Immediately after the ruling earlier this month by bankruptcy court judge Steven Rhodes to allow the bankruptcy to go forward, Orr called on his “labor partners” to drop lawsuits challenging the bankruptcy and join in the restructuring of the city. He also ratcheted up pressure on the DIA, making clear he was prepared to remove the museum’s leadership if they continued to resist moves against the art collection.

In his ruling, Rhodes went out of his way to declare that federal bankruptcy laws superseded state constitutional protections of public employee pensions

and any city charters or ordinances that protected city-owned assets.

States and municipalities around the country are already citing the judge’s ruling to destroy pensions. The privatization of the DIA will also be used as model to strip people of the right to culture and subordinate museums of all types ever more to the dictates of the capitalist market.



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