

# Corporate spokesman Mike Duggan inaugurated as Detroit mayor

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In a strained ten minute ceremony on January 1, Mike Duggan, the multi-millionaire former chief executive of the Detroit Medical Center, became Detroit's 75th elected mayor.

Although elected, Duggan has virtually no power outside of those granted by the financial dictator over Detroit, Emergency Manager Kevyn Orr. Asked after the ceremony about his relationship with Orr, Duggan said, "He's got the office next door. We have a division of responsibilities that I respect."

This highlights the fraudulent character of last November's election and the fact that there is no longer the pretense of democratic government in Detroit. Under Public Act 436, Michigan's emergency manager law, Orr has assumed all the powers of the mayor, city council and other city officials.

Installed through a political conspiracy by state and local politicians from both big business parties, the banks and politically connected law firms, Orr threw the city into bankruptcy last July. In a matter of weeks, he will release an "adjustment plan" that will gut pensions and sell off public assets like the water department and the artwork at the Detroit Institute of Arts to pay off the Wall Street banks.

Before the election, Duggan postured as a proponent of "returning democracy to Detroit" and "fair treatment" for pensioners. No sooner had he been elected than he dropped such pretenses and pledged his obedience to the bankers' dictator.

The new mayor is nothing but a political frontman for this brutal attack on the working class. In recent days, he has gone to Washington DC for a visit with officials from the Obama administration, which intervened on behalf of Orr in the bankruptcy court.

To give some credibility to his election Duggan claimed Orr would be in control only until October 1,

when his term is expected to expire. It now turns out that this is untrue. Under provisions of the state law, the emergency manager, or some other form of state-level control, can remain in place indefinitely.

When the outgoing emergency manager left office in Pontiac, Michigan last August, he left behind a new form of government based on provisions in Public Act 436. The state government imposed a body called a Transition Advisory Board that meets monthly, as well as a full time administrator over the city to serve as an official in place of the emergency manager. Both positions do not have a time limit.

Bill Nowling, spokesperson for Kevyn Orr, said it was "safe to say, there will be some form of ongoing oversight once the emergency manager is gone. Our creditors are going to demand it."

Although the voter turnout was very low, workers in the majority African American city voted for Duggan, who is white, out of disgust with the corrupt, black Democratic Party elite that has overseen the impoverishment of Detroit for four decades. While presenting himself as an "outsider," Duggan appealed to the corporate elite based on his record as a "turn around specialist." In particular, he touted his role at the Detroit Medical Center (DMC), where he imposed brutal cuts, including the elimination of thousands of jobs.

His cost-cutting measures at the DMC were designed to attract a private company to buy the publicly owned system consisting of nine hospitals. In 2010 for-profit Vanguard Health Care, owned by the Blackstone Group, a private equity firm, purchased the hospitals in a deal that did not involve any cash. Vanguard agreed to take on \$300 million in DMC pension obligations and \$200 million in bond debt obligations. In exchange, Duggan organized the creation of a Renaissance Zone

program for the Wall Street firm that guaranteed exemptions from income and property taxes.

For his efforts, Duggan collected more than \$2.4 million, including stock options, from Vanguard.

In the race for mayor, Duggan was the favorite of Detroit's financial elite, accumulating over \$2 million from major corporate donors, including political action committees associated with Quicken Loans CEO Dan Gilbert, Ford executive Bill Ford, Compuware founder Peter Karmanos, billionaire Roger Penske and executives from Vanguard Health Systems.

Duggan's record demonstrates his role as a faithful servant of business interests. His relationship with Orr will be determined by the same forces that drove the bankruptcy—the banks and corporations that are seeking to loot Detroit.

The Workers Inquiry into the Attack on the DIA and the Bankruptcy of Detroit being organized by the SEP on February 15 will bring these facts to light and arm workers with the knowledge they need to fight.

The establishment of real democracy in the city would require throwing out the emergency manager and replacing the entire gang of big business stooges from the City Council to City Hall with a council of workers' representatives. The Socialist Equality Party calls for the cancellation of the city's debt and the impounding of the profits of the banks and big corporations. Only in this way can workers protect pensions and public assets and fund a genuine revival of the city.

For more information see: [detroitinquiry.org](http://detroitinquiry.org)



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