

# The Workers Inquiry into the bankruptcy of Detroit

**World Socialist Web Site Editorial Board**  
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On Saturday, the Socialist Equality Party in the US is holding a Workers Inquiry into the Bankruptcy of Detroit and the Attack on the DIA & Pensions. The aim of the Inquiry is to uncover the social and historical roots of the bankruptcy of Detroit and expose the political and financial interests behind this attack on the working class. The purpose of the meeting is to provide workers and young people with the knowledge they need to fight back.

The Inquiry is being held as Emergency Manager Kevyn Orr, Detroit's financial dictator, prepares to release his "plan of adjustment." Worked out in collaboration with the city's biggest creditors, the plan will call for the gutting of the pensions and health benefits of more than 20,000 retired city workers and the privatization of public assets, including the cultural treasures of the Detroit Institute of Arts (DIA).

What is taking place in Detroit is a social crime of immense proportions. An entire city is being plundered in order to further enrich the financial elite. What happens in Detroit will, moreover, be used as a precedent for the rest of the United States and for working class populations around the world.

The Inquiry will seek to establish that the bankruptcy is the product not simply of abstract economic forces, but of a political conspiracy being carried out in behalf of definite class interests, involving Michigan's Republican governor, state and local Democrats, powerful financial and legal firms, the trade unions, and the Obama administration.

US bankruptcy Judge Steven Rhodes has given his legal sanction to this conspiracy, and the news media has done everything in its power to conceal the catastrophic implications for workers in Detroit and throughout the United States.

The official narrative of the Detroit bankruptcy,

repeated ad nauseam by the media and the political establishment, is that overly generous pensions, health benefits and social services are responsible for the crisis. The people of Detroit have been "living beyond their means."

It is claimed that the corporate-driven restructuring of the city will revive Detroit and restore essential services such as lighting, sanitation and fire protection.

These are lies. The banks and corporations, which have already reduced the once thriving Motor City to a shell of its former self, are attempting to utilize the economic crisis to steal whatever the people of Detroit have left.

The Obama administration fully backs this assault. Just last week, the president met with the city's new mayor, Mike Duggan, a corporate "turnaround" expert. White House officials reiterated that there would be no bailout of the city of 700,000 people. This comes from an administration that has handed trillions of dollars to the financial speculators responsible for the 2008 crash, ensuring that the financial and corporate elite would grow even richer and monopolize even more of the country's wealth.

The trade unions, including the American Federation of State, County and Municipal Employees (AFSCME) and the United Auto Workers, do not oppose the bankruptcy. They have offered hundreds of millions of dollars in wage, health care and pension concessions. Their only complaint was that Orr rebuffed their offers and imposed the cuts unilaterally, threatening to freeze them out of getting a share of the financial spoils. Now, as part of the plan of adjustment, the union executives have been offered a half-billion-dollar slush fund in the form of a retiree investment trust.

What is happening in Detroit cannot be understood within the framework of Detroit alone. The actions

taken by the corporate and financial elite in what was once the center of American and world auto manufacturing are part of a broader agenda—a restructuring of class relations nationally and internationally in the form of a social counterrevolution.

The Obama administration is using Detroit as a test case to attack the pensions of millions of federal, state and municipal workers across the country, and channel the money owed to the workers to the Wall Street banks. This is coupled with a nationwide attack on workers' wages and benefits and an assault on anti-poverty programs, including food stamps, unemployment benefits for the long-term jobless, home heating assistance, and other programs.

In Greece, Spain, Portugal and the rest of Europe, the banks are dictating sweeping cuts in social spending as well as workers' wages and benefits to pay for the consequences of the global financial crash. In country after country, the agenda is the same.

In campaigning for the Inquiry, the Socialist Equality Party found there was enormous support from workers and youth—including firefighters, teachers, city workers, auto workers, tenants, students and other sections of the working class. There is a general sense that the “fix is in,” that the political system as a whole is working against the vast majority. There is deep and growing anger over the unprecedented levels of social inequality, the assault on democratic rights, and unending war.

What is lacking is not the will to fight, or discontent with the present situation, but a worked out political perspective. The Inquiry is rooted in the conception that the working class, armed with a conscious understanding of what is taking place and a clear program to fight the stranglehold of the corporate-financial elite, will be capable of charting a new course.

The SEP proceeds from entirely different premises than those accepted by all of the factions of the political establishment. Orr acknowledged this political fact when he referred in a radio interview in December to the different “philosophical underpinnings” of the *World Socialist Web Site* before appealing for cooperation from his “labor partners” among the trade union officials.

The SEP rejects the notion that the working class must pay for a crisis it did not create, and that it must

accept a social system, capitalism, that requires the impoverishment of the vast majority to satisfy the demands of the rich.

The looting of Detroit underscores the failure of the capitalist system and the anti-working class role of all of those who defend it. It poses the need for the working class to organize itself as an independent political force to break the grip of the financial aristocracy and carry out the socialist reorganization of economic life.

*We urge all workers and young people in Metro Detroit and the surrounding area to attend the Workers Inquiry (for more information, visit [detroitinquiry.org](http://detroitinquiry.org)). We also encourage those who cannot attend in person to leave messages of support in the comments section below.*



To contact the WSWS and the Socialist Equality Party visit:

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