

Detroit emergency manager at the University of Michigan

Kevyn Orr justifies pension cuts, attack on DIA

Shannon Jones
26 March 2014

The appearance of Detroit Emergency Manager Kevyn Orr Tuesday at the University of Michigan in Ann Arbor was an exercise in cynicism and deceit. The event, hosted by the Gerald R. Ford School of Public Policy-Center for Local, State and Urban Policy and the Domestic Policy Corps drew an audience of around 300.

In the course of his remarks Orr reiterated the lying claim that the bankruptcy was an unavoidable necessity, forced by massive pension obligations. In fact the bankruptcy of Detroit was the product of a political conspiracy taken with the aim of slashing pensions. Two years before the bankruptcy the Jones Day law firm, Orr's previous employer, published an article spelling out how federal bankruptcy law could be used to override pension protections granted by state constitutions and numerous legal rulings.

Further, in calculating Detroit's debt Orr overstated the extent of pension underfunding in order to make the case for bankruptcy.

Orr went on to justify his proposal for pension cuts of as much as one-third for most Detroit retirees as well as the elimination of cost of living raises and retiree health care benefits. At one point he presented an image of a young schoolgirl waiting for a bus in a dark desolate neighborhood, a bus that was late or never arrived, to suggest that overly generous pensions were the cause of the collapse in public transit and other services in the city.

He recalled how a pensioner had asked Orr's mother if her son was really going to cut her pension. "Mom," Orr said, "I don't want to, but if I don't I will be victimizing that little princess," waiting for the bus.

Such statements are dripping with hypocrisy. The

social and financial crisis in Detroit is not the product of overly generous pensions. The typical pension is a miserly \$19,000 a year, but decades of deindustrialization in which the auto companies—after making untold profits—abandoned Detroit, shifting production to low wage areas. This has taken place alongside the growth of financial parasitism, where the ruling elite has shifted its money-making activities to parasitic, non-productive forms of financial speculation.

Orr's claim to be concerned about the services available to city residents follows the announcement by the Detroit Water and Sewerage Department that it is planning a program to shut off 1,500 to 3,000 customers a week for back water bills. The campaign of mass utility shutoffs is part of an effort to increase revenues to aid in efforts to regionalize or privatize the water department, one of the keystones of Orr's reorganization plans.

As far as the Detroit Institute of Arts, Orr reiterated his threat to hold "a yard sale of DIA art" if the museum did not go along with plans for privatizing the collection and paying \$100 million toward the bankruptcy settlement. "If you don't think that could happen, I was getting calls from Russian oligarchs and Brazilian millionaires who wanted that art," Orr added.

After his presentation Orr fielded a series of prescreened questions. Socialist Equality Party supporters submitted a number of pointed questions to Orr. However, the event organizers ignored them.

Orr's answers were for the most part glib and patronizing. However, he made several revealing statements. In response to a questioner who asked the emergency manager to whom he was accountable, Orr

made the point that he was accountable mainly to himself, underlying the undemocratic character of the emergency manager law.

In response to another question about the plusses and minuses of gentrification Orr stated, “We need the revenue.” He said that there would always be some people who complained, noting that the Native Americans, victims of one of the greatest land expropriations in history, also complained about their treatment.

Another questioner asked why the city was making no effort to collect millions in back taxes owed by billionaire pizza franchise owner Mike Ilitch. Orr basically dodged the question, citing statute of limitation issues and suggesting at one point that the issue was “so much water under the bridge.”

Orr’s appearance at the University of Michigan was only the latest in a series of recent speaking engagements. The previous day Orr and Michigan Governor Rick Snyder participated in a panel discussion at the Manhattan Institute, a right wing think tank in New York City, entitled, “Detroit the Next American City for Opportunity.” At the forum Orr warned the city’s creditors, which include tens of thousands of retired workers, that they need to “get serious” about signing on to his proposed “plan of adjustment” or face a “cram down,” in which cuts are imposed unilaterally.

That Orr, an unelected economic dictator who has carried out brutal attacks on the working population of Detroit, is being touted as an expert on “urban governance,” only underscores what is in store for workers across the rest of the United States.

Before the event Socialist Equality Party supporters distributed a leaflet titled “University of Michigan welcomes the dictator of Detroit” It exposed the claim that Orr’s mission was to improve the lives of the city’s 700,000 residents. It stated, “For Orr and the corporate and financial backers he represents, the “future of Detroit” is one in which the working class is made to suffer brutal cuts in jobs, wages and benefits as part of the restructuring of the city for the benefit of the rich.”

The *World Socialist Web Site* spoke to a University of Michigan graduate student in social work who attended Orr’s presentation. “My concern is with the residents. I didn’t hear a lot about the residents. He didn’t even say

the word.

“I’m interning with a neighborhood organization on the east side, which is driven by issues the residents identify, such as infrastructure, education, and youth.

“What I heard is a lot of the same old, same old. The current residents are not considered ‘assets’ for the future of Detroit.

“Orr said he was ‘called to action’ to take the Emergency Manager job, likening his sacrifice to volunteering for the military. ‘What makes that soldier jump on a bomb?’ he asked.

“That gave me the chills,” the social work student said. “He acted like they were the real heroes and he was doing his duty even though his initial response was not only no, but ‘hell no.’ He’s got some sort of savior complex.

“I find it real interesting that he focused on pensions but skipped over the Ilitch question real quick. How come no one but the pensioners are being held accountable?

“If he’s such a good guy for doing this, then why not live in Detroit, buy a house here like he suggested others do instead of living in the Westin Hotel and making \$275,000?”



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact