

Detroit media call for permanent financial dictatorship

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With the “structured bankruptcy” of Detroit scheduled to wrap up this fall, voices from the political and media establishment are already demanding measures to cement a continued financial dictatorship over the city, which would extend well beyond the departure of Emergency Financial Manager (EFM) Kevyn Orr, whose 18-month term expires in September.

As recent commentaries make clear, the historic attacks on pensions and health care approved by the US Bankruptcy Judge Steven Rhodes are only the beginning. To implement these deeply unpopular measures, the media pundits argue, authoritarian forms of rule are needed.

In an article for *Crain's Detroit Business* published this week, “Detroit needs independent finance exec.,” Chairman of Crain Communications Keith Crain called for “a permanent, independent executive who permanently oversees city finances and operations.”

“Perhaps a federal judge, someone who would be objective and save our elected officials from their own worst enemies—themselves ... I have no idea how long such supervision would be required, but I would not remove it too soon,” Crain wrote.

Referring to the city's politicians, Crain continued, “we don't know how long they will be in office and who will replace them ... We don't have any idea about [their] financial conduct.”

Crain, whose family operates a massive media conglomerate with holdings around the world, expresses the desire of the ruling class as a whole to get rid of the nuisance of elections and any other political or legal obstacles to direct rule by the banks and corporations. In his comments, Crain echoes the anti-democratic demands heard from Greece, Spain and other countries under IMF structural adjustment plans:

what is needed are “technocrats” not subject to elections or any other means through which the people, who clearly are too ignorant to understand the need for “tough decisions,” might influence public policy.

A second proposal, somewhat different in nature but serving the same social interests, was advanced in an editorial published by the *Detroit News* this week, titled, “The case for dissolving Detroit.” In this piece, establishment political strategist Dennis Lennox argued that Detroit requires “radical reforms that do away with the established order in very much the same way as Margaret Thatcher abolished London's dysfunctional government back in 1986.”

Here Lennox refers to the abolition of the Greater London Council (GLC) and six other metropolitan councils as part of the far-right, pro-capitalist “reforms” of the Tory government led by Thatcher. The smashing of the GLC coincided with the privatization and destruction of public services and the transformation of London into a center of financial speculation and social inequality. In a retrospective article, “Local government: Margaret Thatcher's 11-year war,” the *Guardian* noted that the legacy of these policies was greater “willingness of her successors to cap, limit and control democracy in England.”

“Sure there have been laudable reforms to come out of the bankruptcy process,” Lennox wrote in the *News* article, “but in reality this is nothing more than rearranging the deck chairs on the sinking Titanic. The fundamental transformation so desperately needed in Detroit can only come if the slate is wiped clean and the city starts anew,” he continued, adding, “Possibilities range from merging the city and Wayne County into a new metropolitan government to decentralizing today's Detroit into smaller, more

accountable and more manageable governments, based upon historical townships or villages long ago lost to history.”

Much of this, Lennox said, “could be carried out by either federal Judge Steven Rhodes, overseeing Detroit’s post-bankruptcy restructuring, or state-appointed emergency financial manager Kevyn Orr. Both Rhodes and Orr are in the unique position of having broad authority that doesn’t require petty political considerations.”

Lennox’s proposal to turn a modern American city into a collection of fiefdoms dovetails with the plans of Detroit billionaires Mike Ilitch and Dan Gilbert, and Michigan’s political establishment. Their plan includes establishing an upscale downtown enclave, where state subsidized investors and businesses would be largely freed from paying taxes for public services. Under the vision pursued by these billionaires, workers would inhabit impoverished, 19th-century style neighborhoods surrounding the city center, with minimal, privately run street lighting, garbage collection, and water and sewerage.

While couched as criticisms aimed at the corrupt Democratic Party political establishment that has long run Detroit on behalf of the auto corporations and big banks, the real target of these anti-democratic proposals is the working class.

From the 1930s to the 1970s the Motor City was synonymous with industrial militancy and civil rights struggles, which led to the general improvement in living standards and expansion of democratic rights that occurred in Detroit and around the country. The complete elimination of these social gains—carried out with full complicity of the union apparatus and civil rights establishment—is now very far advanced. These efforts are part of a nationwide counterrevolutionary agenda spearheaded by the Obama administration, aimed at forcing the working class to pay for the 2008 crash and the crisis of capitalism.

The bankruptcy of Detroit was the result of a political conspiracy, years in the making, to use the EM law and federal bankruptcy courts to override state constitutional protections for public employee pensions. The bankruptcy has also been used to overcome protections against privatization and the selloff of public assets established in the Detroit City Charter.

With its days as the global automotive capital behind it, Detroit’s primary export has become innovative methods of municipal dictatorship. Similar laws have been passed in other states in recent years. In March of 2012, the Indiana legislature, in a near unanimous vote, passed its own EM bill. The bill authorized financial managers to reduce or suspend salaries paid to public employees and granted strong powers for negotiation of existing contracts with labor organizations.

The legal superstructures erected in a previous period are being brought into line with the underlying social reality, in which finance capital exercises direct rule over society. Even the formal trappings of US democracy, which have been emptied of virtually all content, have become intolerable obstacles to the corporate and financial elite and must be swept aside.



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