

# Detroit political establishment reaches deal to extend financial dictatorship

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27 September 2014

The Detroit City Council and Mayor Mike Duggan reached an agreement this week with Emergency Manager Kevyn Orr to maintain the financial dictatorship over Detroit that was established with the appointment of Orr in March 2013.

Worked out in closed-door negotiations, the deal is intended to ensure that the anti-democratic bankruptcy process continues, and that, after the city leaves the jurisdiction of the courts, political mechanisms are in place to continue to enforce the dictates of the banks. The bankruptcy is expected to conclude sometime this year with the approval of Orr's proposed Plan of Adjustment by judge Steven Rhodes.

Some powers have now been transferred to the mayor and the City Council under the deal, which also stipulates that Orr will eventually leave the post of emergency manager entirely. However, Orr will maintain significant powers until the bankruptcy is complete. After he leaves office, the actions of the city government will be overseen by a new "Financial Review Commission," which will be tasked with enforcing budget cuts and austerity.

The deal further exposes the City Council as full supporters of the anti-working class agenda being spearheaded by Orr. Explaining the decision to keep Orr in charge until the bankruptcy is finalized, Council President Brenda Jones said, "We do not want to stand in the way of the bankruptcy proceeding. None of us are bankruptcy lawyers."

Jones added, "We know there is litigation that must continue. Kevyn Orr knows that proceeding better than anyone. We knew that Kevyn Orr would be the best person to do so."

Under the parameters of the EM law, the city government was empowered to remove Orr as of today, September 27. The deal is aimed at ensuring that Orr

has all the powers he needs to work with bankruptcy court judge Steven Rhodes, while making the pretense of returning control to "democratically elected leaders"—a campaign pledge of Duggan and city council candidates last year.

Issued on Thursday and authorized by Orr's own signature, the "Order Addressing Issues Relating to the Conclusion of the Emergency Manager's Tenure and Transition of City Operations to the Mayor and City Council" states that "the EM has and will exercise the power to take all actions necessary and convenient to obtain confirmation of the Plan of Adjustment and bring into effect the provisions of such confirmed Plan of Adjustment, the Confirmation Order or any other Bankruptcy Court order related to the Bankruptcy Proceeding."

The order extends Orr's authority over all the major settlements reached as part of the "Grand Bargain," including the Detroit Institute of Arts privatization scheme, the Detroit Water and Sewerage Department regionalization deal and the payout to bond insurers. Orr is empowered to implement any other transactions he deems necessary "to resolve remaining objections to the confirmation of the Plan of Adjustment."

Additionally, Orr's office will continue to have the final say on all deals relating to the pensions and benefits of the city's retirees, including "all transactions necessary to facilitate the various settlements with city retirees, including, but not limited to, those regarding health care and pension benefits"—i.e., in imposing cuts.

After Orr leaves office, which is postponed for weeks and perhaps even months, the Financial Review Commission (FRC), which was embedded in the Grand Bargain, will then assume similarly despotic powers over the city's finances for a period of no less than 10

years.

In an indication of the political horse-trading behind this week's deal, Mayor Duggan and City Council President Brenda Jones will sit on the FRC alongside five members appointed by the governor, the *Detroit News* reported Friday.

The deal also contains a section titled, "Executive Branch Reorganization Plan," empowering the mayor to carry out a sweeping reorganization of the city government and create up to 60 additional positions, serving "at the pleasure of the Mayor."

In comments responding to the deal's announcement late this week, Orr spoke to the unity of purpose existing between his office, the City Council and the Detroit political establishment as a whole, while alluding to continuing popular hostility to the looting of pensions and city assets.

"Even when we disagreed I tried to keep the discussions at least at a civil and mature level, and I think that's been reciprocated," he said. "There's still some folks out there who perhaps would have a pitchfork or two, but we've made a lot of movement from where we were," Orr said.

In fact, there is enormous public opposition to the restructuring of Detroit in the interests of the rich, but this opposition finds no expression in the political establishment. From the beginning, the bankruptcy has been a political conspiracy involving Democrats and Republicans, the Obama administration, Orr, the bankruptcy courts, the City Council and the trade unions. This conspiracy was cemented in the "Grand Bargain" and is now being perpetuated in the form of the agreement reached this week.



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