

# The model for America: Ruling elites dispense with democracy in Detroit

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As bankruptcy proceedings enter their final stages in Detroit, Michigan, the historic center of American auto manufacturing, the political establishment is moving to put in place mechanisms to ensure the permanent dictatorship of the banks over the city's working class. As with the bankruptcy itself, the forms of rule pioneered in Detroit are intended as a model for the entire country.

In a deal worked out behind closed doors last week, Detroit's Democratic Party-controlled City Council voted unanimously to allow the city's unelected emergency manager, Kevyn Orr, to remain in power until a federal judge confirms his restructuring plan and the city exits from bankruptcy. Mayor Mike Duggan, another Democrat, immediately approved the plan.

The move makes a mockery of the talk about the "return to democracy" after Orr's 18-month rule. Duggan and the city council members, who pledged during last year's elections to get rid of Orr, have extended his term for months, if not longer. Moreover, when Orr finally departs, his dictatorial powers will essentially be adopted by a nine-member Financial Review Commission that will have the authority to tear up labor agreements and veto all spending decisions for the next 13 years.

As part of the deal, Duggan and Council President Brenda Jones will sit alongside Republican Governor Rick Snyder's appointees on the financial oversight committee. Rather than exercising his power to appoint another emergency manager, Snyder is relying on his Democratic counterparts, including Duggan, a corporate "turnaround specialist," to implement the restructuring plan.

Any semblance of democracy—state constitutional protections for pensions, city ordinances mandating a vote by Detroit citizens before the sale of public assets,

etc.—are seen as unacceptable obstacles to the further enrichment to the financial powers that run society.

The *Detroit News*, long the mouthpiece for auto giants and other corporate interests in the city, gushed over the vote. "The unanimity of the vote indicates both a confidence in Orr's ability, and the council's willingness to make tough and unpopular decisions."

Alluding to the broader strategy of which the Detroit bankruptcy is a part, the *News* continued, "It's encouraging to see council members value the unique talents Orr has brought to Detroit, particularly in seeing bankruptcy through in such a quick manner. He's set a high standard for other cities that might also fall into Chapter 11."

What are these "tough and unpopular" decisions?

Under the terms of the restructuring plan, the pensions and health benefits of more than 32,000 current and retired city workers will be gutted to pay off the banks and big bondholders. The city's world famous art museum, the Detroit-Windsor tunnel, city-owned parking garages, the street lights and the water and sewerage system, along with hundreds of acres of land, will be handed to wealthy real estate developers and investors. Thousands of residents of low-income working class neighborhoods will be turned into urban refugees as water and other vital services are shut down as part of the plan to "right-size" Detroit.

These are the "high standards" being set for other cities contemplating Chapter 11 bankruptcies. Democratic and Republican city officials from California to Illinois are looking to Detroit as the blueprint for similar attacks on supposedly "unaffordable" pensions and health care benefits. On the federal level, the Obama administration and both the Republican and Democratic parties are spearheading plans to slash trillions from Medicare,

Social Security, public education and other vital necessities even as they make available limitless resources for Wall Street and the Pentagon military machine.

Such anti-social measures cannot be carried out on the basis of popular consensus. That is why the political establishment is relying on ever more authoritarian methods, from endless police shootings and the militarization of the police as seen in Ferguson, Missouri, to the measures of spying on the American people and the crackdown on political dissent.

Whatever remains of democratic forms have been hollowed out under the pressure of the immense economic and political power of the financial oligarchy, which has only increased its wealth since precipitating the crash of 2008. Decisions are made through back-room deals involving a handful of political operatives in close collaboration with banks, bondholders and wealthy investors.

There is widespread popular opposition to what is taking place in Detroit and throughout the country. Orr alluded to this fact in praising the city council vote when he noted that “there’s still some folks out there who perhaps would have a pitchfork or two.”

This sentiment, however, is entirely excluded from official politics.

A key role in this process has been played by the executives who run the American Federation of State, County and Municipal Employees (AFSCME), the United Auto Workers and other city unions. In exchange for signing on to the so-called Grand Bargain and suppressing opposition to the attack on the jobs and living standards of their members, the AFSCME and UAW officials have been paid off with a half-billion-dollar slush fund.

At the same time, various organizations tied to the Democratic Party, have promoted illusions in the unions, the courts and Democrats like President Obama, US Congressman John Conyers Jr. and Council President Brenda Jones. The aim of these lies has been to confuse and undermine the opposition of the working class.

What the experience in Detroit shows is that the entire political structure of America, like the rest of the world, is controlled by the ruling elite. The interests of the vast majority of the population can only be advanced through an independent struggle by the

working class to take political power.

The problem is not the lack of resources but the hoarding of society’s wealth by the corporate and financial elite. To free up these resources to rebuild Detroit and other industrially ravaged cities and guarantee the social rights of all working people to jobs, health care, education, housing and culture, what is needed is a workers government and the socialist reorganization of economic life.



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