

# What did billionaire Mike Ilitch leave Detroit?

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The death of Detroit billionaire Mike Ilitch has been the occasion for an outpouring of official eulogies and media publicity befitting an American version of the British aristocracy.

A public visitation has been set up in the Grand Lobby of the Fox Theatre in downtown Detroit, which is owned by the family. There will be a public memorial display at Comerica Park baseball stadium, as well an Ilitch property. There will also be memorial events at Joe Louis Arena and the Little Caesars stadium construction site, associated with Ilitch's professional hockey team, the Detroit Red Wings, and at the Lakeland Complex, the spring training facility for his baseball team, the Detroit Tigers.

Among those paying homage to Ilitch was former President George W. Bush who called the founder and owner of the Little Caesars pizza restaurant chain "a self-made man with talent, drive, and a huge heart." Michigan Governor Rick Snyder joined in, calling Ilitch, "A strong businessman, an innovative leader and a loving family man." He added, "He was passionate about the city of Detroit and served a critical role in the city's comeback, investing time, effort and resources to help craft a better vision for Detroit."

Ilitch was not a demon, but his life exemplifies the workings of definite social and economic laws. The rise of the Ilitch family fortune, now estimated at some \$6.1 billion, corresponded with a period which saw Detroit transformed from the city with the highest per capita income in the United States to the poorest big city in America. It corresponded with the growth of obscene levels of social inequality in America, with the share of the total wealth controlled by the top .01 percent nearly quadrupled over the last quarter century, while incomes stagnated or declined for the bottom 90 percent.

Ilitch epitomized this process. Unlike another famous

Detroit family, the Fords, whose rise to riches corresponded with the transformation of Detroit into the automotive capital of the world, the Ilitch's made their money by offering cheap, low quality fast-food and paying starvation wages to his workers.

Mike Ilitch was born in 1929, the son of Macedonian immigrants. He joined the US Marines, then played minor league baseball for a farm team of the Detroit Tigers. After a stint as a door-to-door salesman, in 1959 he started a pizza business that later grew into a nationwide restaurant chain. He later expanded into the world of professional sports, buying the Detroit Red Wings hockey franchise in 1982 and the Detroit Tigers baseball team in 1992.

While Ilitch enjoyed little personal success on the playing field, his ownership of teams propelled him into the pantheon of sports. He was inducted into the NHL Hockey Hall of Fame in 2003 and later that year entered the Michigan Sports Hall of Fame.

Ilitch became notorious for being one of the club owners responsible for provoking the baseball strike-lockout in 1994. He had demanded that then Tiger Manager Sparky Anderson hire scab replacement players, to which Anderson famously said "no," telling Ilitch "There ain't enough money in the world to buy my integrity."

Ilitch once compared his life to a Horatio Alger story. However, for every small businessman lucky enough to claw his way into the financial elite, the path is strewn with thousands who face ruin and bankruptcy. Meanwhile, no one is paying tribute to the tens of thousands of workers who must labor at poverty-level wages to coin the profits on which the Ilitch fortune is based. According to the website [glassdoor.com](http://glassdoor.com), the typical wage for a crew member at Little Caesars Pizza is currently \$8.14 an hour.

While Ilitch and his admirers like to evoke the image of the self-made man, his hand dipped repeatedly into the public treasury to receive tax breaks as well as outright gifts to aid his various ventures.

The state kicked in tens of millions of dollars for land and infrastructure costs to help build Comerica Park, the new home for the Detroit Tigers, in 2000. In 2014, during the Detroit bankruptcy, the Detroit City Council voted to hand Ilitch 39 parcels of land for a token \$1 in what the *Detroit Free Press* called at the time, “one of the largest land transfers in the city’s history.”

The deal provided land for the construction of a new arena for the Red Wings hockey team. Some \$260 million of the \$450 million cost of the stadium was provided by the state of Michigan. The state subsidy to Ilitch was more than the \$198 million cash deficit then faced by the city of Detroit, which was used as a justification for slashing jobs, services and the pensions of retired city workers.

In addition to these provisions, Detroit granted Ilitch a waiver on payment of a portion of ticket sales, food and beverage sales and other stadium revenues to the city as part of the lease deal. On top of that Ilitch stood to make millions selling naming rights for the new Red Wings Hockey venue.

Ilitch along with Dan Gilbert—the billionaire founder of Quicken Loans and the owner of casinos and Cleveland Cavaliers professional basketball team—have been heavily involved in the so-called redevelopment of Detroit. This has involved buying up land in the impoverished city at cut-rate prices based on the calculation of reaping enormous profits off the gentrification of areas in the center of the city. To aid in this venture the federal government has poured in hundreds of millions in funds for so-called blight removal and the wholesale destruction of housing in Detroit, in the process clearing out poorer residents to make way for upscale redevelopment.

The fortunes of men like Ilitch and Gilbert have nothing to do with improving the lives of ordinary Detroit residents. Ilitch’s wife, Marian, a billionaire in her own right, is the owner of the MotorCity Casino, whose profits are based on milking the hard-earned dollars from workers and retirees. The rise of Detroit’s casino industry paralleled the collapse of the auto industry and has been used to finance the city’s debt to wealthy bondholders. It has been accompanied with the

increase in home foreclosures, personal bankruptcies and the spread of gambling addiction.

As for the Ilitch’s vaunted philanthropy, the various charitable enterprises founded by the family have doled out only a small portion of the money it has raked in off public subsidies.

What did the Ilitch family contribute to Detroit? As Karl Marx famously observed in Volume I of *Capital*, “Accumulation of wealth at one pole is, therefore, at the same time accumulation of misery, agony of toil slavery, ignorance, brutality, mental degradation, at the opposite pole, i.e., on the side of the class that produces its own product in the form of capital.”

This is the reality behind the hypocritical paeans to the Ilitch family, words that should be taken to heart by every class-conscious worker.



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