

Detroit State of the City 2020: Pro-capitalist promises, lies and omissions

James Brewer
4 March 2020

Democratic Detroit Mayor Mike Duggan presented his State of the City address February 25 from inside the newly opened Flex-N-Gate auto parts factory in eastside Detroit. The location was chosen by the Democratic Party huckster to illustrate what he glibly announced was “a profound change in what circumstances were a year ago.”

Flex-N-Gate, last year’s number 49 on the Forbes 400 list with an annual revenue of \$8.3 billion, opened the Detroit plant in October 2018. The corporation thrives on the availability of cheap labor in the economic conditions facing workers after the crash of 2008. Its low-paid workers complain of miserable working conditions and the kind of intimidation and favoritism that exist before the sit-down strikes of the 1930s.

In 1960, the city of Detroit had the highest standard of living, with the highest home ownership rate and the best public schools in the US. Once the center of American manufacturing, the “Motor City” is barely recognizable today. It has become the epicenter of the systematic deindustrialization of America.

After the 2008 economic crash, the financial oligarchs embarked on more parasitic methods of turning profits, using bankruptcy courts to seize public assets previously unavailable to them.

Duggan assumed office in January 2014, months after Kevyn Orr was installed as Emergency Manager by the state, with dictatorial powers to enforce any measures required for the bankruptcy proceedings by the state. A Democratic Party trouble-shooter turned corporate CEO, Duggan publicly expressed his support for every measure taken against the city’s population.

When an eight-square-mile swath of Detroit’s downtown was taken over by billionaire Dan Gilbert for gentrification, evicting hundreds of poor residents

out of their section 8 housing, Duggan backed it. Millions of dollars in tax abatements were handed to Gilbert and the Ilitch family for their new multi-billion-dollar Little Caesars Arena and city funds were lavished on the new light-rail project on the Woodward corridor, designed mainly to make it easy for hockey fans from the northern suburbs to fill the sports venues downtown.

Today, as proof of the “profound change” he enacted, he pointed to the decision by GM not to close the Poletown plant after all. Its Detroit-Hamtramck Assembly facility is imminently ending production of Chevrolet Impalas and Cadillac CT6s and axing its last 800 employees.

GM is planning to invest heavily in electric and autonomous vehicles, which the company is anticipating will lower labor costs based on a scheme that was already laid out last year at Michigan’s Orion Assembly Plant, which produces the all-electric Chevy Bolt. In a Memorandum of Understanding signed by union vice president Cindy Estrada, the United Auto Workers agreed to allow GM to replace 150 regular employees with contractors from GM Subsystems, a wholly owned subsidiary.

The recent announcement keeping GM at Poletown is no doubt based on such an agreement, insuring wages so low that they will be capped at what autoworkers’ starting wages used to be. The plant will be closed for 18 months as it is rebuilt and it will be manned with low-wage labor working under the kind of conditions that have been seen throughout the auto industry for new hires, leading to an expansion of tragedies like the death of Jacoby Hennings .

UAW officials Rory Gamble and Cindy Estrada, both under investigation by federal courts for corruption, were praised mightily for their perseverance in

negotiating a reinvestment deal with GM, “hand in hand” with the city and state administrations.

Duggan added obsequiously, “And by the way, in these tumultuous times aren’t we lucky to have Rory Gamble as president of the UAW?”

Duggan’s relationship with the UAW is significant. The exposure and prosecution of virtually all the top leadership of the UAW on corruption charges is cause for him to double down on his support for the discredited union apparatchiks. UAW Vice President Jimmy Settles, who became notorious for engineering the narrow ratification of the 2015 Ford contract, was hired by Duggan as Neighborhoods Director just after he resigned from the UAW in mid-2018. Gamble and Settles are now suspected by federal investigators of running a kickback scheme over UAW promotional materials.

Just as GM is looking to Detroit for cheap-labor jobs, Fiat-Chrysler has made a deal with the city to consider—but not necessarily hire—a large number of Detroiters as it recruits 3,500 new workers for their new \$4.5 billion FCA facility on Mound Road. Nearly 10 percent of that sum will be granted in tax abatements from the city and the state.

All the cheerleading by the mayor for so-called new jobs and opportunities serves to cover over the social powder keg which his pro-capitalist policies are creating. In fact, wages weren’t even mentioned for all the jobs being opened up, except for the police department, where starting salaries are as much as double what workers make at the Flex-N-Gate factory that served as the venue for Duggan’s speech.

Much of Duggan’s political efforts are centered on the slogan of “equity.” Detroiters, he claims, deserve to be treated with fairness. What this translates to is nurturing a layer of black and minority-owned businesses. Grants and loans are promised from city funds and philanthropical efforts.

Much time was devoted to the issue of over assessments of property taxes. The housing market crash decimated home values, while taxes assessment values didn’t drop until a few years ago. Meanwhile, hundreds and thousands of Detroit homeowners lost their homes. Duggan apologized for those who endured huge losses, but essentially said that for those it was too late. Going forward the city will take measures to keep Detroiters in their homes.

Another significant omission in the address is the situation of the city’s dismal public schools. A showdown with 6,000 teachers is in the offing as, months before the expiration of their contract, school superintendent Nikolai Vitti has ordered that there be no increases.

Just as the teachers have endured more than they can tolerate of the low-wages and rat-infested school buildings, young workers taking the new jobs being boasted of will quickly discover the brutality of becoming wage slaves for giant capitalist enterprises.

Since he took office, almost 150,000 homes have had their water shut off for being in arrears. On average every year, nearly ten percent of the residents in Detroit will have their water shut off for varying lengths of time. Despite the disastrous spiraling effect on the conditions of the almost 40 percent of the population who live under the abysmal official poverty line of \$25,000 a year for a family of four, Duggan endorses the shutoff policy as a means of forcing poor residents to pay up.

This policy has received worldwide attention, impelling the United Nations Human Rights Office to condemn it in 2014 as “an affront to human rights.” Despite opposition growing within the city and the state, Duggan was significantly silent on the issue.

Duggan’s pro-capitalist policies amount to continued suffering for the mass of Detroit’s population. Behind his upbeat presentation of great things to come for the city, workers are continually disenfranchised from the political process. The Democratic Party is desperate to prevent workers from drawing political conclusions that will prepare them to fight against capitalism, but they have nothing to offer.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact