DETROIT LIVES! RISE UP AGAINST THE PLAN OF ADJUSTMENT!* 

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Understanding the “emergency” takeover of Detroit depends on “overstanding” complex relationships and dynamics: socioeconomic class; class conflict; government powers theoretically constrained by the rule of law but actually exercised at will without checks, balance or accountability; and the nuances of multi-level relationships between race, regional power, political economy and “development” as ideology and domination. Such flexible “systems thinking” can help us come to grips with hard truths.¹

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* This article is an edited mash-up of two pieces: Tom Stephens, Detroit; Rise Up Against the Plan of Adjustment!, DETROITERS RESISTING EMERGENCY MGMT. (Nov. 9, 2014), http://www.d-rem.org/detroit-rise-up-against-the-plan-of-adjustment/, and Tom Stephens, Detroit Lives!, COUNTERPUNCH (Mar. 19, 2014), http://www.counterpunch.org/2014/03/19/detroit-lives/. The former article was an immediate response to the confirmation of the Plan of Adjustment, emphasizing the overwhelming chorus of corporate media groupthink and the self-congratulation surrounding it. The latter tried to interpret Detroit’s fiscal and wider social crisis in terms of three scholarly books addressing spirit, class, and political economy.

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I. NO JUSTICE, NO PEACE

People have the expectation, and the human right, to receive justice in courts. The “Plan of Adjustment” confirmed by the Detroit bankruptcy court on Friday, November 7, 2014, was not justice.

The discriminatory truth about Detroit’s Chapter 9 municipal bankruptcy proceedings has been systematically covered up by local corporate media.

Operating under what University of Texas journalism Professor Robert Jensen describes as their “ideology problem:” such corporate press agents 1) rely on “official sources,” no matter how demonstrably self-interested and biased; and 2) assume without supporting evidence that the so-called “solutions” of corporate capitalist leaders are legitimate. Meanwhile, larger majorities of people are realizing every day that those same corporate powers are in fact the problem.

In Detroit, corporate media ideological contamination has been especially extreme. Shortly before confirmation of the Plan of Adjustment, Wayne State University journalism Professor Jack Lessenberry called out the endorsement of Governor Snyder’s re-election by Gannett Corporation—operating under the guise of the Detroit Free Press. Denouncing Snyder’s regressive environmental policies, “Michissippi” values, and hokey “tough nerd” persona, Gannett ideologues nevertheless endorsed his re-election. This may be a new low in the series of “There Is No Alternative” lies about Detroit’s morally bankrupt, emergency-managed restructuring.

The hypocrisy and racism inherent in this pattern of media abuse and lies peaked in the “theater of cruelty” surrounding the confirmation of the Plan of Adjustment. In the lead up to the confirmation, an absurd non-event, alternative voices in the community were making themselves heard for months with increasing frequency, to the point where the

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2. This section of this article originally appears here: Tom Stephens, Detroit; Rise Up Against the Plan of Adjustment!, DETROITERS RESISTING EMERGENCY MGMT. (Nov. 9, 2014), http://www.d-rem.org/detroit-rise-up-against-the-plan-of-adjustment/.


5. Id.
Detroiters Resisting Emergency Management website was three and a half pages deep in recent, relevant critiques and eloquent calls for justice.

Professors Peter Hammer and Michael Shank, writing in The Hill, a forum for lawmakers and policy professionals, captured the essence of Detroit’s near-term future:

Next year heralds the frightening but inevitable endgame of fiscal austerity that will forever change the character of this city. Stripped to the bones, Detroit will be a shell of its former self, offering minimal services of police and fire protection and that’s about it. A city no longer, Detroit will be a convention and sports space with no municipal services to sustain it.

Think of the lead up to and confirmation of the Plan of Adjustment as “Jones Day, the Play.”

In his confirmation opinion, Bankruptcy Judge Steven W. Rhodes urged Detroiters to “move past” our anger, and to embrace a “much grander bargain.” He even had the gall to label this process as “democracy.” This is the noxious authoritarian doctrine of “the ends justify the means,” trotted out by a faux-enlightened philosopher jurist without the heart to respond to the suffering of Detroiters who are being disenfranchised, displaced, cut off from water and deprived of dignity, agency and humanity by the vicious Jones Day/Snyder/bankruptcy austerity regime. No whiff of critical assessment troubled corporate elites and business organizations drowning in bombastic self-congratulation.

The “Plan of Adjustment” confirmed by the Detroit Bankruptcy Court is not justice. It is discrimination; opportunism; expediency; cruelty; austerity; dishonesty; corruption; lawlessness; power and greed. And Detroit’s corporate media helped make it all possible by refusing to publish the truth about the “Plan of Adjustment” and its effects.

6. Detroiters Resisting Emergency Management (D-REM) is a community-based, coalition comprised of community-based organizations. D-REM works to provide alternative voices, information and plans for ensuring Detroit is a vibrant, sustainable city. See, e.g., DETROITERS RESISTING EMERGENCY MGMT., http://www.d-rem.org/ (last visited Oct. 25, 2015).


8. See Sandy K. Baruah, Detroit on Cusp of New Era with Bankruptcy Announcement, DET. REGIONAL CHAMBER (Nov. 7, 2014), http://www.detroitchamber.com/detroit-on-cusp-of-new-era-with-bankruptcy-announcement/. (releasing 15 minutes after Rhodes approved the Plan of Adjustment: “There is also no way to overstate the brilliance of Governor Snyder and Kevyn Orr throughout the bankruptcy process.”).
If we looked beneath the corporate media’s superficial lies and self-serving frames at the historic drama playing out in Detroit, what would we see? I think of it in terms of three perspectives: spirit, class, and political economy.

II. SPIRIT

In Detroit, democracy and the rule of law were suspended by a brutally discriminatory, privileged, neoliberalizing corporate patriarchal takeover. This takeover was orchestrated for the barely concealed purpose of imposing the terrible costs and burdens of the Wall Street crash of 2008 on the most powerless and vulnerable among our community. Violence, crime, blight, dispossession, disenfranchisement, deception, trickery, fraud, exploitation and injustice are partly captured and simultaneously obscured by characteristic Detroit political code words, such as “disrespect” for us and “opportunity” for colonialist-minded “progressive” entrepreneurs in the “Detroit Future City.”

Capital is experimenting in Detroit with whatever it can to create a gated, contaminated, extreme-energy and climate future. Hundreds of thousands of people are being used and abused, as pawns of an urban renewal process, without principles, human rights values or human dignity. The gravity of our situation, and its importance as a lens for understanding what we must do, are as hard to overstate as they are to overstand.

In the midst of Detroit’s morally bankrupt “restructuring,” the elected Chief Executive of Detroit’s wealthy, predominantly white, suburban neighbor, Oakland County, largely a fossil relic of previous eras of race relations, L. Brooks Patterson, shot off his fool mouth to a reporter who told the truth. In the piece “DROP DEAD, DETROIT!” which appeared in the January 27, 2014 issue of The New Yorker, Patterson was quoted as follows: “What we’re going to do is turn Detroit into an Indian reservation, where we herd all the Indians into the city, build a fence around it, and then throw in the blankets and corn.”

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10. See, e.g., DETROIT FUTURE CITY REPORT 3 (2013), http://detroitfuturecity.com/wp-content/uploads/2014/02/DFC_ExecutiveSummary_2ndEd.pdf. (“Detroit Future City begins to align our assets with opportunity, mapping a framework that best coordinates investment of our resources.”).

you have it: emergency management of Detroit, as seen from the suburban county seat named after the Patriot Chief Pontiac.\(^\text{12}\) I can think of no better local benchmark from which to examine how racism and kindred immoral emotional plagues produced this crisis and confrontation over the soul of Detroit.

Perhaps the most obvious restructuring abuse in 2014 was the global human rights controversy that followed the Detroit Water and Sewerage Department’s (DWSD) decision in the spring to begin shutting off water en masse to indigent families. Up to 3,000 families per week had their water shut off.\(^\text{13}\) Patterson told the New Yorker in unguarded remarks regarding the regional water system, “They’re not gonna talk me into being the good guy. ‘Pick up your share?’ Ha, ha.”\(^\text{14}\) In the bankruptcy,
DWSD needed to “clean up” its own balance sheet, in anticipation of potential privatization sale, or for regionalization. Detroit’s poorest and most vulnerable residents were targeted for bad debt reduction through the elimination of their access to basic needs for health and life. Local corporate media nevertheless still failed to understand or articulate how this revealed the truth about emergency management and restructuring. Others were not so circumspect:

On June 25, 2014, three UN experts on the human rights to drinking water and sanitation, on adequate housing and on extreme poverty expressed concerns regarding water shut-offs in Detroit. They stated[: “Disconnection of water services because of failure to pay due to lack of means constitutes a violation of the human right to water and other international human rights.” DWSD’s recent brutal policy of shutting off residents’ access to drinking water rightly drew the attention and the ire of the world to Detroit’s unjust emergency management regime and its abuse of Detroiter, in disregard of law.15

Michigan Governor Rick Snyder’s policies of “emergency management” for communities of color are about a lot of things: greed, racial domination, socializing costs while privatizing benefit, forcing the weakest and most vulnerable to bear the costs of profitable excesses by the rich and powerful, etc. But at bottom, these unprecedented state takeover statutes and their real-world consequences, currently being implemented in Detroit at a pace and scale that is hard to grasp, represent a deep spiritual crisis. Detroit is not only occupied by mercenary agents of capital, it is possessed by demonic spirits of illegitimate power, intellectual bankruptcy and moral corruption. And it’s the normalization of this invisible demonic spiritual possession that makes the Governor’s emergency manager policies suspension of human rights, legal rules of order, and democratic procedures possible.

In Beyond Geography, the Western Spirit Against the Wilderness, Frederick Turner traced the spiritual roots of the exploration, discovery, genocide, development, mass racial incarceration, and emergency management’s colonial cycle to the abandonment of a sense of integration with nature and the universe embodied by myth-bound peoples. The sense of integration was abandoned in favor of the Judeo-Christian heritage’s linear, historical narrative of salvation for white,

chosen, people. In such light, Detroit’s auto industry development, labor civil rights social history, and subsequent abandonment and decline over the last 50 years can be seen as America’s history of alienation and racial oppression in microcosm.

Examples of this history of alienation and racial oppression can be seen in the planting of European crown-chartered corporations in the east coast forest lands, the rise and fall of great auto factories, and now in Detroit’s $200 million-and-counting corporate restructuring contractors who are leeching off a bankrupt city. Similarly, alienation and racial oppression can be seen in Madison Avenue and Hollywood tropes, from “winning of the west,” to the “new model city” that hosted the 1967 uprising, and now in Detroit’s Future City plan of increasing “density” by adopting “green and blue infrastructure.” From the massacre at Wounded Knee and its continuing legacy of oppression, to today’s street violence and militarized policing of people of color, it has always been convenient for self-satisfied white Americans to mistake the genocidal plagues and starvation economics they bring to the “people of color table” for their rhetorical “blankets and corn.” Whether our future arc will re-enact a dimly sensed mythical hero narrative lifted up by Turner in Beyond Geography, of “separation, initiation, and return” to spiritual regeneration, or echo Native and African-American histories-as-tragedies of dispossession, displacement and death of “the other,” is perhaps the most under-appreciated, yet crucial question of Detroit’s 21st century emergency restructuring. Turner says, “[i]nitiation in these [mythic hero] narratives equals transformation.” Hopefully, transformation is still possible in our era of screens, memes, and extremes.

What does such visionary “transformation” discourse have to do with Detroit’s restructuring through bankruptcy? Our inability to answer this question begins to measure the infinite gap between our cultural politics.

17. See DETROIT FUTURE CITY, supra note 11. The “Detroit Future City” plan has been developed with tens of millions of philanthropic dollars. It has been criticized by grassroots community groups and scholars, including me, as insufficiently engaged with Detroit’s community, with racial and regional reconciliation, or with much of our existing reality, as explored in this essay. Highly focused on “density” and buttressed by progressive buzz words like “green” (ecology) and “blue” (water), it unsurprisingly reaches the same conclusions about “shrinking” the city’s “footprint”—i.e., stripping infrastructure from poor people’s communities and cutting back services, that its proponents started out with before investing heavily in consultants.
and any sort of “spiritual regeneration.” What could provide a realistic promise of establishing “stable and cooperative communities” under the neoliberal lash of austerity and Michigan Governor Snyder’s “relentless positive action”? European commercial and missionary invaders entered the “new world” as white Christian entrepreneurial saviors, bearing gifts to trade with its inhabitants for land. Corporate, state, and philanthropic occupiers of Detroit today seem utterly convinced of their essential righteousness, and of Detroit’s dark, wretched ruination. This falsely framed combination of spiritual hubris, political power, and unequal wealth, with blindness to the human rights and the humanity of the emergency-managed people, may yet prove to be as deadly as L. Brooks Patterson’s smallpox-laden blankets.

III. Class

E.P. Thompson’s preface to The Making of the English Working Class sets the stage for his bottom-up reconstruction of the dawn of industrial history, as well as for the UAW-CIO’s constructive welding of class and race solidarity into instruments of urban development in 20th century Detroit:

By class I understand a historical phenomenon, unifying a number of disparate and seemingly unconnected events, both in the raw material of experience and in consciousness. I emphasize that it is an historical phenomenon. I do not see class as a “structure,” nor even as a “category,” but as something which in fact happens (and can be shown to have happened) in human relationships.

More than this, the notion of class entails the notion of historical relationship. Like any other relationship, it is a fluency which evades analysis if we attempt to stop it dead at any given moment and anatomise its structure. … The relationship must always be embodied in real people and in a real context. … [C]lass happens when some men, [sic] as a result of common experiences (inherited or shared), feel and articulate the identity of their interests as between themselves, and as against other men whose interests are different from (and usually opposed to) theirs. 20

The ahistorical nature of American law in general, and of bankruptcy procedures for adjusting economic failure and loss, reifies, obscures and misrepresents what dynamically and “in fact happens” around Detroit’s regional development, labor market and racial power plays, particularly public accountability for corporate abuses of people & the commons. In Governor Snyder’s emergency management, restructuring, and bankruptcy narrative, enormous socioeconomic and cultural resources have been invested in creating a sense of “inevitability,” for something that is in fact unprecedented, extreme, one-sided, experimental, improvised, grotesquely unjust, and even evil. Nothing like the racist bankrupting and corporate restructuring of Detroit has ever been tried on this scale before, so there are no real legal precedents and the full extent of its consequences for Detroit’s people will be arbitrary, capricious, and historically up for grabs. Class dynamics ignored in law, education, corporate media, and polite society, when seen and understood (especially by people who have little or nothing to lose) can reveal strategically advantageous terrain for resistance under such circumstances. We’ve been here before. Thompson, as usual, put it best, referring to fierce class conflicts from the 17th century “Levellers” to the age of revolutions at the end of the 18th century: “It is the old debate continued. The same aspirations, fears, and tensions are there: but they arise in a new context, with new language and arguments, and a changed balance of forces.”

In 21st century Detroit, broadly speaking, two diametrically opposed perspectives frame the city’s fiscal crisis of restructuring, emergency management, and bankruptcy: 1) the corporate, property interest-based view and 2) the community, human rights-based view. The former view is top-down, market-oriented in rhetoric, ideologically neoliberal and exercises monopolistic power over the scene and its people. While the latter view is bottom-up, justice-driven, ideologically diverse within broad left conceptions, and is learning to exercise power to affect events and circumstances. Proponents of these views are looking at the same things, but from very different perspectives. Well-paid public liars in the “restructuring” enterprise hasten to denigrate the views and aspirations of those who disagree as engaged in “magical thinking” and refusing to “face reality.” We, those of the community, who have a human rights-based view, respond with our bodies, spirits, class analyses and political economic alternatives. This profound difference in our appreciation for

21. *Id.* at 41.
the actual social context and human consequences of the restructuring of Detroit is based on class differences.22

Corporate media and emergency management supporters cannot acknowledge the existence of such diverse truths. To do so would betray their own propaganda and instrumental functions in the system of class domination. Exploding inequality, injustice, and impunity for the powerful are the social context for the Detroit bankruptcy. These are class dynamics. Resistance can, as it has throughout history, continually articulate and exploit such diverse frames and narratives. In fact, resistance must do so if it is to succeed while the emergency managers’ vicious austerity policies inevitably and gradually fail. Free people cannot allow themselves to be defined and pinned down by corporate, property-based definitions of our lives and communities. In corporate media, Detroit is bankrupt because of corrupt and incompetent elected local leaders. In the real world of history-driven-by-class-conflict, the incompetent and corrupt leaders (as well as those who were reasonably competent, honest Democrats co-opted by capital’s power over all of us), failed to come to grips with the huge political economic forces of racism, neoliberalism, imperialism, and the evisceration of social welfare by a bankrupt system of global capital relentlessly attacking a vulnerable Detroit and its people. Running the Motor City in the post-WWII golden age of United States world hegemony, local officials tried and failed to please capital, base public development on private profit, and seriously look for a path out of the corporate globalization trap. Now there’s no other path left.

Detroit leaders’ inattention to the larger forces that shaped the city’s downfall is somewhat understandable. What other legislative or executive authority, anywhere, came to grips with these forces? Today, the United States Congress is owned by Wall Street. The Michigan state government, like the rest of the upper Midwest, is completely captured by ultra-right wing “tea party” ideologues driving policy from one neoliberal extreme to the next Koch-libertarian extreme. The terrifying underlying triple crisis of the unbalanced corporate economy, the gasping planetary ecology, and the global warming fossil energy system of spreading resource wars has not even been named by government officials, much less appeared on the governing agenda. In regards to “disaster capitalist” measures such as emergency management and austerity for suffering, vulnerable places like Detroit are the perfect place

22. *Id.* at Preface. “Class” here is intended to be a supple, finely crafted analytical toolbox that is intentionally broad enough to include race, gender, religious and ethnic communities, and other collective historical dynamics, as well as economic classes defined by their relationship to means of production. *Id.*
for elitist policies in our current era. They demonstrate vigorous action and yield windfall profits for a few, without promising any solutions to interlocked crises that have no clear or simple solutions.\textsuperscript{23} We’re told to just keep on keeping on as the elites publicly subsidize corporate development of our downtown corridor, refine poisonous high-carbon tar sands in southwest Detroit, and drive cars everywhere, while Jones Day cleans up our City’s balance sheet. The atrophied imaginations constructing this corporate hologram are frauds and targets for framing alternatives. They have no other real value. The bottom-up perspective of self-initiated class agency profiled in \textit{Making of the English Working Class} points the way to the target and defines useful frames and possible futures.

\section*{IV. POLITICAL ECONOMY}

Sam Gindin and Leo Panitch, in \textit{The Making of Global Capitalism; The Political Economy of American Empire}, explore several related systemic features of 21\textsuperscript{st} century political economy that help shed light on Detroit’s emergency restructuring via managed bankruptcy:

The centrality of US corporate capital to all major political decisions, and government’s consequent first priority of enabling capital’s global freedom of action as bedrock policy;

The leading role of Fordist auto technology and production techniques, as well as the 1950 “Treaty of Detroit” between General Motors and the United Auto Workers, in setting the pattern for global labor markets and the regime of capital accumulation that drove the rise and fall of Detroit in the 20\textsuperscript{th} century;

The reality that these policies and their results were—and are—choices made by powerful leaders, not the inadvertent consequences of impersonal “market forces;”

The continuing, critical relevance of class dynamics in 21\textsuperscript{st} century Detroit, as found by E.P. Thompson in and around 18\textsuperscript{th} and 19\textsuperscript{th} century Manchester; and

\textsuperscript{23} Jamie Peck, \textit{Framing Detroit - Presentation at the University of Michigan} (Jan. 31, 2014), http://media.rackham.umich.edu/rossmedia/Play/afa23ac545364438b3d700748882d45e1d.
The continuing, dynamic interrelationships between corporate profits, weakening of labor, environmental damage, technological change and financialization for the last 50 years and more of Detroit’s epic journey to emergency management.24

Among many other things, Making of Global Capitalism provides a whirlwind tour of 20th century evolution in social modes of industrial production:

With the institutional crystallization of American capitalist class power in the modern corporation, and the defeat of the late-nineteenth century challenges that had emerged from what was then the most militant industrial working class in the world, as well as from the radicalized farmers’ movement, US capitalism entered the twentieth century having demonstrated a remarkable capacity to integrate and subsume under its hegemony not only small business but also professionals, middle class strata, and working class consumers. “And it was on this basis that the US developed the key industrial innovations that came to be known as “Taylorism” and “Fordism” [so-called “scientific management” for maximum productivity of workers’ time, and the mechanized assembly line]—which together reorganized mass production in such a way as to make a high-wage proletariat compatible with and actually functional to industrial capitalism.25

Welcome to the middle class, and to Detroit as America’s world-shaking mid-century industrial powerhouse.

Of course this system of power relations goes far beyond industrial production technology and social organization of the workplace. Commercial and cultural spheres such as consumption, capital’s occupation of consciousness (as well as unconscious desire), and debt are also among the system’s crucial terrain and roles.

In 1927, Edwin Seligman’s The Economics of Instalment Selling captured the ethos of Fordism in the new mass consumer age. He extolled credit-based marketing for not only increasing spending,

25. Id. at 30.
but ensuring that ‘a family with car payments to make would be forced to work hard to make the payments.”

This ethos is embedded in today’s regional discourse around Detroit which includes, entrepreneurialism, work-readiness, anti-welfare “dependency,” and cruel violations of labor and pension rights. At the economic level, emergency management is advanced life support for a zombie-like, living-dead, system of mass consumer desires. This life support is given in the face of deadly contradictions arising from Detroit’s massive unmet human needs, especially after the disappearance of the high-wage proletariat, the Wall Street crash and the Great Recession of 2008.

This heightened, sharpened, exploding picture of Detroit going bust in Panitch and Gindin’s financialized Global Capitalism, has been coming for a very long time. Indeed, their narrative of Making Global Capitalism – the crisis of “stagflation,” OPEC, UAW wage and benefit levels, and American war in Vietnam during the 1960s and 70s coincided with Detroit’s forty-year gritty decline from Motown to ghost town. Black Power, Leagues of Revolutionary Black Auto Workers, Mayor Young, and all the rest of the high-wage, multi-racial proletarian Detroit that’s so abhorred by Brooks Patterson & his ilk, were the restive, uprising soul and spirit of Detroit’s blighted corpse today. All of it was symbiotically connected to the evolution of global capitalism at the highest policy levels. Between the end of WWII and the 1980s:

A resolution of the contradiction between the need for mass consumption and the fear of worker militancy only finally emerged out of a combination of direct state intervention to limit union strength, government-encouraged private consumption through interest-rate ceilings and mortgage guarantees, and the crucial subsequent “settlement” between capital and labor in industry.

It was a forty year sub-prime slide from the high-wage, multi-racial proletarian Detroit to “ruin porn,” the attempted obliteration of state constitutional protection for public employee pensions, and the bankruptcy fire sale privatization of Detroit’s regional water and sewerage department, sanitation, transit and everything else that’s not nailed down.

26. Id at 50 (citing LENDOL CALDER, FINANCING THE AMERICAN DREAM: A CULTURAL HISTORY OF CONSUMER CREDIT 252 (Princeton Univ. Press, 1999)).
27. Id. at 82.
As Panitch and Gindin describe, Detroit in the middle of the last century was a place of tense, conflicted accord that created the multi-racial industrial middle class:

[T]he most important event in resolving the contradiction between the need for private consumption and the dangers posed by wage militancy was the 1950 “Treaty of Detroit.” When General Motors, the largest manufacturing company in the world, and the UAW, the most prominent union in the country, institutionalized the “Fordist” link between mass production and mass consumption through this path-breaking collective agreement, they went far beyond anything that Henry Ford ever imagined” with his $5 day. “The Treaty of Detroit,” followed by similar agreements throughout the auto sector and other industries, was key to the resolution of the dilemma US capital had faced at the end of the [second world] war. The organized American working class would now become the backbone of a high-wage and high-consumption proletariat, but its unions were no longer prepared to challenge capital’s right to manage production, let alone question the “capitalist system” along the lines often heard in the 1930s.28

As they used to say here on the east side, “there goes the neighborhood.”

Today’s neoliberal plan for renewed prosperity of the few entails rewriting the social contract, imposing harsh austerity on (at best) a service-industry precariat, eliminating social benefits from corporate growth, socializing Detroit’s loss, and privatizing Detroit’s downtown and riverfront core, which directly accesses one of the most lucrative international border crossings in North America, located in the midst of unequalled, and relatively sheltered fresh water resources. For the corporate elite, Detroit’s downtown and riverfront core would be a stupendously valuable strategic location for investment in an age of climate uncertainty, if it weren’t for those descendants of militant working class black church and civil rights indigenes occupying the surrounding run-down and blighted neighborhoods. So the key strategy of the corporate elite is to blame neighborhood members’ unions, pension funds, civil rights protections and their sick, allegedly anti-business mind sets for their problems.

The reality of white supremacy and capital’s implementation of their victory reveals a different narrative. The organized bargaining

28. Id. at 83.
representatives of the workers accepted capital’s “right” to manage and invest according to its selfish, unilateral priorities. Detroit was abandoned to the people who elected Coleman Young mayor in 1973. For half a century now, and increasingly in the current era of corporate globalization, the ideological imperative described by Panitch and Gindin held:

What was good for General Motors was now good for the world. The Treaty of Detroit epitomized what was meant by the term “productivism,” which under the Marshall Plan also became the model for the export of American labor relations to Europe, and it gave enormous legitimacy to what the US was doing there... Meanwhile, financial institutions of various types not only participated in the rapid growth of industry across the country but also found ways to encourage and take advantage of rising consumerism to draw in the working classes, especially through state-backed mortgage securities and consumer loans... Put simply the US investment banks wrote the rules while everyone else... was busy trying to work out what investment banking was all about.29

We’ve learned only recently how far the potential for fraud and abuse inherent in that scenario would take us down.

By the crash of 2008, Detroit had already suffered for decades from wave after wave of deindustrialization, white flight, capital flight, middle class flight, so-called “free trade” offshoring of investment and living wage jobs, subprime mortgage predation, derivative speculation, and the housing bubble. Because of Wall Street’s blow to “consumer confidence,” Panitch and Gindin explain, “… when a housing bubble bursts it affects not just the financial system, but the whole economic system, in a way stock market meltdowns do not.”30 This time “a slowdown in consumption preceded the beginning of the recession in late 2007, and turned into a massive collapse in the second half of 2008.”31 The rest of the world, from Greece, Egypt, Italy, and Spain, to Portugal, Ireland, Iceland, Cyprus, Puerto Rico, Ukraine and points beyond, tumbled into the debt-leveraged abyss, along with Detroit and what used

29. Id. at 84-90 (quoting TONY GOLDING, THE CITY: INSIDE THE GREAT EXPECTATIONS MACHINE (2001)).
31. ALBO, GINDIN & PANITCH, supra note 33, at 317-322.
to be known as the “Third World.” It was time for some major restructuring. Taxpayers first had to bail out Wall Street, then bail out two of the three formerly Detroit-based U.S. auto companies in the era of “too big to fail.” Governor Snyder’s first emergency management statute followed in March 2011. Then, a rewritten Detroit bankruptcy-focused version was forced through the lame duck, December 2012 session of the Michigan legislature, after the people of Michigan invalidated the first emergency manager statute in a voter referendum.

Nothing vaguely understood as “democracy” changed the fact that, as Panitch and Gindin demonstrate, in 2010 all the advanced capitalist states had shown “neoliberal solidarity” by “embracing fiscal austerity as the primary means of coping with the so-called ‘exit costs’ of the crisis.”

“Rescue packages” were provided to Greece, Ireland and Portugal, and imposed on their working classes, “with conditionalities of austerity and privatization that were just as draconian as those that had been attached to IMF structural-adjustment programs for developing countries in the 1980s.” Meanwhile, “a capitalist crisis of historic proportions was still playing itself out in high unemployment and a stagnating economy.”

US unemployment had doubled “from 7 million in 2006 to 14 million by 2009, a level that remained largely unchanged two years later.” But “corporate profits had quickly recovered from the 2009 downturn, and by mid-2011 were not only 23 percent above the mid-2007 level but even 16 percent above their record peak in mid-2006.” It was good to be a corporate “person.” It was a really bad time to be a public servant, or dependent in any other way on wages or salary to survive. The racial implications of the divide are too stark to even be discussed in most polite company, much less in the broadcasts of corporate media where most people get their disinformation and propaganda.

The pattern for restructuring Detroit was this marathon effort of victim-blaming, white racial privilege, and real estate speculation. The stark class bias in the federal government’s response to the Great Recession was evidenced by their…
… preventing the ‘pay czar, whom [President] Obama appointed to oversee executive salaries in the businesses that the US government now formally owned, from drastically cutting the salaries of Chrysler and General Motors managers, even though the conditions imposed under the March 2009 bailout legislation required massive concessions on wages, pensions, and working conditions from the rest of the workforce … the system of class power and inequality that had generated the crisis was being reproduced.37

The political economy of emergency management, austerity, worker and union suppression, corporate impunity, and power to negate social benefits and human rights, was unleashed. It runs roughshod, entitled, and voracious today.

Detroit’s “emergency management” corporate apologists argue that the legal bankruptcy and attendant governmental operations and social “restructuring” are necessary to “clean up Detroit’s balance sheet” of debt and annual budget deficits, gussying us up as attractive potential debtors to serve Wall Street by attracting new loans, new investment, and a new-model mythical neoliberal future world, that will never actually come to pass. But it makes excellent ad copy. Lying to people in order to get money from them is an old habit from Wall Street to Main Street, from Detroit’s Coleman A. Young City Hall to the Governor’s mansion. It will be hard to break. If ordinary Detroiter have any hope for a future, if we retain anything that is historically significant from our spiritual and militant class heritage, we have to break that habit for them as if our lives depend on it. Because they do.

37. Id. at 321.