

Lessons From the Detroit July 1967 Rebellion and Prospects for Social Transformation

Part IV Conclusion - Five Decades of Economic Challenges and the Need for Socialist Construction

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Region: [sub-Saharan Africa](#), [USA](#)

Theme: [Global Economy](#), [History](#), [Law and Justice](#), [Police State & Civil Rights](#), [Poverty & Social Inequality](#)

Note: This is the fourth installment in the series which draws links between the crisis in race relations and the super-exploitation of African American labor during the 1960s with the impact of the restructured world economic system on the city of Detroit. Decades of plant closings, the erosion of educational and municipal services, the imposition of emergency management and bankruptcy further illustrates the desire by the ruling class to maintain the status-quo. Socialism is the only viable solution to the crisis of United States political economy and the need to liberate the oppressed nations and the working class.

Developments in the city of Detroit since 1975 have been represented by continuous assaults on the status and well-being of the African American community and working people as a whole. Successive waves of economic crises spawning job losses, the lowering of real wages and the abolition of hundreds of thousands of industrial, service and public sector jobs have left the city with deep scars.

During the summer of 1975 another mini-rebellion erupted along Livernois Avenue on the near northwest side. However, with the intervention of the administration of Young, the unrest was quelled through the indictment of a white bar owner who had shot to death an African American youth accused of burglarizing his vehicle parked outside on the commercial strip.

Renewed rounds of plant closings between the late 1980s and 2009, the continuing white flight to the suburbs, the targeting of homeowners with predatory loan schemes which defrauded people out of their property, would create the conditions for a rapidly declining social situation in Detroit. The Great Recession beginning in 2007-2008 devastated the city's housing stock turning Detroit from being a majority home owning municipality for African Americans and working class people, to one of majority renters. Tens of thousands of homes were lost through mortgage foreclosures while the city, state and federal governments refused to enact policy measures by the declaration of a state of emergency and the imposition of a moratorium on job losses and home seizures by the banks.

The Moratorium NOW! Coalition to Stop Foreclosures, Evictions and Utility Shut-offs was formed in the spring of 2008. This organization waged public campaigns, demonstrated against the leading financial interests such as the Bank of America, Chase, Bank of New York Mellon, etc., calling for the bailing out of the people and not the banks.

The following year in 2009, drastic cuts in public transportation, educational and municipal services were initiated in Detroit. A People's Summit and Tent City was erected in Grand Circus Park downtown during June 2009 as a protest action against the ruling class National Summit held at the Renaissance Center, the headquarters General Motors. Moratorium NOW! Coalition brought people in from across the country and staged daily rallies in the park along with two significant demonstrations at GM World Headquarters against plant closings and lay-offs.

This was the period of restructuring and bankruptcy for the automotive industrial giants of Chrysler and GM. The process served as a template for the forced bankruptcy of the City of Detroit some four years later.



Governor Rick Snyder (Source: [Wikimedia Commons](#))

In 2012, the State of Michigan under **Governor Rick Snyder** would convince a five out of nine majority within the Detroit City Council to vote in favor of a Financial Stability Agreement (FSA) under the guise that this would prevent the appointment of an emergency manager. The FSA would escalate a program of austerity eroding further the authority of the legislative municipal body in subservience to the right-wing pro-corporate regime in Lansing.

Nonetheless, by early 2013, an emergency manager was appointed by Snyder. Several months later the EM would file for bankruptcy in federal court in downtown Detroit. The Moratorium NOW! Coalition would intervene in the EM process and bankruptcy proceedings both within the federal court as well as outside in the streets. The organization filed a Freedom of Information Act (FOIA) request to acquire thousands of files documenting the disastrous impact of the predatory municipal loans and interest rate swaps which ensnared the city in an unsustainable economic quagmire. These documents were scanned into digitized formats in early 2013 and posted on the organization's website as a special entry.

(See www.Detroitdebtmoratorium.org)

This is first time in U.S. history that a community-based organization mounted a protracted struggle not only against the activities of the banks in the area of mortgage foreclosures, it

extended this effort to expose the role of predatory municipal financing by the multi-national lending institutions impacting the City of Detroit which precipitated the economic crisis. These actions by Moratorium NOW! Coalition and its allies drove down by \$200million a scheme engineered by Barclays Bank to turn over yet another \$285million to a host of financial institutions in order to terminate an interest rate swap deal that was purely a gift to the same financial institutions responsible for driving the municipality into economic ruin.

As a negotiating tactic, the EM **Kevyn Orr**, appointed by Governor Snyder, recommended an 86 percent cut to retirees monthly pension payments. Progressive layers of the municipal employees mobilized under the Stop the Theft of Our Pensions Committee (STOPC). Although a largely rigged process of economic coercion and manipulation resulted in the passage of a so-called “Plan of Adjustment” by a majority of retirees, the actual reductions in pensions were far less severe as desired by the ruling class.

At the height of the struggle against the bankruptcy, the EM ordered the termination of water services for thousands of Detroit households in 2014. Moratorium NOW! Coalition organized weekly demonstrations called “Freedom Fridays” outside the offices of the Detroit Water and Sewerage Department (DWSD) during May, June and July of the same year. The largest demonstration against water shut-offs and the bankruptcy was held on July 18.

The annual Net Roots Conference took place in Detroit during this period at Cobo Center downtown attracting thousands to the city. Representatives of National Nurses United (NNU), the largest healthcare labor union in the U.S. encompassing 180,000 members, contacted Moratorium NOW! Coalition to see how their union could assist with the efforts in opposition to the bankruptcy and the massive termination of water services. NNU was scheduled to send in leading officials to the Net Roots Conference and were open to collaboration with local activists.

Moratorium NOW! Coalition proposed that the delegates to Net Roots be lobbied to shut down the conference on Friday July 18 and come out into the streets downtown and join the weekly demonstration. Through a process of consultation, the Moratorium NOW! Coalition proposal was accepted by the conveners of the event. Altogether some 5,000 people, both local activists and conference delegates, marched through downtown prompting the DWSD at the urging of federal bankruptcy **Judge Steven Rhodes** to impose a temporary halt to the terminations of water services. This provided the opportunity for thousands of households to make arrangements to pay their over-inflated arrears in water bills.

Nonetheless, the water shut-offs continued afterwards due to the fact that the payment plans were unsustainable. Detroit is still the most impoverished major municipality in the U.S.

With specific reference to the foreclosure crisis, the bank-imposed housing crisis drove down actual property values throughout Detroit. Over assessed property taxes led to another monumental crisis in 2015. Tens of thousands of homes were slated for seizure by the Wayne County Treasurer’s Office and the Detroit Land Bank Authority (DBLA).

Moratorium NOW! Coalition waged a citywide campaign to demand the halt to these unjust foreclosures. A host of community organizations met with the-then interim Wayne Country **Treasurer Eric Sabree** who rejected the concept of a moratorium on tax foreclosures citing the possible inability to sell bonds to investors.

However, the deadlines for foreclosures were extended and payment plans were structured in a way to mitigate the crisis. However, such measures only forestall home losses. Again the question of poverty stemming from the decades-long economic decline in Detroit and Wayne County was at the source of the problem.



Mike Duggan (Source: [Wikimedia Commons](#))

By documenting the role of the banks in the Detroit crisis, Moratorium NOW! Coalition asserted the need for socialist reconstruction in order to rebuild the city as well as other municipalities across the U.S. The nationally oppressed and the working class must unite with other potential allies to overturn the capitalist system of production and social relations.

African Americans still constitute an overwhelming majority in the city even though a white suburbanite mayor was installed in 2013, the first in 40 years. **Mike Duggan's** role is to facilitate the removal of more African Americans, Latinos and working poor households from Detroit utilizing the same rationale of blight removal to create the appearance of a white-dominated city.

The only real solution to the crisis of the cities lies in the unity of the nationally oppressed and working class in an effort to shut down the most egregious forms of repression and exploitation. A broad-based socialist movement imbued with justice and strong organizational leadership can cripple finance capital's domination of a city by the formation of a revolutionary alliance aimed at reversing the economic decline.

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