

Detroit Mirrors America's Decline

By <u>Stephen Lendman</u> Global Research, July 29, 2013 Region: <u>USA</u> Theme: <u>Global Economy</u>

America's been declining for decades. It's going the way of all empires. It's dying a slow death. It's epitaph one day will read hubris and overreach killed it. Misguided policies don't work.

Chalmers Johnson once said it's "too late for mere scattered reforms." They won't make a damn bit of difference. It's fate is practically sealed.

It's on a slippery slope the wrong way. It's happening in real time. It's in plain sight. Count the ways.

It's being thirdworldized. It's permanently at war with no enemies. Only ones it invents exist. It's ravaging humanity for dominance.

It's lawless. It's repressive. It's secretive. It's exploitive. It's unaccountable. Incestuous business/government ties abuse people for profit. It's ruthless. It's ongoing at home and abroad.

Corruption's out-of-control. It infests business and government. Checks and balances don't exist. Elections are more farcical than real. Results are decided in advance. People have no say.

Presidential diktats govern. Social decay deepens. Money power controls things. Duopoly power rules.

Freedom hangs by a thread. It's practically gone already. Full-blown tyranny looms. Democracy's a figure of speech. It's verboten.

On June 16, the <u>Economic Collapse Blog</u> called Detroit "Rotting, Decaying and Bankrupt – If You Want to See the Future of America Just Look at Detroit."

At the time, it gave even odds for eventual bankruptcy. Five weeks later, its reality. More on that below. Dozens of other US cities are financially troubled.

The <u>Economic Policy Journal</u> asked "how far behind Detroit are the finance troubles of Chicago, Los Angeles and Baltimore?" Their pension liabilities alone are higher per capita.

Other major troubled cities include New York, Washington, DC, Honolulu, Cincinnati, San Diego, San Jose, San Francisco, Albuquerque, Santa Fe, and Las Vegas.

Which ones will be the next shoes to drop? How long before it happens? Nothing's being done to stop it.

The Economic Collapse Blog lists key reasons why Detroit's troubled:

(1) In 1960, it was America's fourth largest city. It had the highest per capita income. Today it's dying. It's a hollow shell. Only it's obituary remains to be written.

(2) Since its heyday, it's population fell 63%.

(3) About 40% of its street lights don't work.

(4) Some city ambulances still operate with over 250,000 miles.

(5) 210 of its 317 public parks are permanently closed.

(6) Motown became ghost town. About 78,000 buildings are abandoned. So are tens of thousands of residences. Their median price is \$9,000. Many are cheaper.

(7) About one-third of its 140 square miles are vacant or derelict. Heavily blighted areas are increasing.

(8) More half its over-16-year-olds are unemployed.

(9) About two-thirds of its children are impoverished. Many live in deep poverty.

(10) Nearly half its residents are functionally illiterate.

(11) Police solve less than 10% of reported crimes.

(12) In 2003, Detroit had 5,000 police officers. Today it's half as many. More layoffs loom. Hundreds of fire fighters were laid off. Facilities were closed. They're being sold to raise cash. Who'll extinguish fires and save lives when they're gone.

(13) Police stations are closed to the public 16 hours a day.

(14) Detroit's per capita murder rate is 11 times higher than New York.

(15) Crime's a growth industry. Police tell people to "enter Detroit at your own risk."

(16) Detroit faces about \$20 billion in debt and unfunded liabilities. It's about \$25,000 per resident.

Once mighty Motown's a desolate wasteland. Public education's being dismantled. Dozens of schools closed. Thousands of teachers were sacked. Perhaps they'll all be gone. The entire system's crumbling.

Detroit's a shell of its former self. It's in free fall. It's a corpse awaiting burial. It's no longer a functioning city. It's bankruptcy was expected.

City assets will be sold at fire sale prices. They'll be privatized for profit. City services will further erode. They'll disappear altogether.

Union contracts will be voided. So will city worker retirement benefits. At stake are vitally needed pensions and healthcare protection. They'll disappear to save money.

Current conditions will worsen. Blight defines them. Population flight continues. Tax collections shrink. Will the last person leaving please turn out the lights?

Maybe by then remaining ones won't work. Over 40% of nearly 90,000 street lights are broken. Funds aren't available to fix them.

What's happening in Detroit reflects America. It's coming to a community near you. Vitally needed services are disappearing. They're vanishing when most needed.

Healthcare, public pensions and other benefits will be voided. Millions will be on their own sink or swim. Unemployment's heading higher. Most remaining jobs don't pay enough to live on.

It's a national disease. It reflects America in decline. It's rotting out and dying. On July 23, economist Richard Wolff <u>headlined</u> "Detroit's decline is a distinctively capitalist failure," saying:

Motown giants "were loyal only to shareholders, not the people of Detroit. The city was gutted by that social choice."

Predatory capitalism's malignant. It's a disease. It's eating its seed corn. It's killing its host.

Latter day Detroit was the "American Dream" for many thousands of workers. Quality jobs existed. They offered high pay and good benefits. They were valued. They were highly sought.

In the 1940s, 50s, and 60s, Detroit thrived. It was vibrant. It was world-class. No longer. It's been downhill ever since.

"Over the past 40 years, capitalism turned that success into the abject failure culminating now in the largest municipal bankruptcy in US history."

State and city government, as well as business share blame. So do federal officials. "The past 4 years have displayed (the) consequences" of capitalist failure.

Nothing's been done to change things. Bad policy persists. "Real wages stopped growing in the 1970s. Rising consumer debt and overwork" sustained consumption. What can't go on forever, won't.

In 2007, "crisis arrived." Public and private employers took full advantage. Wages, benefits, and job security suffered.

Middle class society eroded. It's disappearing altogether. In Detroit, it's practically gone. It's mirrors America. It's in steep decline.

Top-down structured capitalist enterprises give "major shareholders and boards of directors (plenty of resources) to cut or remove" hard-won union gains.

"That's how this system works. Detroit has 'been there and done that.' The solution is not" more of the same.

Wolff favors worker co-ops. If autoworkers had them, things would have evolved differently, he believes.

They wouldn't have outsourced production. They wouldn't have offshored jobs. They wouldn't have undermined their livelihoods, families and communities.

"Workers would not have destroyed themselves and their communities that way," said Wolff.

"Moving production, a distinctly capitalist strategy, was key to Detroit's population dropping from 1.8m in 1950 to 700,000 today."

Worker co-ops might have saved Detroit. Instead of less jobs and wages, they'd choose less dividends, executive super-salaries and bonuses.

Savings could be "passed on in lower automobile prices." Doing so would have made Detroit more competitive.

It can happen other ways. Co-ops might have switched to mass-transit vehicles. Other alternatives could have been chosen. Detroit could have reinvented itself. Where there's a will, there's a way.

Top-down predatory capitalism's bankrupt. It doesn't work. It destroys. It doesn't sustain.

"What kind of a society gives a relatively tiny number of people the position and power to make corporate decisions impacting millions in and around Detroit while it excludes those millions from participating in those decisions," asked Wolff?

"When those capitalists' decisions condemn Detroit to 40 years of disastrous decline, what kind of society relieves those capitalists of any responsibility to help rebuild that city?"

"(N)o genuinely democratic economy could or would work that way." For sure no just one!

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