

**Statement of the Honorable John Conyers, Jr. for the  
Forum on Legal Ramifications of Detroit's Bankruptcy Filing**

**Saturday, September 7, 2013, 3:00 PM  
Fellowship Chapel, Detroit, MI**

As we meet today, Detroit is at a crossroads.

Our proud and vital City is being run by an unelected Emergency Manager who has opted to plunge us into the largest municipal bankruptcy in history.

As a result, we are confronted with several critical issues that go to the core of who we are as a City -- how will the bankruptcy filing impact our citizens; will we honor our worker's pension and health care obligations; and how can Detroit transition into a modern, functional and viable city.

Unfortunately, there has been precious little public discussion and no public accountability for any of these momentous decisions.

It's as though the more significant the problem, the less we the voters have to say about it. Detroit deserves better.

I say this for several reasons.

**First, both the Emergency Manager's moral and constitutional authority to act on our behalf are very much in doubt.** Never in our Nation's history has an Emergency Manager who was not duly elected by the voters opted to seek bankruptcy protection for a city.

The problem is compounded when the Emergency Manager has assumed power after the voters of the state soundly rejected the Emergency Manager law itself, only to have their votes ignored by a lame duck legislature and when his “good faith” in conducting negotiations have been called into question by the rushed and last minute bankruptcy filing.

The mere fact that neither Mr. Orr nor his office would participate in this or any other public forum illustrates the problem. The way a democracy ordinarily works is that leaders take positions by interacting and communicating with their constituents through elections and ongoing communication.

None of that has happened here, so it's no surprise Mr. Orr chose to refer to our City as "dumb, lazy, happy, and rich."

Second, a legal structure has been imposed upon us which is not only guaranteed to maximize conflicts of interest, but ignores the City's best interests. One of the principal reasons Detroit has faced financial turmoil is because the State has failed to honor its revenue sharing commitments.

Given that, does anyone think a manager appointed by the Governor can be expected to hold the State to this or any other commitment, in court or otherwise?

Does anyone think Mr. Orr is the best person to negotiate with many of the same banks and creditors his law firm has represented in the past?

Does anyone think that he is the best person to rein in the out of control professional fees – projected to exceed \$100 million -- when his former and possibly future law firm is billing the City at rates of nearly \$1,000 per hour?

And if there is little trust in the authority of the unelected Emergency Manager, how can anyone credibly claim Mr. Orr is the most appropriate person to guide the City through the gut wrenching and unprecedented decisions we are facing today?

Is he the best person to decide whether we should place our priceless collection of art work up for auction?

Is he the one who has the moral authority to abrogate the Michigan Constitution and tell our police officers and firefighters -- who have placed their lives on the line every day for us -- that their \$30,000 a year pension – with no Social Security -- is excessive?

Detroit deserves better.

Let me be perfectly clear – the point of today’s forum is not simply to question how we got here; we also need to help craft a path forward for our City. Whatever one thinks of the bankruptcy filing, it cannot create a single job; fill a single pot hole, or respond to a single police call; let alone provide a vision for the City’s future. Only people of good faith and good will, with a vested and long term interest in Detroit, can come together to do that.

As the elected Congressman for the 13<sup>th</sup> District of Michigan, let me begin by proposing several specific steps:

- First, we need more, not less, public discourse.

Today's forum is the beginning, not the end of that much needed public dialogue. And I want as many people as possible to offer their thoughts and ideas on my web page, my Facebook page and my Twitter account, and I will respond to each and every one of you and also make sure Mr. Orr is made aware of your comments.

- Second, the Michigan Congressional delegation needs to continue to work with the City, the State, the non-profit community, and the Administration to maintain and enhance funding and grants for Detroit.

That is why I have asked the Government Accountability Office to make sure that everything possible is being done to protect that flow of funds, and that is the message I delivered to the Secretary of Housing and Urban Development this week.

- Third, the ongoing financial crisis has exposed a number of legal flaws that can and should be addressed through legislation. Next week, when Congress returns, I plan to reintroduce the “Shield Our Streets Act,” which will provide much needed public safety funds for deserving areas, including Detroit. I also plan to introduce legislation which provides a federal back-stop for the pensions of city workers.

And, I plan to continue to push for bills I have already introduced providing jobs for all, health care for all, and an immigration policy which reinvigorates our urban areas.

We all want to see a Detroit whose future is as bright, prosperous, and proud as its past. But we cannot get there by ignoring the democratic ideals that our nation was founded on. I would remind Governor Snyder that ignoring the will of the voters by signing a lame duck law allowing him to appoint an unelected manager represents an insult to those of us who have fought so long and sacrificed so much to protect the right to vote. We also cannot get there by subverting the very principle that made Detroit great – respect for workers’ rights.

So I would also remind Mr. Orr that putting the pensions of our brave police officers, firefighters, and other city workers on the chopping block repudiates not only our State law, but our City's working class history and heritage. Long after our Emergency Manager has left Detroit and returned to private practice, we Detroiters will be forced to bear the consequences of any decision to deny our workers their hard earned and constitutionally protected rights.

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No one appreciates this better than our moderator, Professor Michael Eric Dyson. Professor Dyson is one of the Nation's preeminent social commentators and critics, has authored and edited dozens of books, and received innumerable awards.

He was an ordained minister at the age of 19 and is now an esteemed professor at Georgetown University. He is also a good friend and Detroit native who understands our problems. I look forward to Professor Dyson leading us in a lively, provocative, and constructive discussion concerning our City and its future.