

The



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# LOWDOWN

“Michigan’s story keeps getting bigger, and I think, more unsettling. Michigan is wrangling with a deeply, deeply radical contention that we should not necessarily govern in America using a system called democracy anymore.”

—RACHEL MADDOW, April 30, talking on her TV show about the shocking state program to overthrow democracy in Michigan cities.

WRITTEN BY JIM HIGHTOWER ♦ PUBLISHER, PHILLIP FRAZER

*Why is this dictatorial coup not a huge national media story?*

## Guided by the Koch brothers, Republicans have installed czars to run Michigan’s cities

**HERE’S A POLITICAL STORYLINE** that might seem familiar to you: *With economic pain and political discord ripping across the land, he appeared to have the ideal résumé to become the Republican contender for the top job. Not just another career politico from the dysfunctional Congress, he was a son of heartland Michigan who had founded his own venture capital firm. He looked like the image-perfect “job creator,” and he’d achieved notable financial success in the no-nonsense corporate world. That success, he figured, would now catapult him to electoral victory, for it demonstrates that he’s a can-do fellow with the know-how to run government like a business and fix the economy.*

**M**itt Romney? Yes, but before him, Rick Snyder played the lead role in this made-for-TV political drama—and it hasn’t worked out well at all for the people of Michigan. Two years ago, this former corporate chieftain and founder of two venture capital outfits stepped into Michigan’s political arena, snatching the GOP gubernatorial nomination from the grasp of a congressman,

the state attorney general, and a couple of other experienced pols. The times were right for a Mr. Fix-it—with Michigan’s key auto industry in the ditch and middle-class wages decimated, working families were struggling, poverty was on the rise, and whole cities were on the brink of broke.

Backed by bales of corporate cash, Snyder won the general election by ceaselessly running a series of “job creator” ads (never mind that he had been a top executive and director of a computer corporation that relentlessly shipped thousands of American jobs out of the country until 2007, when the corporation itself was shipped to Taiwanese owners). Snyder said he had a plan to “reinvent Michigan,” the essence of which he expressed in one of his campaign ads: “Eliminate Michigan business tax. Cut taxes on job creators \$1.5 billion. Slash needless regulations. Help small business.”

That’s not a plan, it’s a scam—essentially the same ol’ Republican

same ol’, now being regurgitated by the Romney-Ryan duo. However, Michiganders were desperate enough for a way out of the state’s economic doldrums that 58 percent of voters cast their ballots that November for the “Businessman with a Plan.”

What they didn’t know—because the campaign never hinted at it, much less spoke of it out loud—was that a cabal of corporate-funded, far-right extremists behind Snyder would soon spring a secret plan on them. It was to be a horrific “Spring Surprise” that literally would reinvent Michigan—along with negating the very idea that the American people have a democratic right to be self-governing.

### Michigan goes berserk

One of our nation’s finest political satirists, cartoonist Garry Trudeau, has created a buffoonish character named Triff Bmzklfrpz for his “Doonesbury” comic strip. A caricature of despotic thugs everywhere, Bmzklfrpz is presented by Trudeau as the ruler of the aptly named Greater Berzerkistan.

Rick Snyder must’ve studied there, for he had barely taken his oath of office before suddenly teaming with leaders of the Republican-controlled statehouse and senate to ram into law an astonishing

measure of despotic rule. It only took two weeks in March of 2011 for the ponderously titled “Local Government and School District Fiscal Accountability Act” to be rushed through both houses of the legislature and signed by Snyder. Before the public knew it—BAM!—the governor was authorized to establish his own autocratic republic: Michiganistan.

At bottom, the LGSDFA Act is a doozy of autocratic mischief-making. It lets the governor seize control of any local government he deems to be in fiscal trouble, suspend the people’s democratic authority, impose a corporatized version of martial law, and install his own “emergency financial manager” to govern by diktat (like some hybrid

of Soviet czar and tinhorn potentate—a Bmzklfrpz, in other words).

The official rationale is that many Michigan cities and school districts are in dire financial straits, requiring extraordinary intervention to “save” them from their own people and elected officials. “It’s



## SANDY WEILL— PIGS FLY

**WHY ISN'T SANDY WEILL** treated as a crook? He not only violated the law, but arrogantly flaunted it. Yet the system treats the criminal acts of Wall Street royals like him as the by-product of "financial innovation." Not a criminal, you see, Weill simply suffers from Narcissistic Avariciousness Disorder.

NAD prompted Weill in the 1990s to create Citigroup, the Wall Street conglomerate that hooked our bank deposits into reckless deal-making by global speculators. At the time, his too-big-to-fail model directly violated the Glass-Steagall Act, passed in 1933 to prevent another Depression. But in 1999, Weill got Congress to repeal that act, thus legalizing his house of cards that made him a billionaire—before it crashed on our economy in 2008.

But having NAD means never having to say "Mea culpa," much less "I'm sorry." So, while Weill now says that Glass-Steagall should be reinstated, he still insists that he was right to repeal it at the time—and that he's not responsible for any of the consequential pain that Americans are suffering.

Indeed, he's even playing the victim, wailing recently, "Our world hates bankers." No, Sandy. The world hates greed and self-aggrandizement. You are, after all, the guy who has kept a four-foot-wide wood etching of yourself in your office, labeled: "The Shatterer of Glass-Steagall." Now he wants us to remember him as a pious reformer.

Just weeks after American taxpayers ponied up \$45 billion to bail out his once-haughty bank, Weill commandeered a Citigroup jet to give him a free ride to a Mexican vacation resort. This act of arrogance led to a *New York Post* headline that will be Weill's eternal epitaph: "Pigs Fly."

## The Rachel alternative

"**MICHIGANISTAN**" is a huge national story with profound consequences for America's historic ideal of being a self-governing people, the very essence of our nation's governing ethic. So, where's the national media? Asleep at the switch. However, there has been one wide-awake exception to the somnolent media: MSNBC's "Rachel Maddow Show." For more than a year, she and her guests have been all over this outrage, pounding it again and again, giving grassroots Michiganders strength as they fight the Snyder-Mackinac-Koch autocracy, and gradu-

ally prodding other media outlets to wake up and start paying some attention.

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Her work is investigative journalism at its best, and it demonstrates yet again why alternative media voices are so essential to our society and our nation's democratic ideals.

For this issue of the *Lowdown*, I relied on transcripts of a dozen shows Maddow has done on Michigan—drawing on the astonishing facts, background stories, insights, and passion that she and her crew have brought to the public. You, too, can find and download transcripts at [www.msnbc.com/id/32390088](http://www.msnbc.com/id/32390088)

hole, which he helped fill by slashing or eliminating state funds and tax credits that went to local school districts, low-income workers, and seniors.

The LGSDFA coup against local democracy does absolutely nothing to address—much less fix—these actual causes of the financial crises that mayors and other elected officials face. And by the way, since when did self-styled, small-government "conservatives" become such gleeful champions of using centralized governmental power to whack the once-hallowed Republican tenet of local control? Indeed, to see the irony of their governor trampling their democratic rights, Michigan citizens need look no further than the website of the state Republican Party. Right up front, it proudly posts a list of nine inviolate GOP principles, including this gem: "The most effective, responsible, and responsive government is government closest to the people."

### Spawn of the Kochs

While corporate plutocrats rant about out-of-control government regulators, they do not really hate big, invasive, authoritarian government—as long as they can own it and use it for their own needs. This is why such multibillionaire corporatists as Charles and David Koch have been pumping truckloads of money into dozens of front groups like the Mackinac Center for Public Policy in Michigan. Set up 25 years ago and linked to a network of Koch-headed centers in nearly every state, Mackinac is an idea factory and advocate for shrinking people power and enhancing corporate control.

While it refuses to name its super-wealthy individual backers on the absurd grounds that disclosure "would be a tremendous diversion," the Center does have to report donations from "charitable funds," which includes money from a host of corporate foundations tied to the Koch brothers, Domino's Pizza, Amway, Coors, GM, ExxonMobil, JPMorgan Chase, and Walmart, among others.

In 2005, one of Mackinac's grand ideas was put forth in an essay written by a privatizing enthusiast named Louis Schimmel, who was the Center's director of municipal finance. Noting that Michigan already had a limited program for sending state managers to aid cities engulfed in a fiscal crisis, he argued that the law should be radically expanded to create an emergency financial manager with autocratic power to take control of Detroit's troubled budget. Specifically, Schimmel's Mackinac proposal called for four fundamental changes: **(1)** the financial overseer would "replace and take on the powers of the governing body"; **(2)** have sole discretion to alter the governing charter; **(3)** be immune from lawsuits; and **(4)** have the power to alter and ultimately abolish union contracts.

**DoSomething!** Check out these great groups

■ **Stand up for Democracy:** [www.standup4democracy.com](http://www.standup4democracy.com)  
 ■ **Michigan Forward:** [www.michiganforward.org](http://www.michiganforward.org)

After Snyder won and the GOP gained big majorities in both legislative chambers in November 2010, the Mackinac Center moved quickly to reprint and circulate Schimmel's paper. Lo and behold, the governor's LGSDFA proposal, which seemed to come out of the blue three months later, actually came out of the Koch boys' Mackinac machine. Snyder's bill included all four of Schimmel's democracy-usurping components, as well as other authoritarian add-ons presumably drafted by the Center.

With a solid, lock-step majority in both the state senate and house, Snyder and Republican legislative leaders were able to railroad the full extremist package into law. The GOP slapped down even the most token gestures to local governance—for example, a little amendment that merely would've required EFM's to hold monthly public meetings—so locals could be told what changes their czar was making—got crushed in the senate.

Respect the rule of law? Ha! For half a century, Michigan has had a constitutional rule that a new law doesn't take effect until 90 days after the legislative session ends—thus giving affected citizens time to adjust or try to repeal it. By a two-thirds vote in each house, however, a law can be declared an emergency and allowed to take effect immediately.

With a supermajority in the senate, GOP members easily rushed their EFM measure into effect, but in the house, the party is 10 votes short of the necessary two-thirds tally. No problem—they simply cheated by pulling a quick count and lying about the result. The presiding officer of the house barked out the following in one breathless, three-second sentence: "Themajorityleaderhasrequestedimmediateeffect Allthoseinfavorpleaseriselmmediateeffectisordered."

We're to believe that in only three seconds, he called for a vote, the members got to their feet, he was able to count two-thirds of them standing in favor, and he gavelled the law into effect. Magical!

### Plutocrats in action

Let's go to **Pontiac**, a once proud city boasting that one of America's iconic cars was named after it and made there, employing 23,000 auto workers in the General Motors factory. Today, though, those jobs have been moved out-of-state or eliminated, the Pontiac brand itself has been jettisoned by GM, the city's population has dropped, property values have plummeted, and the city government has been

left in a fiscal wreck. To add to its miseries, Gov. Snyder's cutbacks in revenue sharing mean that Pontiac's funds have been slashed by a third.

The governor did give something to the people of Pontiac, though: An emergency manager. Appointed last September for an indefinite period (he's still there), he promptly relieved the city council of their powers and salaries. Then he fired the city attorney, clerk, and director of public works before acting on his own to outsource the work of various departments. Next, he offered up about half of the people's property in a fire sale of assets—including city hall, police and fire stations, the library, water-pumping stations, a golf course, and two cemeteries. More recently, he has issued five edicts undermining contracts with union workers and retirees.

Who is this guy? Louis Schimmel, the privatizer man from Mackinac!

Asked last year if the EFM law made him a dictator, Schimmel conceded with a sigh: "I guess I'm the tyrant in Pontiac."

On to **Benton Harbor**, the home of Whirlpool Corporation and once the major producer of that giant's appliances. Whirlpool's executives, market analysts, and other top-paid employees still are based in Benton Harbor, ensconced in the corporation's brand-new, gleaming, tax-subsidized \$68 million corporate campus in this town on the shores of Lake Michigan. But, beginning in the 1980s, the bosses have steadily emptied out all of their local factories, moving Benton Harbor's manufacturing jobs abroad to cut labor costs.

This has decimated the local economy, cutting the town's 20,000 population in half, destroying its tax base, and leaving it with chronic unemployment. Benton Harbor is now the poorest city in Michigan, with a per capita income of about \$10,000.

The town's major asset, a public park overlooking the lake, is being absorbed into "Harbor Shores," a \$500 million Whirlpool-backed resort project that includes a sprawling, Jack Nicklaus-designed golf course. Of course, impoverished locals can't live or golf there, but the developers (who got government subsidies for the project) are hoping that Chicago weekenders will make the two-hour trek to the place.

These people are losing their park, but worse, a fellow named Joe Harris has taken a more valuable asset from them: Their democracy.

Harris is Snyder's EFM and literally the Dictator of Benton Harbor. A former Detroit auditor, he began by

## COUNTER ALEC WITH ALICE

**POOR ALEC** just keeps stumbling. But ALEC isn't poor nor is it a person. ALEC—the American Legislative Exchange Council—is a secretive corporate front that has produced hundreds of regressive and repressive bills that are being pushed through Republican-controlled state legislatures. Its bills and tactics are so venomous that 35 of ALEC's brand-name corporate funders—from Amazon to Walmart—have withdrawn their names and money this year.

But with the billionaire Koch brothers and others behind it, ALEC is sticking with its far-right agenda. Condemning it is one thing, but what's really needed is a non-corporate, independent, above-board, overtly progressive alternative to ALEC's special-interest backroom conniving—a clean source of model legislation readily available for the consideration of local and state public officials and the public at large.

Well, great news, folks. ALICE will soon arrive! The American Legislative and Issues Campaign Exchange (or ALICE) is not just a clever play on ALEC's name, but a counter to its agenda and methods. Originated by Joel Rogers—one of progressive America's most creative thinkers and doers—ALICE will offer a one-stop, web-based public library of about 1,000 model laws on a wide range of policy issues, complete with in-depth background materials. It's a nationwide, cooperative effort that already has enlisted several hundred professors, policy experts, students, lawyers, and others who're volunteering their brains, energy, and time to assemble this library, open to all lawmakers, mayors, grassroots groups, media, and... well, everyone.

If you'd like to help ALICE in some way, go to [www.alicelaw.org](http://www.alicelaw.org)



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## NEW FRACKING PHRASES

**"FRACKING,"** as we pointed out in the July *Lowdown*, is such a negative term that Louisiana State University researchers recommended a new term. The academics suggested "a way to extract natural gas that involves using a high-pressure injection of water, sand, and chemicals to remove natural gas from rocks deep in the Earth's surface"—or, **AWTENGTHUAHPIOWSAC-TRNGFRDITES.**

So, we called on you *Lowdowners* to come up with some better ideas. Here are some we especially liked:

**WINNER BEN IN GEORGIA**

offered "Geological Resource Extraction Employing Destruction".

■ **SUSAN IN FLORIDA** didn't mince words: "Earthraping."

Several submissions played off the nefarious role of Dick Cheney in foisting fracking on us, including "Cheneying" from **DON IN NEW ORLEANS**; "Helliburton" from **SALLY ANNE IN WWWLAND**; and "Dicking" from **CAPTAIN CAMARONES IN ARIZONA.**

We got many references to bodily functions:

**WINNER "Hydroflatulating"**

from **BILL IN GEORGIA**; "Breaking Gas" from **JAMES IN BLOOMINGTON**; "Gaxative" from **TERRY IN LOUISIANA**; and "Fracturing And Releasing Toxins Indiscriminately to get Natural Gas" from **KATHERINE AND GEORGE IN OREGON.**

■ **PATRICK IN IOWA** suggested "Deep Penetration," a play on the industry front group calling itself Energy in Depth.

■ From the internet, **SAMUEL** sent "Frackenstein," **ED** liked "Ecosuck," and **THOM** offered "Earth Enema."

**WINNER** And, to compete

with the wordy LSU academics, **LESLIE IN CALIFORNIA** came up with **ANGEBLASTY**—"Anthropocentric Nefarious Gargantuan Elitist Oligarchical Bravado Leveling the Axis of Strata Toward Yield."

The three winners will receive a year subscription to the *Lowdown*.

summarily stripping all power from elected officials, decreeing that city commissioners can meet, but the only action they can take is to approve minutes of their last meeting and then adjourn. When commissioners made a mild (but clever) protest by proclaiming this past spring that the city would observe Constitution Week, Harris monocratically nullified their action. What perfect symbolism! He then expressed surprise that this had upset townspeople: "All I told them was, 'Hey, guys, you have no authority.'"

With unfettered control, Harris has kicked elected officials out of their city hall offices, fired the city manager and other administrators, dismissed the planning commission and installed his own loyalists, merged the police and fire departments, and sold the community's public radio station (which had criticized him). He also intends to privatize the water system (after raising residents' water rates by up to 40 percent) and has jacked up annual garbage fees by about \$300 per home.

Harris is proud and happy to be a commissar for the Koch-Mackinac vision of a privatized America with a neutered democracy, and he definitely likes being in charge with no fussy checks and balances on his decisions: "I don't have to worry about whether the politicians or union leaders like what I'm doing. I love this job. I am the mayor and the commission, and I don't need them."

Meanwhile, Benton Harbor is still deep in debt—and absolutely nothing has been done to address its real problems of joblessness, poverty, inadequate education, inequality, and civic depression. As for an actual plan to boost the economy, Harris points excitedly to his idea of economic development: Selling "I ♥ Benton Harbor" bumperstickers, t-shirts, and souvenirs to tourists.

## Rebellion

City after city in Michigan—including Flint, Highland Park, and even Detroit—are presently under assault by this mind-numbing, right-wing, ideological stupidity. Dangerous stupidity—Detroit Mayor Dave Bing had to surrender control of his city's finances this year to a Snyder austerity czar, who has sought to increase the number of students in each classroom to 61, and the czar's budget cuts are so severe that the fire chief says if empty buildings catch fire, he'd have to let them burn down.

Is this America? It no longer will be if these social-engineering autocrats prevail. But, good news: Michiganders are in full rebellion! As always, though, battling the bastards is never easy, because... well, they're bastards. And they're very well-funded. And sneaky. Yet the people keep pushing, as we see in this chronicle of the 2012 Michigan Rebellion:

■ **Feb. 29**—A broad grassroots coalition (ranging from union workers to tea party members) that was organized under the umbrella of "Michigan Forward" filed more than enough citizen petitions to put the repeal of Snyder's EFM nonsense on the ballot for this November's election.

■ **April 19**—At the last minute, just before the repeal question would have been certified for the ballot by the state board of canvassers, a complaint by Citizens for Fiscal Responsibility is filed to stop certification. Reason? "The font size of the [petition's] heading" is claimed to be too small to comply with state law. Font size!

■ **April 9-25**—Legal jockeying takes place, and digging by journalists and coalition members reveals that (1) CFR is not a real group, but a creature of the Sterling Corporation, a GOP political consulting firm—same address, phone number, and staff; and (2) a Sterling partner, Jeff Timmer, was a chief executive of the Michigan Republican Party and now happens to be one of the four voting members of the state board of canvassers. There are widespread calls for Timmer to recuse himself from the board's petition decision, but the secretary of state (a Republican) says no one can force him to do that.

■ **April 26**—Decision day for the board. Timmer does not withdraw, so the board deadlocks two-to-two, which kills the repeal referendum.

■ **June 18**—Timmer resigns from the board.

■ **June 29**—Citizens coalition appeals the board's rejection to Michigan's Supreme Court.

■ **Aug. 3**—In a four-to-three decision, the court majority (including one Republican) rules that the font size does not disqualify the petition, so the board must put the repeal question on the ballot.

This victory means that **American democracy literally will be up for a vote in Michigan on Nov. 6!**

The Republican and Koch political networks are going all out to win—and if they do, your state/city could well be next on their Berzerkistan anti-democracy agenda.

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### GUIDED BY THE KOCH BROTHERS, REPUBLICANS HAVE INSTALLED CZARS TO RUN MICHIGAN'S CITIES

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