Moody's to Michigan:

DROP DEAD

By James Harris

FOR MONTHS, I TRIED TO FIGURE out what was going on with our economy. I listened to countless "high officials" argue with each other about what was wrong with it. All I did was get confused. When I first heard that Moody's Investment Services had downgraded Michigan's credit rating, I thought the whole state would collapse.

It wasn't hard to become confused about the economy. Even President Reagan seemed confused. He blamed the lower inflation rate we enjoyed in 1981 for the record high deficits predicted in his 1983 budget. After years of inflation fighting, it didn't seem possible that a *decline* in inflation could lead to a record deficit (an economic disaster if I ever saw one). But, I never did understand Reaganomics.

Then, Governor Milliken predicted economic recovery for Michigan "later this year", based largely on "moderating inflation". The governor seemed hopeful; I just got more confused. How could declining inflation in 1981 lead to economic disaster for the country in 1983 **and** create an economic recovery in Michigan in 1982?

With all the confusion, I got ready for the worst when I read that Moody's downgraded Michigan's credit rating. Front page articles and TV coverage described at length "significant effects" we could expect as a result of Moody's action. What I didn't see was much coverage of *why* Moody's had downgraded the State's credit. Even in my confused state, it didn't seem plausible that Moody's would consider so drastic an action if the State's only problem was its tax structure. Whatever Moody's reason, it had to be B-I-G.

What is Moody's you ask? It's a weather vane for people who have money to invest. Who has money to invest? Rich people. Why would rich people downgrade Michigan's credit rating? Because Michigan is a risky investment and rich people don't stay rich by making risky investments. Why is Michigan a risky investment? Because the automobile companies have been leaving Michigan for "safe" states and countries (the kind that are safe from unions, safe from OSHA, safe from consumer protection...). Why "safe" states? Higher profits. Who benefits from higher profits? People who own the auto companies. Who owns the auto companies? Rich people.

What all that adds up to is that the rich have decided that it's no longer safe to invest in a state in which they've stopped investing. It sounds like double-talk, but what it really means is this; **There isn't going to be an economic recovery in Michigan.** Those with the money won't bankroll one here. That's **the** significant story about Moody's action; the other stories are secondary and exist to confuse us.

And there's more to it. The rich **created** the recession here in Michigan. They did it by **not** modernizing aging factories, **not** locating new manufacturing facilities here, and **not** building the cars of the future here. They've used up Michigan, and now they're looking for another place to use up.

So, thank you Moody's. If it weren't for your announcement, I'd still be hoping that the economy would recover "later this year". I am still confused, but I'm clear about this: the economy isn't going to recover, so I have to start building another one.

To be honest, I'm not really sure about how to build an economy—I've never built one before. But, it seems that the first thing should be to stop thinking of the economy the way rich people wanted me to. So, I've developed a few rules for myself. Perhaps the readers of the Voice could try them:

1. Don't listen to economists. There are only two kinds of economists: the first kind helps the rich get richer, and the second kind apologizes for the first. Listening to them is what confuses us.

2. Forget about the economy. There isn't one. There are **many.** For example, there's the economy of minorities, where unemployment has become an unavoidable fact of life. There's the middle-class economy, where people are learning first-hand the fine points of structural unemployment. And there's the rich peple's economy, where unemployment is still a matter of preference.

3. Don't buy "Buy American". Look at what you get when you do: a GM car made in one of those "safe" states by a worker doing the same job you did before you got laid off. Why support GM's efforts to move jobs out of Flint?

But, we need to do more than change our minds around. Attitude isn't enough. What Flint needs is jobs.

4. Don't shop at the malls. Shop downtown—it creates jobs and tax revenues for the city. Boycott businesses that move to the malls.

That's all I can think of to do—by myself. But, if a few of us could get together and organize, we could do a lot more. Here are a few ideas:

1. Tax businesses for moving out of Flint. Why should businesses be permitted to operate in our city until we're all used up and then move out of town for free?

2. Claim the land left before by businesses that move out of town. The city has used eminent domain to take land from poor people for years. So has business: remember what GM did to Poletown? Why not make eminent domain work **for** us for a change?

3. Develop PRODUCTIVE community businesses. We can't get by on service jobs alone. We must produce goods for sale. We can start in our basements and then expand into the buildings claimed for us by the city. Maybe then we wouldn't have to move out of Flint.

What are we waiting for? Moody's message is clear. Things won't get better without us taking action now. Even the people who put plywood on the store windows downtown are running out of work.

James Harris is a freelance writer living in Flint to do research for a novel entitled ***The Making of The Second Great Sit-Down.***