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DETROIT: IS THIS WHERE AMERICA IS HEADED?

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In a letter to James Madison, Thomas Jefferson identified three types of governments: government by force; government by consent of the governed; and no government at all. The second type to Jefferson has much good to recommend it – principally liberty and happiness -- but is not without its evils mainly in the turbulence to which it is subject. He insisted that a little rebellion “now and then is a good thing ... a medicine necessary for the sound health of government.”

Is there a worse example of what happens when the turbulence gets out of control than Detroit where government by force replaces government by consent of the governed? Earlier this year Michigan Governor Rick Snyder appointed an emergency manager to sort through the city's enormous fiscal problems. This week Detroit initiated bankruptcy proceedings that likely will lead to serious losses for all Detroit creditors including city pensioners.

Public corruption has contributed to the city being governed by force. For instance, ex-mayor Kwame Kilpatrick and ex-councilwoman Monica Conyers, wife of Congressman John Conyers, have been convicted of taking bribes from persons doing business with Detroit.

Corruption is not Detroit's only problem. White and black flight from the city, which reduced its population from 1.850 million in 1950 to 714,000 in 2010, has severely eroded its tax base. The 2007-2011 poverty rate is 36 percent. Median household income is \$27,862. Median value of owner-occupied housing is \$71,000 or roughly 50 percent lower than in the State of Michigan.

Long-term commitments to public employees in the form of health and pension benefits have added substantially to the city's fiscal burden. Without the necessary tax base, budget deficits have become inevitable. Increasing taxes is not the remedy. They simply drive more residents and businesses out of the city.

Detroit looks like East St. Louis 50 years ago, though on a much wider scale. Employment in the 1960s eroded to the point where an estimated 50 percent of the Illinois city's population was receiving some kind of public aid. Since then, little has changed. The 2007-

2011 poverty rate in East St. Louis is 42 percent. Median household income is \$19,934. East St. Louis is a forgotten city. The same fate possibly awaits Detroit.

All the while, elected federal politicians have become gatekeepers who decide who gets what from the federal money trough. What is the ethical difference between bribing a public official and contributing to that official's campaign war chest when both open the same gate? The potential for public corruption is huge in Washington precisely because the amount of federal funds to be handed out is enormous. The risk of corruption will not be reduced until and unless the government and the funds necessary to run it are downsized. Simply put, more money makes for more corruption.

In Washington's politically charged atmosphere there is no way to downsize without saying *no* to the lobbyists and special interests who expect more from the federal government especially when they cannot or will not say *no* to the abundant opportunities for getting their hands on federal dollars. And there is no way to do that without reducing the class of professional gatekeepers who hang on in Washington, not to serve the public but to maintain their personal power and influence. Too many of them from so-called safe districts (states) have taken hold of lifetime employment in Washington. In the extreme, consider Michigan Congressman John Dingell who recently was honored by his colleagues for 57 years in office. Only a politician with a deadened conscience would consider that an achievement.

Adding to the turbulence in Washington today are the IRS scandal of giving tea-party groups the run-around on their applications for tax-exempt status thereby suppressing their participation in the 2010 and 2012 federal elections, the NSA spying on American citizens, the unanswered questions regarding the killing of four Americans in Benghazi including the U.S. ambassador, and the phone snooping on AP reporters and a Fox journalist.

All of which are compounded by the lying and covering up that is routine practice in Washington. "I take full responsibility" has become the empty mantra of high-level public officials who in fact accept no blame because they are shameless.

On top of all the corruption and turbulence in Washington must be added a public debt that has grown to nearly 17 trillion with no end in sight. Who will repay the bondholders when nearly 50 percent of all federal income tax filers pay no income tax whatsoever? Will the holders of that debt, including the Social Security trust fund, some day have to take a haircut? With the Medicare trust fund on a path to depletion by 2026 who will pay for Obamacare? The simple answer is health care providers. Who, then, will provide the care that the federal government has promised?

Moody's Investor Services reported recently that covering the unfunded pension liabilities of the 50 states would take on average 45 percent of all state revenues. Illinois is in the worse shape of all. It would take 241 percent of Illinois state revenues to cover its unfunded

pension liabilities. Turbulence seems entirely inadequate to characterize the current threats to government based on the consent of the governed.

Under present conditions, including especially the IRS scandal and the Washington gatekeepers who have no moral compass, why would American taxpayers continue to accurately report their incomes and pay their taxes?

Unlike the residents of Detroit and Illinois who are free to move elsewhere, American citizens do not have the same easy option. As second best, however, they can just stop paying their taxes.

To conclude we offer three questions. Is America headed down the same road as Detroit? Do corruption, mismanagement, and fiscal irresponsibility justify a Jeffersonian rebellion that produces “the medicine necessary for the sound health of government”? What form should that rebellion take?

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