

## Individual State Bankruptcies

John W. Ritenbaugh

Given 02-Jun-18; Sermon #1436c

This commentary that I am going to speak on I was made aware of by Bruno Gebarski who is with us over there in Hamburg, Germany. He said that he heard Rod Meredith preaching about this subject generally way back in the '80s, and that he was prophesying that something like this would occur. I do not mean that Rod Meredith knew exactly about this then, but I think that he had enough insight to perceive that things would eventually hit in this way.

It was a short number of years ago that we were hearing the news of a massive number of hungry, landless, jobless, poverty-stricken and therefore desperate people looking for some means of hope in their lives. These wandering people were mostly from lands on the northern and eastern areas of the Mediterranean Sea. The wanderers were mostly headed toward Northern Europe. That was the focus of their hopes because they had heard that the welcome sign was open at that general location, and that there was food and a measure of rest, and for some perhaps even a job.

That crisis of desperation went on for a couple of years. For several months, a day didn't go by without our hearing of a massive movement of people somewhere in the world. Eventually we began hearing of it more frequently here in the United States, of movements aimed at and located right here in the good old USA. Here the issue has mostly involved people streaming over the borders from Mexico into Texas, New Mexico, Arizona, Colorado and California and points beyond. This particular migration is truly old hat for us because it has been, in one sense, a daily feature of life in the American Southwest for as long as America has been a nation. There has always been a sort of gentleman's agreement—invitation—to Mexicans to come across the Rio Grande, especially into California, to work temporarily during certain harvest seasons.

However, this time we began hearing of large numbers of Latinos not just from Mexico but from everywhere south of the border, crossing illegally, camped at or marching toward the borders, and carrying with them the threat of forcing their way in. Not peaceful crossing here, necessarily. The reasons for doing this now had virtually everything to do with political citizenship, including obtaining voting powers, receiving financial/economic, social benefits (called welfare) besides employment. Harvest labor was little more than a mere side issue.

All governments employ some sort of practice of moving massive numbers of people for

Individual State Bankruptcies by John W. Ritenbaugh (<http://www.cgg.org>)

whatever they deem is a good reason for them to do so. Most of their reasons are bad. They are usually economic, because they can't support the people they are asking to move or moving. Interestingly, even God does this. God used the confusing of languages in Babylon when He determined it needful for His purposes to do so, and He tells us what those needs were. God used the weather, which He controls, to move people about from time to time. Sometimes those movements involved large, large numbers of people, like a potato famine in Ireland. As a matter of fact, God used the weather—a famine—to place the Israelitish people in Egypt, and once there they were there, they prospered greatly.

But there is also another massive movement of people taking place at this present time. This is what Bruno alerted me to. I did not realize this was going on at this present time and it is taking place in the United States of America almost silently. Some people are not unaware, though. This massive movement has been going on for a number of years already, and it has gradually gained strength and contains within its numbers those almost exclusively born here. These are American citizens moving elsewhere [in the nation]. This migration's cause is almost exclusively greed.

There are a number of people already aware that this migration is occurring, because awareness of it is so vital to the value of their counsel—these people are counselors of one type or another—given to those whose incomes are dependent upon the fluctuations that are occurring, because their incomes are dependent upon such knowledge. There are a lot of people employed at this that I did not even realize keeping track of the movements of Americans. The numbers are contained within the United States census data, but it requires a great deal of time and patience to dig the figures out, along with adding machines, and that's why these people who keep track of these things are earning big wages to advise people about these movements going on.

Now, we have already heard of a number of individual city bankruptcies occurring. Detroit was in the news frequently for this distinction, and so were cities that did not go broke, maybe, like Detroit did, but they were awfully close—cities like Fresno, California; Modesto, California; and places south upon the central plains of California. Now, why was it so important there? Do you realize that at one time California grew almost half of the fruits and vegetables in the United States of America, and they were all harvested—most of them—by Mexicans? Now this begins to become more serious because the people moving are not Mexicans, they are Americans.

Detroit has not really overcome this burden of bankruptcy, but at least more sensible people now have better control of managing its income and outflows, and some progress is being made because enough citizens in Detroit are willing to be the "bac

guys" by saying "no" to the liberal politicians who want to give things to people in order to stay in office. These people are saying, "No, we cannot afford this expenditure." This happening in Detroit is incredible, considering that this city—along with Pittsburgh—was the very heartbeat of the tremendous amounts of money generated within, flowing into those city and state coffers, and because of Detroit's close association with America's tremendous automobile and steel production.

But you notice it's not so tremendous anymore. Something has happened to it, and of course we are kept somewhat aware on either a daily or a weekly basis of this nation's overall debt problem that will never be settled until God collapses the entire nation's profligate ways of the river of debt building at a terrific rate behind all the paper IOUs accumulating but being ignored by anybody who matters. That includes you and me because we are being affected, but most of us are unaware of what is really taking place. We have reached an economic point where this is really becoming serious.

But now we are hearing of something of a new family of debtors who have moved into our areas of operation. We are hearing of entire states, not just Detroit, whose profligate liberalism has sucked them into the swamp. Up until just a few years ago—listen to this—one in five Americans lived in California, New York State, Massachusetts, Connecticut, Illinois, or New Jersey. Get what's happening in those states. Living in those states was many people's dream. But the bloom began to come off the rose in the mid-1990s, especially in California. Beginning about 1995, California's population losses have totalled (until 2017, so this is a twenty year period) two million. They have lost two million in about twenty years. However, the bubble has burst, because in 2018 alone California will lose 800,000 people to other states. One year, one state. These people used to brag that they were the fifth largest economic population in the world, but since they have taken over, California has sunk to seventh and is on its way down fast. The Golden State has lost its sheen.

Besides California, New York State will also lose 800,000 people. Where are they headed? I will tell you: North and South Carolina. Massachusetts, New Jersey, Connecticut, Washington State, Illinois— one of the worst of them all; it's not big like the others, but it is in bad shape—and Pennsylvania and Minnesota will also lose large numbers of residents. These migrants are not merely disappearing. They are moving and causing problems for the states they are moving into.

Now, what states are the beneficiaries? Is there any pattern being shown here? Any class of people being affected most seriously? Well, the number one beneficiary state is Texas. Why? They have no income tax. This is the major mover. The people are moving to where the taxes are low and bringing boom times to these other areas. Do you know

Individual State Bankruptcies by John W. Ritenbaugh (<http://www.cgg.org>)

how fast houses are selling in North Carolina? They can hardly put them up fast enough. South Carolina is right on the brink of the same thing. Oklahoma, Missouri, Virginia, Georgia, Florida, Arizona, and South Dakota are the beneficiaries. With South Dakota in there, you know it's not the weather that is attracting those people there—it's money, because there are almost no taxes there. The same is true with these other states.

North Carolina's state tax is so low...I will tell you this, I have never had to pay taxes in North Carolina larger than \$23 for my family. I am talking about income taxes. That is what is attracting people here. All of these states have lower tax rates—and in many cases, much lower—than the loser states, and many of them have Republican governments. But there is another common characteristic: it is what people normally consider the middle class. Number-wise it is the most seriously impacted.