

## Individual State Bankruptcies (Part Two)

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In my previous commentary, I introduced to you what was—to me, anyway—a rather startling state of affairs in American economics. It was that a number of American states—not merely cities and towns—despite our almost overwhelming wealth are going belly-up. This condition, just as surely as the overall economic disorder in the entire nation, has its roots within the same avariciousness that seems to reside clearly in the hearts of men.

I mentioned overwhelming wealth. America had been so wealthy that California had, all by itself as only one of the fifty states, the fifth largest economy in the world. California's economy all by itself exceeded all but four nations in the world. This is incredible—to compare one state to the whole world, in that sense, except for four nations. Today it still ranks as the seventh largest, but its economy is clearly in a declining mode. It no longer stands alone as a state whose economy is in free-fall. Several others are figuratively grasping for breath from the vigorous pursuit, looking for ways to raise money to support their systems.

In one sense, the cause is simply understood. When times were good, the government figures promised and spent money almost as though there was no tomorrow. California led the way, spending the most and the fastest.

However today, as projected by the United States Census Bureau figures, California will lose 800,000 people in population in 2018 and again in 2019. New York State will lose close to that figure too. These people are not disappearing. They are remaining as Americans, but they are migrating to where the jobs—and thus the work and the income—are available for them and their family's survival.

Those people in California (amongst other states) are moving to Texas, Tennessee, Oklahoma, North Carolina, South Carolina, Georgia, Arizona and Florida primarily, but also to a lesser degree to Utah, Idaho and South Dakota. Now those states are experiencing boom times to some level because they all have certain things in common that have to do with motivating this internal migration. It too has something to do with money and with profit rates that in turn have to do with tax rates and especially with corporate tax rates.

People who manage the monies of businesses that hire people to work for them are no

looking to anchor themselves and their businesses in states with already high rates of taxation because taxation rates solidly impact negatively on the making of profits. One of the significant elements the states experiencing economic booms have in common is very low or even no state income taxes. That really makes them immediately more attractive to consider as a base for a business, and also makes those states much more willing to make an attractive offer to a company looking for another area to either relocate entirely or to expand into. Thus, businesses are either moving out of high tax states or at least not seriously considering expansion within them.

It is not that people have suddenly become California- or New York-haters, but they are led to flee because work positions are declining. It has simply, in many cases, become an economic necessity that has either cost them greatly already (because of what they already lost) or they are anticipating that it will not be long before the economic roof caves in over the entire state.

I have been talking here about the West and the East Coast states primarily, but there are states in the heartland also suffering, and thus tax losses as well. These include Illinois and Minnesota, especially Illinois. Illinois is surrounded by Indiana, Michigan, Wisconsin, Iowa and Missouri, but Illinois is the crown jewel of losers within this group. Minnesota, Michigan, Illinois and Wisconsin are all in this grouping, losing population over the ten year period from 2006 to 2016. Except for Missouri, they all have one thing in common: They have liberal governments.

But Illinois' rate of loss is accelerating rapidly. Between 2010 and 2017, it lost 647,827 people from its population, and again, largely because of high taxation. That figure is equal to—except for Chicago—Illinois' four largest cities. Just to give you an idea of what an emptiness in a way this is creating within Illinois: two or three families moving from here and there...but when you get the total figure, it begins to become very serious to the government of Illinois. Those four cities are Aurora, Rockford, Joliet and Naperville.

Now, why? Well, it's a simple answer: The grass is greener elsewhere because of the high taxation rates that employers will not accept, and so companies moved to where they can show a profit and thus take the jobs with them.

The area of California that has been hit hardest is the San Francisco Bay area, including San Francisco itself and those cities surrounding it, but especially those actually touching on its borders. When people have made up their minds to move, it seems they become pointed and expressive at asserting why they are leaving. Their justifications include the five following reasons:

- (1) It is almost impossible in those states to get a job that will support them.
- (2) The overall conduct and attitudinal personality of the area (this is the San Francisco area) has changed so greatly since they moved there originally. It is oppressive to live there, they say.
- (3) The high cost of living, especially for housing.
- (4) Governmental figures cannot be trusted to deal with fairness.
- (5) California is a sanctuary state, and thus their perception of California has become a state harboring criminals.

I think that we are witnessing the clear and serious indications of the failure of liberalism. In my judgment, in an overall sense, California is by far the most liberal state in the union, with Oregon and Washington not far behind—there is the Left Coast. There is a reason why the Pacific Coast is rather jokingly referred to as the Left Coast. It has earned that reputation through its careless discarding of formerly acceptable behavior. God provides mankind with some brief and pointed directives regarding behavior, as in the Ten Commandments. They are so clear, nobody has to guess about what they are saying. Each one of them could hardly be clearer and easily remembered, but some of His governing principles are not as clear, and they require more thought, but are fairly easily discernible.

Listen carefully to this. One of these is that which is shown repeatedly throughout the Bible. That is, right and acceptable behavior proceeds from the top down. Remember that principle. This is taught biblically by God, clearly showing over and over how important the deportment of the king is. If the country is led by a David or a Josiah, things go well. If it is led by the liberal and forgetful Manasseh, the nation descends into depravity, rapidly.

In a major way, Californians have no one to blame for their state of affairs but themselves, because in this nation we vote the leadership into their offices, and Californians keep voting the same type of personalities into office as their leaders, year after year. And those kinds of leaders are acceptable to the majority of the people—that's why they keep getting voted in. So God is teaching and His classes are open. But the governed and their governors have already rejected His counsel.