

## ***America's Detroit Future***

By [Peter Ferrara](#) on 7.24.2013

*Obama's politics and policies promise nothing less.*

*In the 1950s, Detroit was the fourth largest city in America, with a population of nearly 2 million. It was also a middle class paradise, with the highest median family income of all major cities in the entire country. The last Republican mayor of Detroit was elected in the 1950s.*

*Then the 1960s happened, and Detroit became a socialist one party state. And you know what that one party was. Over the next half century, city politics in Detroit was a battle between Left and Lefter, or socialism versus communism. Let's face reality and speak the truth. We see there the heart and soul of the Democratic Party, what comes out when the party is left undisturbed, and is free to be what it wants to be.*

*As a result, taxes, government spending, and disabling regulation of evil profit-making activity (business) boomed. Detroit residents came to pay the highest income and property taxes in the state, and Michigan is not known as a low tax state. Businesses within the state became a target for tax plunder. Last year, financially desperate Detroit doubled its business tax, administering one last lash to the golden goose before going down, as that counterproductively only made the problem worse rather than better.*

*Government employee unions and their self-interested political activism took over the city, with the support of the city's population thinking that whatever the unions wanted had to be good for working people and the middle class. Taxes, of course, are mother's milk for government employee unions, who literally eat and live off of taxes.*

*The city took on massive effective government debt in the form of unfunded liabilities for government employee pension and health care promises. Detroit came to be the cutting edge for overpaid government employees, with excessive benefits and promises of ever more. That cutting edge has blossomed today into state and local government workers nationally paid on average 45% more than the private sector workers who must pay the taxes to support them. Government pay and benefits for state and local workers nationally now totals \$80,000 per year on average.*

*Those government bureaucrats, after a career of backbreaking work in their offices driving businesses out of the city, if not out of business altogether, generally feel they have to retire at age 55. Studies show that, realistically evaluated, unfunded liabilities for state and local public employee pension and promised retirement health benefits total \$5.2 trillion, effectively adding about a third to the national debt burden on taxpayers. In Detroit, retirement benefits and debt eat up about 40% of revenue, effectively*

*consuming nearly every dollar of city property taxes, which so heavily burden private sector retirees.*

*Moreover, Detroit 's bloated; overstaffed bureaucracy today employs one worker for every 50 city residents remaining. Indianapolis provides much better services, with one worker for every 223 residents. But Indianapolis has remained a Republican town.*

*For all of Detroit 's runaway government spending, government services in the city became pitiful. The high school drop out rate in Detroit reached as high as 76 percent in recent years. Yet per pupil spending in Detroit public schools is higher than in rich and prosperous Marin County, California, where the high school graduation rate is 97%. Maybe that is because in return for the non-education of the young in Detroit, public school teachers there enjoy the highest pay in the country among major metropolitan areas, at nearly \$50 an hour.*

*For all the taxes and spending in Detroit, the city slashed its police force by 40% over the past decade. (Cops are not the foot soldiers of socialism.) Maybe that is why the average wait for police response to an emergency phone call is 58 minutes in Detroit, five times the national average. Maybe that has something to do with Detroit suffering one of the highest violent crime rates in the country as well.*

*That crime is effectively yet another tax driving businesses out of the city, or out of business altogether. Who is going to invest in Detroit to create jobs and increase wages when that investment is subject to plunder by criminals, and whatever survives is subject to plunder by taxes and hostile bureaucrats? No wonder one-third of Detroit residents live in poverty. The city's own bankruptcy filing reports that nearly 70% of city parks have closed in the past five years. Four in ten street lights do not work, further promoting crime.*

*Business and investment has consequently fled the city. The largest employer in Detroit is the public schools. The second largest is the city government. The city economy cannot function with everyone getting a check from the government, either for a government job or for welfare. Detroit 's unemployment rate is nearly 30%. The city now ranks 66th in the nation among major cities for median household income, a long climb down from number one half a century ago.*

*The middle class has followed business and the jobs in fleeing the former middle class paradise. The city's population is now down to around 800,000, less than half what it was in the 1950s. As a result, more than half the residences in the city are now vacant, with the only response being a government demolition program. Consequently, after half a century of municipal socialism, the city is literally disappearing under the feet of loud*

*mouth left-wing demagogues. It is like people fleeing East Germany after the Berlin Wall fell.*

*Detroit's middle class paradise has been turned into the Third World hell that suits its economic policies. Detroit is bankrupt today because as Margaret Thatcher famously recognized, the fundamental problem with socialism is that eventually you run out of other people's money.*

*The same cancer has been spreading from Philadelphia to Chicago to Oakland, and California more generally. New Yorkers made of sterner stuff have so far avoided the same fate by voting in Republican mayors for the last 20 years. But New York City is still not too far behind the same result. Ditto that for other cities from Los Angeles, to St. Louis, to Cleveland, Baltimore, Washington, D.C., Buffalo, Newark, and elsewhere.*

*Churchill is said to have recognized that if you are not a socialist when you are 20 you have no heart, and if you're still a socialist at 40 you have no brains. But young adults in the nation's urban areas have to start thinking about their futures, if there are to be any. Single women, your real threat is not Republican men taking away your contraceptives, but Democrats stealing away any prosperous future family life.*

*Blacks and Hispanics, maybe you should start voting for jobs and rising real wages, rather than welfare and government benefits, and the higher taxes on job creators and employers to fund them. You will never reach the prosperity, nice houses, nice cars, and nice neighborhoods you desire from government handouts. Asians, are the Democrats for your future prosperity, or are they just after for your votes, at least until you wake up. Jewish voters, hello, is anyone awake there?*

*But the much bigger problem facing America is that the policies of Detroit have now gone national at the federal level. What day has Barack Obama talked about the economy when he has not talked about increasing taxes, federal spending, deficits and debt, regulation, and other anti-growth policies that worked their devastation in Detroit? What has President Obama ever stood for that is pro-economic growth, jobs, rising wages and incomes, and prosperity? Climate change? Gun control? Gay marriage? Stand Your Ground? The Keystone Pipeline? America's low cost energy revolution, which proceeds only because he hasn't stopped it yet?*

*Obama and the other Washington Che Guevara Democrats seem to be a self-parody of President Reagan's joke regarding stupid economic policy: if you find something moving, tax it, if it keeps moving, regulate it, if it stops moving, subsidize it.*

*Tax rates for virtually every major federal tax were increased in January,*

*except for the corporate income tax, which even so is now the highest in the industrialized world. Obama's proposed 2013 budget called for spending nearly \$50 trillion over the next 10 years, which would be the biggest government spending in world history. The national debt is now at \$17 trillion, and rocketing towards \$30 trillion over the next 10 years, while the entire economy is only \$16 trillion, and barely growing at all over the last 5 years. The nation faces \$100 trillion to \$200 trillion in unfunded liabilities for entitlement programs, and the only changes Obama and his Democrats have favored are to add trillions more through Obamacare, explode welfare dependency, and extend unemployment benefits, which former House Speaker Nancy Pelosi thinks is the best pro-growth program possible. (Next to her Sarah Palin is a rocket scientist.)*

*What Obama is really doing is taking the Democrat urban political machine of Chicago/Detroit national. He is exploding welfare dependency, **thinking as Saul Alinsky taught him that a government check means an almost certain Democrat voter.** And he is plundering anyone financially independent with high taxes, thinking financial independence means political independence. Following Alinsky, he talks a good line about the middle class. But he has done less than zero to promote the middle class jobs and incomes he keeps talking about. Instead, middle class incomes have declined continuously throughout his Presidency, with no relief in sight. America is on the exact same road as Detroit. **"Spreading the wealth around" is a perfect, tried, and true way to make that wealth disappear.***

*Now Obama is finally going to address the economy in the next few weeks, peddling the same Detroit snake oil he has sold to America for more than five years now. The question before the nation today is: Is this generation of Americans capable of self-government?*