The Bankruptcy of Detroit (Motor City is Burning)

Description

How do democratically elected political leaders, their well paid bureaucrats, and astute citizens allow for the largest ever bankruptcy of a U.S. city? On July 18, 2013 Detroit declared what was already understood that they did not have enough money to pay for their commitments and obligations.

The Mayor and the city Council knew that Detroit was losing jobs and people. But did they do anything to change how they operated the city?

The people that the Mayor hired had to know that Detroitâ??s tax base had eroded over decades and that it was not going to be possible to continue spending money as they were.

The people who did not leave Detroit, did not hold the government accountable to find a solution.

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The bondholders and business elite stood aside and did not demand that changes take place.

This is the most startling example of a clusterf*ck.

Detroit has been on a decline for decades. They did not lose half of their population (1.5 million to 700 hundred thousand) in the span of a few years according to The Economist. This is what has happened in Europe with is Euro crisis, with nation states not recognizing the limits of their spending.

In Europe and now Detroit almost everyone will have to lose something, but I do not see the political elite and their cronies losing anything. The people who worked for Detroit will lose their pensions, the people who lent money will lose their return, the businesses who sustain the local economy will be harder pressed to stick around. But do the political elites and management actually pay with anything? Leaders are meant to lead but what happens when their lack of leadership leads to what happened in Detroit?

I think they should be sued with criminal negligence. If a corporate board of directors can be held personally accountable if their actions are grossly negligent, I think the same thing should happen to political leaders and the bureaucrats.

When something is on fire, everyone needs to make the effort to put it out, yet that is exactly is what did not happen in Detroit.

Category

1. Political Ponderings

Tags

1. Economic Disaster
2. Human Misery

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Author
doc_surge

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