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Liberals' Garbage

Posted By John Stossel On February 17, 2010 @ 6:17 pm In Economics, Government, Labor | 5 Comments



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^[1]In Berkeley, CA, a liberal government provides programs liberal residents most care about. Its strict recycling policy ^[2] has been well received.

Residents have been so diligent about reducing the amount of trash that goes to landfills by separating paper, cans and plastic and food scraps and yard waste that they now produce less trash and are using smaller trash cans.

Because the city charges trash pickup based on the size of can at the curb, revenues have fallen.

The unintended consequence? A \$4 million budget deficit.

Maybe the union trash haulers will help out with the shortfall... after all, they now work less. They have less trash to haul. The union's position ^[3]?

Our position is that these cuts have to be stopped somewhere, or, to paraphrase Harry Truman, "the cuts stop here." At the same time, Buyback the recycling yard ... has announced that they will be laying off a worker.

That's how the private sector works. When there

is less work, workers are laid off. As the Cato Institute's Daniel Griswold explains in his new book, "Mad about Trade: Why Main Street America should Embrace Globalization [4]":

Every year, the U.S. economy creates and destroys millions of jobs. According to the U.S. Department of Labor, an average of 32.1 million jobs were created and 30.4 million were eliminated annually between 1992 and 2006, creating an average annual net job gain of 1.7 million. About half the churn is seasonal, but the other half is permanent, meaning that each year about 15 million jobs disappear, never to be seen again.

While that sounds terrible, it is actually a good thing. It frees people and capital to find activities where they work more productively. Most do, and as a result, many new jobs are created. If employers are free to make adjustments, they will create new opportunities for those 15 million people, and more. This often-painful job shifting is a part of the creative destruction that creates prosperity. Unions and governments block that creativity by stifling job changes. The Berkeley government responded to the union in <u>predictable fashion</u>^[2].

Rate increases are not being ruled out, even though rates went up 20 percent for curbside trash pickup in August and transfer station entrance fees went up 10 percent.

"If we don't increase rates, we have to decrease expenditures," (city Budget Manager Tracy) Vesely said. "We either need to become more efficient or reduce services."

Guess which one they'll choose.

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[1] Image: http://stossel.blogs.foxbusiness.com/files/2010/02/Garbage-can.jpg

[2] strict recycling policy: http://www.insidebayarea.com/news/ci_14387087

[3] The union's position: http://news.infoshop.org/article.php?story=20100120085840205

[4] Mad about Trade: Why Main Street America should Embrace Globalization:

http://www.amazon.com/Mad-About-Trade-America-Globalization/dp/193530819X

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