

STATES & CITIES UNDER THE GUN

WEB BUZZ 2010.03.08

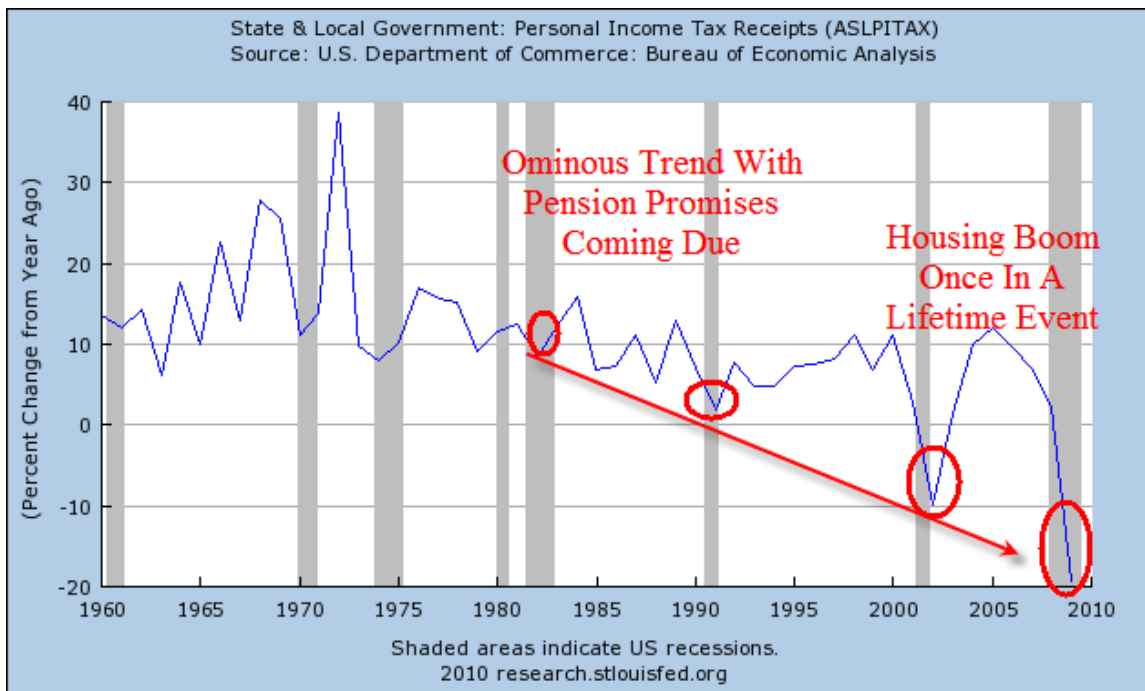
Public policy can often be characterized as propping up those that cannot compete in a free society while, at the same time, destroying those that have been successful. It is a sorry situation that we believe constitutes the beginning of "The Fourth Turning," which will drastically change the economic and political landscape.

With that in mind, let's take a look at what is taking place in the various states and cities across the nation. Most of the following can be found on Mish's blog - globeconomicanalysis.blogspot.com:

1. Ohio Mayor Seeks to Eliminate Public Unions.
2. Voters Say No to Tax Hike in Colorado Springs.
3. Members of Jersey City Municipal Utilities Authority Have to Start Paying Towards Health Insurance.
4. Atlanta Must Change Pension Fund. (Total public pension funds are \$1 trillion underfunded.)
5. Rep. Suzie Bassi: "Illinois in Utter Crisis, Next to Bankruptcy, \$13 Billion Hole in a \$28 Billion Budget."
6. Chicago Public School System is Broke; Union Contract Mandates Raises through 2012.
7. New York - Sales Tax Collection Worst in Recent History.
8. Texas Sales Tax Collections Down 14.2% - \$1 Billion Behind Year Ago.
9. San Francisco Transit Workers Are Moaning About Not Getting an 8% Raise.
10. Pratt & Whitney Announces Layoffs, Appeal of Ruling Blocking Shift of 1,000 Jobs from Connecticut.

The above items are just a snippet of what is taking place across America. Other anecdotal evidence is sure to make the headlines as we move through the years. All are extremely deflationary. The public unions, which have taken

over the states and cities of America from the standpoint of wages and pensions, are going to be under extreme pressure. For years, along with the teachers' unions, they have destroyed the fiscal integrity of most states and cities. What these unions have done is also being done in Washington, D.C.; however, Washington can print money, so their brick wall remains in the future. Not so for states and cities.



Adapted from Mish's Global Economic Analysis