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And now it's the nef being very silly indeed [1]

Written by **Tim Worstall** [2] | Sunday 7 October 2012

To return to one of the great questions of our times. Why is it that people are paying any attention at all to people who seem not to know the first thing about the subject of their pontifications? Our example today comes from Lindsay Mackie who is something or other at the new economics foundation. You know, the place a current Lib Dem SpAd once christened "not economics frankly [3]".

> The circling and landing of carrion birds on waste tips is common enough. These days, it is being mirrored by what you could describe as the circling of human vultures over the waste disposal industry. Biffa, the waste disposal company that carries out much local authority work, is profitable,...

Well, if it's profitable then it's got nothing to worry about then, does it. But that's not quite true:

> Rather, the financial crisis intervened and the company can no longer service this crippling debt.

Oh, so it's not profitable then is it? It cannot pay the costs of doing business from its revenues. Costs are higher than revenues in fact and thus it is not profitable. For yes, the cost of capital really is a cost of doing business. So, we have a deep ignorance of the specific subject under discussion then.

> This situation is an object lesson in faulty economics,

Well, yes it is, and I'm glad that you said it not me.

The rest of the piece is about how we should have all sorts of regulation to stop this ever happening again. But what happening again? Someone making a mistake in business? That, sadly, is always going to be with us. And what exactly is it that everyone is afraid of?

> In August, a consortium of Chinook Urban Mining, a London recycling specialist, the private equity investor Clearbrook Capital and the American bank JP Morgan bid just £520m for the group. But so far no decisions have been made either to sell, or how exactly to re-structure the debt so that the company is less burdened.

Eh? So one bunch of capitalists have lost a fortune by making a mistake. Another bunch of capitalists are willing to risk their money picking it up and trying to make it better. The firm still exists, the firm will continue to exist, rubbish will still be collected, recycling done and the environment preserved. Err, this is what capitalists are for: screw up and you lose your shirt.

What, actually, is the problem with this system?

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