

# The Economist

FEBRUARY 23RD-29TH 2008

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# Castro's legacy



ISSN 0950-0804  
REGD. MAIL NO. 864633  
POSTAGE PAID PERMIT NO. 4000  
NEW YORK, NY 10108  
FIRST CLASS  
ECONOMIST GROUP LTD  
25 ABchurch Lane  
London EC4A 3DF  
UK  
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Printed in the UK

## Where there's muck

Feb 21st 2008 | VERNON, CALIFORNIA  
From The Economist print edition

### The city of Vernon highlights the tenacity of manufacturing in California

YOU can usually tell which way the wind is blowing in Vernon. One smell emanates from Farmer John's, a large slaughterhouse and meat-packing plant. Another more acrid one comes from Baker Commodities, where cooking fat and animal carcasses are rendered. Such enterprises seem increasingly out of place just across Interstate 10 from downtown Los Angeles, with its ever-multiplying luxury flats. But Jim Andreoli, who runs the rendering plant, has no plans to move. "There is nowhere else for us to go," he says.

For the past 102 years Vernon has fought what its administrator, Eric Plesch, wryly calls a "losing battle" for industry in the old-fashioned sense of the word. Just five square miles (13 square kilometres) in size, the city is packed with metal-stampers, plastic-moulders and sausage factories. Some 45,000 people commute there every day, many from south-central Los Angeles. Plans are afoot to add a server farm and a bleach factory. Local officials are delighted with the two new prospects for the same reason that most cities would frown on them: they will use enormous amounts of electricity.

Vernon is part of a patchwork of small cities in the metropolis that remain independent because Los Angeles lacks the power to swallow them. Three others are also dedicated to industry, though not with the same single-mindedness. Far from fighting a losing battle, they are a large part of the reason southern California has remained a centre of industry. Despite its glitzy image, metropolitan Los Angeles sustains more manufacturing jobs than the entire state of Michigan.

One reason industry holds on is that doing business in Vernon is cheap. Larry Kosmont, an independent analyst, reckons most heavy industry would be better off there than elsewhere in Los Angeles, or even in Houston or Las Vegas. Taxes are low, and would be much lower were it not for the state. Vernon has its own gas-fired power station and sells electricity for about 20% less than elsewhere in the area. Power is a big source of profits, which is why the city is keen to lure energy-hungry firms. It wants to start building a big new power station later this year.

What most strikes business owners is the efficiency of the place. Ben Swett of [Windowbox.com](http://Windowbox.com), a gardening-supply company, says Vernon's bureaucrats spend just days, or even hours, on a permit application that would take months in the city of Los Angeles. Vernon's health and fire inspectors, though finicky, are a small team, which means businesses routinely deal with the same people. The police force keeps crime, and thus insurance rates, to a minimum. Brett Willberg, who runs an ice factory, says he has never bothered to fix the electric gate in front of his operation, which does not close.

Vernon caters so diligently to the needs of businesses because it does not have to balance their demands with those of residents. Only about 90 people live in Vernon, many of them cops and fire-fighters. Most rent their homes from the city for a pittance—a one-bedroom flat costs \$147 per month. They are the city's electorate and, in theory, the pool from which mayors and local politicians are drawn.

It does not sound like a recipe for a functioning democracy, because it isn't. The mayor has held power for 34 years. Contested elections are almost unknown. The last was in 2006, when three outsiders moved into a house just before the deadline and petitioned to stand for city offices. Their electricity was abruptly cut off and their home declared unfit for habitation. The outsiders got ten votes out of 68 cast. That was a surprise: they had expected just eight. Bill Schneider of the Chamber of Commerce says the shenanigans during the election worried him—because of the risk that another regime might take over. "What outsiders miss is that the damn place works well," says Lonnie Kane, who runs a clothing firm with his wife, Karen.

Most of Vernon's companies find it useful to be so close to the centre of Los Angeles. The rendering plants pick up cooking fat from local fast-food joints and meat from supermarkets. Mr Willberg keeps costs down by being close to the delis and liquor shops that are big users of ice. Eric Bender, who is about to submit plans for the server farm, will not have to lay much fibre-optic cable. Mr Kane's clothing firm needs to be near designers.

Many cities used to have places like Vernon. Think of Manchester's warehouses or Manhattan's meat-packing district, now converted into clubs and trendy lofts. This is a shame. Smelly, noisy businesses sustain a wider range of jobs than the cafés and cultural centres that most cities try so hard to lure. And all the businesses that exist in Vernon have to exist somewhere. None of which, admittedly, is much comfort when the wind changes.