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## Juveniles in Charge

By Richard W. Rahn

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### *Beavis and Butt-head on the Potomac*

Finally, some good news: Last week, it was reported that the sea turtles in the Gulf of Mexico seem to have weathered the oil spill without much problem. But they are still unnecessarily endangered because of adults who, like juveniles, have a hard time understanding the consequences of their actions. During the past several months, we have seen much of the political class in Washington increasingly act like juveniles, making the rest of us suffer. But first, let's go back to the turtle.

Why are sea turtles endangered, while chickens and cows are not? The answer, quite simply, is that chickens and cows are privately owned and turtles are not - thus they suffer from the tragedy of the commons. When things are owned in common - socialism - no person takes responsibility for protecting the property, and thus it most often ends up being neglected or even destroyed - hence the fate of the sea turtle.

Sea turtles like to lay their eggs on nice beaches in tropical areas - the very same places where people like to live and vacation. This is a battle for space that the sea turtle is bound to lose, despite the best efforts of environmentalist do-gooders to keep people from having a good time and enjoying beaches. The better solution is to farm turtles similar to the way we farm chickens and cows, while also requiring the release of some turtles in order to replenish the wild stocks. Virtually every part of the turtle is useful - tasty lean meat for turtle soup, shells for jewelry, etc. If people were allowed to farm them, there would be many millions more turtles.

Back in the 1960s, Sir Antony Fisher, who was both a major chicken producer in the United Kingdom and a very fine self-taught economist, said that the solution to the endangered turtle problem was to raise turtles in farms and turn some back into the oceans at about age 5, when most could easily protect themselves from predators. He built the first commercial turtle farm in Cayman to prove his concept - a win-win-win idea - more wild turtles, while, at the same time, giving the world good, nutritious food and increasing job opportunities in poor tropical countries. But the environmental community in the United States and elsewhere

lobbied governments to ban international trade in turtle projects, thus dooming the commercial viability of the Cayman and other turtle farms - except as tourist attractions. The result is that the poor turtle is still - and always will be - endangered because environmentalists and their political lackeys react emotionally instead of thinking clearly about realistic solutions.

The bad news is that the economy is not growing or creating jobs as the juveniles who control Washington predicted. Most clear-thinking adults, even without formal training in economics, can understand that if the government greatly increases regulations on business (not justified by serious cost-benefit analysis) and increases taxes on labor and capital, the cost of doing business will rise; hence, businesses will have to hire fewer workers. Obviously, these basic concepts have eluded a majority of the members of Congress and many in the administration because this is precisely what they have been doing.

When reporting on a government action, newscasters often have to say, "I am not making this up." Bloomberg just reported that the Federal Housing Administration (FHA) has agreed to insure a mortgage "that enables buyers to make a down payment of as little as 3.5 percent in a building where apartments are listed from \$820,000 to \$3 million." Did we not just have a housing bubble and financial meltdown that was caused, in part, by government encouraging people with too little money to buy more housing than they could afford? And what sort of mental process takes place in a "mind" that thinks it is a good idea for some hard-working family in Peoria with an income of \$50,000 a year to be guaranteeing (i.e., subsidizing) a mortgage so that some New Yorker can live in a \$3 million apartment? This is precisely what the FHA program will do.

Recently, a chairman of a substantial European bank explained to me why he can no longer take American clients or invest in the United States. Under some of the new U.S. laws and regulations that were designed to get a few billion more dollars for the IRS, those who run foreign banks and have U.S. "tax persons" (citizens and green card holders, etc.) as clients can be held liable both civilly and criminally for not reporting them to the IRS. But, in an age when millions of people have multiple passports and citizenships, there is no way any banker can know with certainty who is and who is not an American "tax person." As a result, the United States is in the process of driving away, perhaps, trillions of dollars in needed foreign investment and millions of U.S. jobs because a majority of those in Congress are unable to see the very costly consequences of their juvenile actions.

But don't despair. There is good news. It seems that Rep. Maxine Waters and Rep. Charles B. Rangel are being charged with violating the rule that prohibits any federal employee from "discriminating unfairly by dispensing special favors or privileges to anyone, whether for remuneration or not." Hmmm: Is this not what much of today's Washington is all about? Do we have enough jail space?

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