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Appomattox, and reasoned alternatives

In April, 1865, General Lee accepted that the war had been lost, that the fighting could go on but there would be no benefit to any Americans, Federal or Confederate, to continuing the destruction. General Lee and General Grant met at Appomattox, negotiated an honorable end, and sent the former Confederate Army of Northern Virginia home to Spring planting. In North Carolina, General Forrest urged General Johnston to take the last Confederate army to irregular warfare. General Johnston, like General Lee, considered irregular warfare with no likelihood of winning to be banditry, and negotiated an end with General Sherman. General Forrest went off to found the Ku Klux Klan.

On Election Night 2008, Senator McCain gave an eloquent concession speech that called on all Americans to work together for the good of the country. In March, 2009, Rush Limbaugh proclaimed that he hopes President Obama's efforts to rebuild the American economy fail. The Republican Party, personified in House Minority Leader John Boehner of Ohio, must choose: honorable cooperation, or the Nathan Bedford Forrest / Rush Limbaugh approach of "opposition at whatever cost". John, the country hangs in the balance. Offer some reasoned alternatives rather than "Just say no."

The Secretary of the Treasury proposes yet another Federal regulatory body to "oversee" financial practices that existing Federal regulatory bodies "overlook". Federal regulators just don't get it, either. Hedge funds were devised specifically for the purpose of escaping the regulation that existing agencies imposed on banks and insurance companies. AIG operated its regulated insurance business lawfully and profitably, but created a separate Financial Services Group to manipulate derivative instruments that were unregulated so as to be able to speculate, that is, gamble, with customers' money. If Congress creates a new agency to regulate hedge funds, greedy money will jump the hedge and call their new entity something else. Whatever new regulatory agencies are created, free-market financiers will create a mechanism to take investment money around those agencies, and will act faster than Congress can keep up.

A free-market alternative to "regulation" may be "disclosure". Since regulators will never be able to move as fast to create regulations as financiers are able to create yet-unregulated gambling mechanisms, the Freemarket members of Congress might propose legislation to strengthen disclosure. Rather than the current small-type statement "This investment is not insured by the United States government", mandate that ANY financial instrument that is not affirmatively regulated by an existing Federal agency prominently display, on each page of its sometimes book-length description, a skull and crossbones with the phrase "This is a toxic asset". Many of the derivative financial instruments for which AIG is paying out on credit default swaps were marketed in non-English-speaking countries, leading to billions of dollars of American taxpayer bailout funds

presently bleeding to offshore gamblers. Legislation requiring the use of the internationally-recognized symbol for piracy on any non-regulated financial instrument will reduce the number of legitimate investors likely to be fraudulently lured into buying those instruments, and will completely eliminate any moral justification for the United States taxpayers to be bullied into another *ex post facto* bailout for those who choose to sail with the pirates.

The Same Old Boomer philosophy finds increased regulation distasteful philosophically and not particularly effective practically. Enforcing meaningful disclosure on those who choose to avoid regulation, places a working tool in the Invisible Hand. That tool should be enthusiastically supported by the SOB's.

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