

August 2010 #10-19

Summary:

Seven-year-old Julie learned a tough lesson about government regulations this summer when Multnomah County shut down her lemonade stand.

Word Count 812

“I think this is an example of too many laws and to[o] many interests being served and not trusting the public to apply their common sense to any and all life situations...”

Lemonade Stand Lessons

By Steve Buckstein

In this persistent recession, it's supposed to be all about jobs...jobs...jobs. But now, thanks to the budding entrepreneurial efforts of one seven-year-old girl, many people in the Portland metro area are focused not so much on jobs as they are on the limits of state power to restrict business activity.

It all came down on July 29 when an Oregon City mother, Maria, and her daughter Julie set up a lemonade stand at the “Last Thursday” monthly art fair in Northeast Portland. Julie wanted to earn some summer spending money, and her mother realized that setting up at the busy art fair rather than in front of their home in Oregon City meant many more potential customers for her “little capitalist” (my term, not theirs).

Unfortunately for the mother-daughter entrepreneurs, they didn't know that Multnomah County (and apparently every county) requires a license for such food stands, even one run by a seven-year-old girl at a street fair. When the county health inspectors arrived, they informed the pair that they either must pay a \$120 one-day license fee or risk a \$500 fine. Instead of generating such a lump sum for the county, the inspectors got the tears of a seven-year-old girl whose entrepreneurial spirit they had just dashed.

Ironically, it was neighboring “anarchist” booth vendors who came to little Julie's defense. They tried to tell the inspectors that this was “sovereign” territory (which of course didn't work), and then they suggested that Julie give away her lemonade and ask for donations rather than charge for it (again, not a great defense against the state's vociferous appetite for revenue).

Ironically, these “anarchists” were the anti-private-property, anti-capitalist variety who have the misguided belief that somehow human nature is primarily collectivist, and that government is simply a way for capitalists to keep the common folk down. Little did they realize that in defending Julie's first entrepreneurial venture, they just might be defending a budding capitalist.

Unfortunately, on that Thursday in Northeast Portland “the man” won. Julie and her mom took down their lemonade stand rather than risk financial ruin. Fortunately, the story didn't end there. One of the “anarchists” publicized the events, and when they hit the mainstream media, it took less than 24 hours for Multnomah County Chair Jeff Cogan to apologize to Julie and her mom for his health inspectors' zeal at shutting down their lemonade stand in lieu of a food-safety permit. Cogan also said that he had directed county health department workers to use “professional discretion” in doing their jobs. He said the inspectors were “following the rule

book,” but should consider that “food-safety laws are aimed at adults engaged in a professional food business, not kids running lemonade stands.”

But it didn’t end there. Fox News got hold of the story and quoted Chair Cogan saying this:

“[I understand what our health department was trying to do.] I just feel like we have to be able to distinguish between a 7 year old, who is selling lemonade and trying to learn about business and someone who actually has a business.”

Think about that statement for a moment. Cogan seems to believe that while learning about business warrants some slack on the part of the regulators, actually being in businesses doesn’t. Even though the end result in this case is exactly the same—someone making lemonade and customers buying it for cash and presumably consuming it on the spot. This statement could be a Freudian slip, revealing Cogan’s (and presumably many others’) true feelings about capitalism. If the purpose of a food safety permit is to ensure the safety of the public, then what does it matter if the purveyor is a seven-year-old girl learning about business or a 70-year-old lady actually doing business?

As one commenter posted on The Oregonian’s editorial about this situation:

“I think this is an example of too many laws and to[o] many interests being served and not trusting the public to apply their common sense to any and all life situations.

“Trust me - I am able to think for myself, and if a situation doesn’t look safe it is my responsibility to avoid it. That includes passing by dirty lemonade stands, or questionable cakes at bake sales.”

I’ll leave the last word to Julie’s mom, Maria, when she told Fox News:

“It’s gotten to the point where they need to be in all of our decisions,” she said. “They don’t trust us to make good choices on our own.”

Update: A local radio station and a tire dealer helped Julie set up a lemonade stand one afternoon that netted her over \$1,800, enough for her and her mom to vacation at Disneyland later this month. She has another offer from a California minor league baseball team, and a lemonade stand protest at the next “Last Thursday” event will go on without her.

Steve Buckstein is Founder and Senior Policy Analyst at Cascade Policy Institute, Oregon’s free market public policy research organization.

Cascade Policy Institute is a tax-exempt educational organization as defined under IRS code 501 (c)(3). Nothing appearing in this Cascade Commentary is to be construed as necessarily representing the views of Cascade or its donors. The views expressed herein are the author’s own.

“It’s gotten to the point where they need to be in all of our decisions.... They don’t trust us to make good choices on our own.”

Attention editors and producers:

Cascade Commentaries are provided for reprint in newspapers and other publications, with credit given to author(s) and Cascade. Contact Cascade to arrange print or broadcast interviews on this commentary topic.

Please contact:

Cascade Policy Institute
4850 SW Scholls Ferry Rd.
Suite 103
Portland, Oregon 97225

Phone: (503) 242-0900

Fax: (503) 242-3822

www.cascadepolicy.org
info@cascadepolicy.org