

[Politicians use COVID-19 war to destroy small businesses](#)

Big-store chains love the fact that politicians made it illegal for smaller enterprises to compete



Illustration on the adverse impact of government pandemic policy on small business by Alexander Hunter/The Washington Times

By [Richard W. Rahn](#) - - Monday, June 8, 2020

ANALYSIS/OPINION:

Politicians, when they are running for office, claim they love and support small businesses — but many of them lie. Over the last three months, the political class has waged an intense war against those people who have risked their savings and countless time and effort to build viable small businesses — including personal and business services, restaurants, etc. Business owners were told that they must shut down because of the spread of COVID-19 — and that mitigation actions such as distance limitations and enhanced cleaning would not be enough — unless, of course, you happen to have a big business like Walmart, Target, a major food chain, Home Depot, etc.

Millions of small businesses sell some subset of the same merchandise and services that are sold in the big stores. If you buy a 60-watt lightbulb in CVS, Home Depot or Joe's neighborhood hardware store and stand six feet from the nearest customer, the chance of contracting COVID-19 is roughly the same. Your chance of dying is much more a function of your age and overall health than where you buy a lightbulb.

But never mind the evidence. The big-store chains love the fact that politicians have made it illegal for smaller enterprises to compete with them. Do you think the politicians might be rewarded for doing the dirty work for the big guys during this political fund-raising cycle? What has been happening has little to do with public health, but much to do with political corruption.

It appears that Jeff Bezos of Amazon — the world's richest man — has seen his wealth grow by tens of billions over the last three months. When people could no longer go to stores to shop, they had to turn to Amazon and a few of the other online retailers. How much do you think Mr. Bezos is going to donate to the campaigns of those politicians who made him much richer?

Mr. Bezos also owns The Washington Post, whose daily scary headlines encouraged people to stay home (and not take the chance of going to Amazon's physical store competitors) — more corruption?

People are getting wise to the scam of allowing big stores to remain open while criminalizing the small guy for the exact same activity. Fortunately, courts are increasingly siding with the small-business owner — equal protection under the law, etc.

But the COVID-19 racket to destroy small business has not been enough for some politicians. In a number of cities where the riots have occurred, the police have been ordered to stand down or in other ways not to protect small businesses. (Yes, a few big-chain stores have been looted and even burned, but the damage to their bottom line has been minimal compared to the losses suffered by small business owners.)

The response to the riots, by mostly Democratic mayors and governors, has further tilted the balance against the small entrepreneurs who do not have the deep pockets to pay off the politicians with campaign contributions, luxury travel or whatever.

Members of the government establishment and their allies now tell us that it is dangerous and illegal for small businesses to open to serve the wants, needs and desires of the public, and to create jobs — but it is good for people to cluster in large numbers and demonstrate against the police. And oh, if some thousands of small businesses are destroyed in the process, well, that is too bad. It gets worse, some big media like CNN (which is owned by AT&T) encourage mayhem because it boosts ratings. Many political leaders, rather than jailing the looters and arsonists, are pushing to get rid of the police. How do you think that's going to work out for the neighborhood businesses and the public at large?

Studies are being suppressed that show COVID-19 is fatal for relatively few, except for the elderly who are suffering from major health problems — and that many people (perhaps even a majority) seem to have some natural immunity.

One of the best studies was done by Professor Anne Marie Knott of Washington University in St. Louis which I reported on a couple of weeks

ago. As could be predicted, she was immediately attacked by those who did not like her message. So, rather than cower to the mob, she expanded her study.

The preliminary data show that those countries, states and localities that were quicker to remove the heavy foot of government from small businesses and others are doing as well, if not better, than others in reducing COVID-19 deaths.

Some lessons are already clear. Small businesses should open despite executive orders (which are not laws) to stay closed — then challenge the authorities in court. (People who are fearful can voluntarily stay home.) Those small-business people who are in communities where the laws against looting and arson are not enforced need to form armed community groups for mutual defense, which was common practice before the rise of professional police forces.

And finally, vote those politicians out of office who refuse to enforce the laws against looting and arson, but seek to restrict individual gun rights — leaving only the rich, well-connected and corrupt with personal security protection.

• *Richard W. Rahn is chairman of the Institute for Global Economic Growth and Improbable Success Productions.*

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Richard W. Rahn is an economist, syndicated columnist, and entrepreneur. Currently he is Chairman of Improbable Success Productions and the Institute for Global Economic Growth. He also writes a syndicated weekly economic

column which is published in The Washington Times, Real Clear Markets and many other places.

Dr Rahn served for two terms (2002-2008) as the first non-Caymanian member of the Board of Directors of the Cayman Islands Monetary Authority, which regulates the world's largest offshore financial center. In the 1980s, Dr. Rahn was the Vice President and Chief Economist of the Chamber of Commerce of the United States, Executive Vice President and Board member of the National Chamber Foundation, and was the editor-in-chief of the Journal of Economic Growth. Previously, he was the Executive Director of the American Council for Capital Formation. In 1990-1991, he served as the U.S. co-chairman of the Bulgarian Economic Growth and Transition Project. In 1982, President Reagan appointed Dr. Rahn as a member of the Quadrennial Social Security Advisory Council. During the 1988 Presidential campaign, he was an economic advisor to President G.H.W. Bush.

In 1990, Dr. Rahn founded the Novecon companies, which included Novecon Financial Ltd., Novecopter, and Sterling Semiconductor (now owned by Dow Corning).

Professor Rahn has taught at Florida State, George Mason, George Washington, and Rutgers Universities, at the Institute of World Politics, and the Polytechnic University of New York, where he was head of the graduate Department of Management. He also was an instructor for the U.S. Air Force and the Washington economic advisor for the New York Mercantile Exchange.

Dr. Rahn is a member of the Mont Pelerin Society, and is a member of the board of: the American Council for Capital Formation and the Small Business & Entrepreneurship Council and the editorial board of the Cayman Financial Review. He has served as a senior fellow at the Cato Institute, the Hudson Institute, and the Discovery Institute; as a visiting fellow at the Heritage Foundation; and as a National Executive Director of the Ripon Society.

Dr. Rahn has written more than a thousand articles for newspapers, magazines, and professional journals, including the Wall Street Journal, The New York Times, USA Today, Forbes, The American Spectator, The Weekly Standard, National Review, and The National Interest. He is the author of the book *The End of Money and the Struggle for Financial Privacy* (1999). As an economic commentator, he has appeared on such programs as the Today Show, Good Morning America, Kudlow and Co., Wall Street Week, the PBS Newshour and Crossfire, and was a weekly commentator for Radio America. He has testified before the U.S. Congress on economic issues more than seventy-five times.

Dr. Rahn earned: a B.A. in economics at the University of South Florida, from which he received the "Distinguished Alumnus Award," an M.B.A. from Florida

State University, a Ph.D. from Columbia University, and was awarded an honorary Doctor of Laws by Pepperdine University.



Richard Rahn: Double-Dip Recession Imminent, If Bush Tax Cuts Arent Renewed

May 26, 2010

<https://www.youtube.com/watch?v=QXvuoiI9CNc>

"Famed economist, Dr. Richard Rahn, predicts that uncertainty about the future of Bush tax cuts is slowing growth. He says a big increase on the marginal tax rate will create fewer incentives for saving and investment." Says the Newsmax description of the video above.

The CC transcript for the linked video is as follows. Note that this is a download which is part of a broader report about Rahn, which is linked below.

<https://www.manufacturedhomepronews.com/corrupt-nonprofits-biden-dem-plans-institute-for-global-economic-growth-chairman-richard-w-rahn-rages-against-federal-policies-war-on-small-business-harm-to-w/>

Transcript

00:00

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00:12

welcome to money news on Newsmax TV I'm

00:15

Kathleen Walter joining us as famed

00:17

economist richard ron who was the vice

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president and chief economist of the US

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Chamber of Commerce during the Reagan

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administration he is a staunch advocate

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of supply-side economics small

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government and classical liberalism dr.

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Ron is a senior fellow at the Cato

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Institute and is currently chairman of

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the institute for global economic growth

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he is also a weekly economic columnist

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for The Washington Times and serves on

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the editorial board of the Cayman

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Financial Review welcome to news max TV

00:45

sir thank you it's good to be with you

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thank you dr. Ron you recently wrote a

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column called flaccid brains in which

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you liken tax hikers to drunken drivers

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because they're just not thinking

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clearly with government spending growing

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faster than the GDP what in your opinion

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should the Obama administration be doing

01:02

to solve the deficit well first you have

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to understand what the problem is and

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the problem is not too few taxes the

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problem is excessive government spending

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right now we have a situation actually

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over the last few years where the

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government is growing faster than the

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private sector now it's not a matter of

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ideology it's a matter of fifth grade

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earth meticulous acts increase because

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no matter how much you increase taxes

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you only slow growth even more and the

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deficit won't get better it'll only get

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worse you have to bring down the level

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of government spending to less than that

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of the private sector to solve the

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problem now the Bush tax cuts are set to

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expire at the end of this year that will

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mean a massive tax increase for most

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Americans in the middle of a recession

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Martin Feldstein Reagan's economic

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advisor recently came out in the Wall

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Street Journal and said it could ruin

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any chance of an economic recovery if we

02:00

don't renew those do you agree with

02:02

Feldstein and are you aware of any

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efforts underway in Congress if they're

02:05

not renewed well I fully agree with

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Martin we'd work together many years ago

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in fact I have been forecasting a

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double-dip recession if those tax cuts

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are renewed now the administration and

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the Democrats in Congress talk about

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renewing some of them but not

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all of them and the ones are talking

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about not renewing are those

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particularly on capital which is the

02:31

backwards way of approaching the problem

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right now we have a problem small

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business can't they cannot get money

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there's huge uncertainty in the tax code

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for business people and individuals

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alike all this uncertainty slows growth

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and a big increase in marginal tax rates

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which is what we're talking about well

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cause less or fewer incentives for work

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saving investment they'll discourage

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people from work saving and investing if

03:01

you increase those marginal tax rates

03:03

among the lawmakers you identify as

03:05

having a flaccid brain as senator

03:07

christopher dodd his financial reform

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bill is under consideration in the

03:10

senate in giving banks deemed too big to

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fail a competitive advantage over

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smaller competitors what kind of havoc

03:17

does this cause well just think about it

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you have a choice of what kind of bank

03:22

to put your money into or buy bonds from

03:25

or invest in and one bank is guaranteed

03:28

by the government and the other bank

03:30

isn't now it's not rocket science to

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figure out most people will tend to put

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the money where the government has given

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the explicit guarantee or at least the

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implicit guarantee because they figure

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that's lower risk so those banks have a

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competitive advantage over the smaller

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banks and this is an artificial

03:53

competitive advantage due to the US

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government this is foolishness it's

03:58

really economic fascism and it's grossly

04:01

unfair and it's counterproductive can I

04:04

say many more bad things about it I mean

04:07

it's a total disasters idea with the

04:10

bill destroy the Independence of the Fed

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do you think well parts of the bill a

04:15

little bit unrelated to that or any

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partially related would reduce the

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independence of the Fed and that is a

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very complex issue many of us think the

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Fed should have been cut back or if not

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abolished a long time ago because it has

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been counterproductive unfortunately the

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Dodd bill would only make matters worse

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now lawmakers and so

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all kinds of hidden provisions into

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legislation that end up costing

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taxpayers among the places you identify

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as being an example of what you call

04:46

sheer madness is Obamacare because

04:48

Congress has inserted a measure

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requiring businesses to flood the IRS

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with documents costing the private

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economy more than the IRS might collect

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what aspects of Obamacare are most

04:59

destructive to the economy do you think

05:01

well there's so many provisions in

05:03

Obamacare that we don't have enough time

05:06

to list all them it would cost the

05:08

economy but one of the really stupid

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visions was requiring businesses to fill

05:14

1099 forms for any purchase in excess of

05:17

six hundred dollars normally you filled

05:20

a 1099 form and filed with the IRS when

05:23

you hire an independent contractor for

05:25

several thousand dollars or more but not

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for all kinds of small purchases you

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know if you're going to even an office

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supply store you spend more than six

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hundred dollars you have to put one of

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these forms in well so the IRS we

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flooded with billions of forms they have

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no capability of processing it and so

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what you have all these forms what will

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they show I mean it's it just is a

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example of form over substance this

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measure does not mean any kind of

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reasonable cost benefits standard and

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it's it's kind of silliness it pervades

05:58

Washington all the time of demanding

06:01

more and more paper and are we better

06:04

off or worse off here this year the US

06:07

Congress has not passed a budget and now

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the leaders of Congress said they won't

06:12

pass a budget that's a fundamental

06:15

requirement in the US Constitution that

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Congress is supposed to pass the budget

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that's the main function and they're not

06:22

even doing it this year this is the

06:25

first year in memory where they haven't

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actually passed a budget this is absurd

06:29

dr. Ron we've talked about a few

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lawmakers who you've identified in your

06:33

column as having a flaccid brain who is

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on your list of those with strong brains

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well I think the right now the prize for

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maybe the brightest and most courageous

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member of Congress should go to Paul

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Ryan who's young congressman from

06:47

Wisconsin he looked at this horrible

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fiscal situation where

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with these mounting deficits and he and

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his staff and Paul Ryan's an economist

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by training and he brought in some other

07:01

good economist and they sat down to

07:03

figure out what should be done so he put

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down what he calls the roadmap to

07:07

economic recovery you can find it on his

07:10

website and again Paul Ryan from

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Wisconsin and he actually laid out what

07:16

kinds of spending reductions we would

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need in changes we would need to put us

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on a path to fiscal sanity and he is not

07:25

afraid to take on the entitlements he

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says correctly that some adjustments

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will have to be made in Social Security

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for those younger than 55 some

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adjustments in Medicare Medicaid and the

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other medical entitlement programs he's

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had the courage and the wisdom take

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actually sit down and do a serious piece

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of work unfortunately I see very few

07:46

members other members of Congress doing

07:48

that kind of thing and one thing is

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disappointing is that many conservative

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Republicans who say oh yes were all for

07:54

controlling spending they've yet to sign

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to a Paul Ryan's roadmap some have but

08:00

not as many as you would hope all right

08:04

dr. Richard Ron thanks so much for

08:05

joining us here on money news on Newsmax

08:07

to my pleasure great to be with you and

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thank you for watching News max TV

08:12

you