



Is This The Death of Small Business?:

By Justin Thomas Allen, Esq.

JTAFirm.com,

September 7, 2009

As a California Attorney, I took an oath to uphold the California and US Constitutions which I do with pride. I feel compelled to speak because I fear our country is in danger of becoming a socialist society rather than a constitutional republic. The United States has already run up our credit cards for the next 5 generations. What else is in store if we stay silent? 98% of small businesses have not received any assistance in this economy, yet we keep moving forward despite the challenges.

President Obama blindly ignores the requirements of his position to uphold the US Constitution through the repeated appointment of Czars for everything from housing to manufacturing. Article 2 section 2 of the United States Constitution provides that all appointments for cabinet members, advisors and others must be vetted through the “advice and consent” process approved by Congress. Instead, this president has allowed appointments without any review process; through congress, FBI background check or even a cursory Google search. This has led to the appointment of folks that should not even be allowed to organize a community, let alone an entire nation. The latest czar Ron Bloom will coordinate policies related to manufacturing. Does the president not realize that manufacturing is going overseas at record rates due to high taxes and barriers to entry? One of the 38 czars, Van Jones was forced to resign this weekend when it was discovered that he had espoused views contrary to the United States including being an admitted communist.

More government is not what we need. Why does the government think that it can do the same thing over and over and get different results? This is counter-intuitive. We need for the government to get out of the way and let us run our businesses in peace. Every time I turn around there is another regulation that does not allow me to operate freely. This is America, the birthplace of innovation, yet the government intrusion into the process stifles development of ideas that will move us into the next century. Just think of the solution that California and the US Government came up with the save money, furloughs. This means that it is less expensive to close government offices than it is to operate. Conversely, if I were to shut down business for a day a week I lose income which does not help when I need to employ people to get the work done. The work would simply pile up.

Innovation is what has made the people of the United States so successful in a relatively short period of time. The United States has been in existence for 233 years since 1776 yet we have had more, than any other country. Where would we be if it were not for Benjamin Franklin’s discovery of electricity? We would not have the internet (although Al Gore claims to have been

the father of the internet), we would not have television, and we would not have comfortable air conditioning. Life would be completely different. Had the government been involved in the process, it would have regulated these ideas to such an extent that we would still be in the dark ages. The federal income tax has only been around since the early 1900's. Somehow the country did just fine before the imposition of a national tax. Remember our forefathers left England, Ireland and other oppressive regimes in order to make a better life for us. Why is President Obama being allowed to squander our future?

Ideas need to be allowed to be developed. We need creative people to remain in the United States. Yesterday, I watched a TV show called the Shark Tank. In that show there are venture capitalists that pay big bucks for a good idea, for a good company and for a strong drive to succeed by founders of various entities. In that show, I saw two first-generation immigrants who developed an internet business and you could see the sparkle in their eyes when they expressed their ideas. These great people wanted to succeed so much that the feeling was palpable. The United States Government needs to allow people to develop the next big thing. Whatever that may be.

There is a story of a representative of the United States patent office in the early 1800's making the statement that all good ideas and products have already been patented, so there is no need for more patents. Imagine where the United States would be if that individual were allowed to be the czar of business development. We would all be driving the same car, living in the same house, eating the same food, and we would have never have had the personal computer or the innumerable benefits that innovation has yielded. This demonstrates the limitations that we are destined to have if government is allowed to flourish at the expense of businesses.

Why then does the government continuously intrude in our personal and business lives? I cannot figure out why there are so many that think that regulation is good. Sure, there are bad businesses out there as there are bad individuals but we don't throw out the entire system simply because of a few bad apples. We would not have jails were it not for a small portion of the population that is not law abiding. We must focus on the bad and punish those such as Bernie Madoff. That person is now in jail for the rest of his life and all of his assets have been seized. Thus, I submit the system works just fine in its current iteration. There are already plenty of regulations out there. It was not the regulations that allowed Bernie to enact his ponzi scheme; it was the failure of government agencies to enforce those existing laws.

Now, we have an inarticulate President—when he does not have a teleprompter—that is actually taking over; car companies, insurance companies, businesses, car dealerships, and other industries now including manufacturing. Manufacturing does not need more regulation, the President of the United States and his advisors (czars) need to evaluate why companies leave particular states and they need to re-evaluate the underlying reasons for mass exodus from our shores. For some reason, Japanese companies were until recently, able to come to our shores and manufacture here. Remember even that company has been screwed up by government because

Toyota just pulled out of California. We have the second highest tax rates in the world. It makes it difficult for businesses to stay here. The corporate tax rates need to be reduced to 25% or less because without businesses there are no jobs. Capitalism works when not regulated into distinction. However, reduction of corporate taxes is only a short term solution. Corporations and small businesses provide jobs for many including you, unless you are a government worker. Do we really want for the government to employ everyone? That is what more regulation will inevitably lead to.

We also do not want for Labor Unions to have a larger role in businesses. Yet the Obama Administration is attempting to enact "Card Check". This is code for a requirement that all employers (small businesses and corporations) must check to see if a potential employee is a member of a union before they can be hired. Unions' already have too much power in this society. Most of the ads at the time of elections are bought and paid for by Union leadership. Union leadership encourages slow work product, lack of improvement, lack of innovation, and the inability to manage human resources efficiently and effectively. Those who have been a member of the union for a long period of time are allowed to stay as long as they don't make trouble for the union or its leadership. The rank and file worker wants to be successful, yet has no choice but to join the union, which has a stranglehold on US Businesses and its hard workers. Unions' require potential employees to be a member of the union as a prerequisite to becoming an employee of the particular entity. Those employees' want to do a good job but they are impeded by regulation of wages and they are promoted for nothing more than longevity. Employees should be allowed to come up with good ideas, to better educate themselves, and to be more productive, which will lead to more money for those particular employees'. The rise of Labor Unions' is a big reason that manufacturers have left the United States. We need to stop the unions from having so much influence over business activity and job creation. "Card Check" must be defeated.

A flat tax or national sales tax would be the best solution to some of the job problems we have because it would abolish corporate taxes, it would encourage companies to innovate and it would provide plenty of taxes. Imagine if you paid only when you purchased something. You would not have to pay an accountant or attorney at the end of the year to decide how much you have to pay in taxes. You would not have to prepare numerous repetitive forms yourself at the risk of unintentionally omitting something that leads to penalties and interest. In our business taxes, workers comp and other regulatory fees translates into the equivalent of about two (2) employees that don't do anything other than allow me to operate the business. What could we do if ALL businesses in the United States could hire two (2) extra people? The job problem would no longer be a problem

We also do not need more regulation in health care. Government is not the answer. Do we really want a DMV for health care, or a MEDICARE for everyone? Last I heard, Social Security was bankrupt as is the US Postal Service. We need to continue to be the envy of the world for health care. We have already lost entire industries due to regulations; we don't need to lose

health care, as yet another competitive advantage lost to a poor idea. The Obama administration plans to tax businesses more, if they use private health care for their workers rather than the government public option. It seems to me, that this will lead to another socialist society. Why do all of the socialist leaders of the World come here for health care? If they are coming here, why are we attempting to adopt their system that is proven not to work? The socialist systems lead to long lines, rationing of health care services to the young and old, and government czars deciding whether you are worthy to live or not. Obama care must fail.

Why don't we open up competition with health care? We should demand that the government allow us to purchase our health insurance across state lines, and we should remove barriers to entry into the system. We should be able to negotiate directly with our doctors for routine office visits and procedures. For some reason the elective procedure market has grown substantially under this business model. Have any of you heard of breast implant procedures or nose jobs being paid for by government?

We should also allow people to purchase drugs across state and border lines. The internet has made it possible to compete on a global scale. We need to allow companies to compete for our dollars. An amazing thing happened in the drug debate a few years ago. When the government threatened to take over prescription drugs, the drug companies came up with prescription drug assistance for the poor. The industry regulated itself with a mere threat.

If Obama keeps this government take-over up, we are going to find ourselves in bread lines without any drive to innovate and the United States will cease to be what it has been since its inception. If we stay silent, then we have no one to blame but ourselves. The country is listening and the discontent among the American People is growing. Together, we will be able to restore an environment which will foster growth rather than old-world thinking that will stifle growth. As the anniversary of the 911 attack approaches we have a duty to remember, we have soldiers that have fought and died and continue to fight and die around the world to protect our Freedom, now is not the time to sit idly by, while 233 years of progress is taken away.

If you have other ideas, I am interested in hearing them. Ideas are going to resolve this slump in the economy, not destruction of the American Dream through government regulation and hostile takeovers.

Thank you for reading,

Justin T. Allen

Justin Thomas Allen,
Mediator and Attorney at Law