



Written by [Bob Adelman](#) on May 25, 2020

Economic Green Shoots Appearing; Trump Moves to Water Them Via Regulatory Relief

Green shoots are appearing as the economy is starting to rebound from the COVID-19 shutdown.

On Saturday President Trump's economic advisor Kevin Hassett told CNN, "It looks like the economy is picking up at a very rapid rate. In which case we could potentially move on to other things that the president has mentioned, like the payroll tax cut and potentially even a capital-gains holiday."



That would provide additional fertilizer to an economy that hasn't seen much light or water for the last two months. But businesses are reopening and credit-card usage is rebounding. Airline travel as measured by TSA screenings has more than tripled since their nadir on April 14.

Truckstop.com, which monitors trucking activity, says its weekly index has improved for four straight weeks and available loads were up 27 percent last week.

Property showings in the real estate market are also up 27 percent as of Saturday, and the Mortgage Bankers Association is reporting a rebound in the number of new mortgage applications. Last week Delta Airlines announced that it is restoring some flights between key cities such as New York and Atlanta. The airline is also restoring daily flights to Canada, the Caribbean, Central and South America, Mexico, and Europe.

Last week President Trump signed an executive order instructing regulatory agencies in the Executive branch "to use any and all authority to waive, suspend and eliminate unnecessary regulations that impede economic recovery."

Added Trump: "I'm directing agencies to review the hundreds of regulations we've already suspended in response to the virus and make these suspensions permanent where possible. I'm also instructing agencies to use emergency authorities to speed up regulation cuts or new rules that will create jobs and prosperity and get rid of unnecessary rules and regulations."

And then he drew from his own experience as to the impact those regulations had while he was building the Trump organization:

We had cases where it would take 20 years to build a highway. You'd have to go through various agencies to get the same permit. I lived with it in the private sector, so I know it better than anybody, where you'd go years and years and years to build a simple roadway or a simple building, and it would end up costing an absolute fortune — many, many times what it should cost.

Commentators have lamented that the shutdown has cost the economy millions of jobs, many of which will never return. John Tamny disagrees. Editor of RealClearMarkets and vice president at FreedomWorks, Tamny claims that no job is ever "permanent," that "what we call 'work' has become a moving target." He wrote that well before the shutdown "tens of millions of jobs were [already] going to



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go the way of the phone booth. About jobs vanishing forever ... [that] is a sign of progress ... they are a happy consequence of investment ... when entrepreneurs and businesses are able to access [capital], they're able to expand."

His optimism for the future is nearly boundless. He added:

So while the contraction foisted on us by never disappointing politicians was and is disastrous, and while the subsequent trillions in spending made a bad situation worse, America's young remain healthy, and better yet, they're about to be put back to work by a combination of savings and specialty-elevating automation that will render them more productive than they were going into this policy crack-up.

Basically the recovery will be quick, but please do not attribute it to the politicians. While their ineptitude will be bailed out by the recovery, the only thing they'll have had to do with it is that it would have been much grander without them.

One troubling outcome of the government lockdowns is that the regulations, particularly the forced closing of businesses as nonessential, fell much more heavily on small businesses as opposed to big business, with the result that the small-business sector of the economy will likely not fully recover while big business will get bigger. Another troubling outcome is the additional trillions of dollars added to the national debt that will have long-term economic consequences. So the optimism expressed by Tamny does need to be tempered. Yet, despite all the economic damage that has been done by government intervention, liberating business from the government burden, even partially, could still accomplish amazing things.

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