



## ***The Free Congress Commentary***

### ***The Next Conservatism #34: The Next Conservatism and Small Business***

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An old conservative characteristic the next conservatism should revive is a suspicion of bigness. Many conservatives remain suspicious of big government, as well they should. But we should favor small scale in many other things as well. Small scale is critical to local life, to the ability of local people to control what happens where they live. In general, small, local schools teach better than big, regional schools; small towns work better than big cities; and small business provides communities a better economic base than does big business. Big businesses care little, if at all, what effects their actions have locally. Small businesses do care, because their owners and managers live in the local community. If they injure that community, they hurt themselves as well.

Small businesses are also an important part of something America does relatively well – namely, creating economic opportunity and new jobs. A major reason we do that better than much of the rest of the world, including Europe, is that small businesses and especially new start-ups face fewer government obstacles. In much of the world someone who wants to start a new business faces a huge, hostile government bureaucracy. It can take him months or years (and often bribes) to get the many permissions he needs.

The next conservatism should work to build on this American success. The lesson is not that we should rest happy in our superiority to other places but rather that we can benefit even more if we make establishing a new business even easier.

At present, while starting a new business is less difficult than in most other places, it can still be daunting. Immediately, the person who wants to set up shop faces an array of federal, state and local rules and regulations. He is deluged with pieces of government paper, many of which begin, "Under penalty of law." The many forms he must fill out are obscure and confusing. If he makes an honest mistake he may be legally liable.

If we really want to promote small businesses, the next conservatism should work to reduce this burden. Some of the rules and regulations should simply be abolished. Others, such as public health requirements for new restaurants, are clearly necessary. But where government imposes a requirement, it could and should also offer the help people need to meet that requirement, especially help in dealing with government paperwork.

I propose the next conservatism incorporate something along these lines. Whenever government lays a reporting or other paperwork requirement on small business it also offers an office the business can turn to, without charge, to obtain help in meeting the requirement. The office offers both advice on meeting the substance of the requirement and help in filling out the paperwork. In effect, this office would be a type of ombudsman, a government employee who helps ordinary people to deal with other government offices.

Here is an example. Let us say someone is good at repairing small appliances. He starts to set up a small business to do that. Immediately, he faces multiple government requirements with a large amount of paperwork and complex forms. Now, he is very good at repairing appliances, but knows nothing about legal forms. Most of them seem incomprehensible to him.

Instead of having to hire a lawyer with money he probably doesn't have, he can turn to his local small business ombudsman. The ombudsman not only walks him through what the requirements mean, he sits down with him and helps him fill out all the forms. If there is a mistake, the error is first drawn to the attention of the ombudsman rather than facing the new business with legal action. The ombudsman's job is to get the business up and going by running

interference for the business owner, and he has the legal authority to do that.

This is one way the next conservatism could be especially helpful to inner-city residents, minorities and immigrants. Many of these people have skills that could be the basis of a small business. But they have no idea how to deal with government, and they are often afraid of the government. Right in their neighborhood would be a small business ombudsman's office they could go to for all the help and assurance they would need. The burden imposed by government would fall at least partly on government, instead of serving as a crippling tax on enterprise.

By including such a program, the next conservatism would build incrementally on something America already does comparatively well. That in itself is conservative. Conservatives rightly favor incremental progress over sweeping programs. We would also put some substance behind our belief in thinking locally and acting locally. The only losers would be the lawyers, and if more of them get pushed into an honest line of work, so much the better.

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