



Camera Staff Photo by Jerry Cleveland

## Panel Charges Government Rules Doing Harm To Small Businesses

**POLITICAL CLOUT** — From left, panelists Carol Ann Wilson, Darryl Lee and Duane Pearsall listen while Mike Benz tells the Chamber representatives how small businesses organized in Cleveland to garner national political clout.

Story other side →



By SARAH HOOVER  
Camera Staff Writer

What hath government wrought?

Tax plans, insurance plans,

product liability, safety regulations, health regulations, paperwork and headaches for the small business person.

That, at least, was the consensus of opinion at a panel discussion last week on small business. The program was part of a week-long institute at the University of Colorado for 335 Chamber of Commerce representatives from throughout the United States.

Leading off the Thursday night discussion Daune Pearsall, last year's National Small Business Person of the Year, charged that "Uncle Sam, bit by bit, is killing small business through the unintended effects of legislation at the national level."

It is the national legislation, he continued, which has the single largest impact on the ability of small business to grow.

And it should be of concern because, according to his figures, small businesses represent fully 97 per cent of all business conducted in the United States today. It employs half the U.S. working population; it contributes some 46 per cent of the Gross National Product and it is responsible for the majority of new inventions and innovative ideas which increase the standard of living in the country.

But, he said, "government is destroying the creative strength of the small business sector."

Pearsall, founder and president of Statitrol, a Colorado firm which manufactures smoke detector systems, cited his own company as an example. His product liability insurance, he said, was due to increase dramatically, although there never had been a claim made against his product. For that reason alone, he said, he had to merge with another company.

Product liability, Pearsall stated, "is the shadow of the ax — threatening to put him (the small business person) right out of business."

The Occupational Safety and Health Administration (OSHA),

also came in for criticism by Pearsall and others at the meeting. The government safety regulatory agency has been widely attacked recently by

business groups which complain of the agency's "nit-picking" regulations.

"No home in the United States, I guarantee you, would be invulnerable to an OSHA inspector," Pearsall complained.

And in paperwork, Pearsall again referred to his own firm as an example. Last year, he told the group, he spent \$13,000 just to complete the reporting requirements on the profit-sharing plan for his 515 employees.

He commented that what it all boils down to is government legislation which was designed with big business in mind because "small business has no major political voice." Until last year, Pearsall charged, the U.S. Chamber of Commerce "didn't give a damn about small business."

The Small Business Administration's (SBA) definition of small business is so complicated, he stated, that it requires a booklet to explain it. A benchmark definition, he added, is any wholesale operation grossing \$9 million or less and any service or retail operation grossing \$2 million or less.

"But what legislators think it is quite a different matter," he cautioned.

In fact Pearsall, who has been called to testify on business legislation in Washington, said he once suggested that a new category — the mini-business — be established.

He and the other panelists also forecast improvements, because, said Pearsall, "small business is now getting noisy in Washington. And now the U.S. Chamber is getting serious about small business too."

In Cleveland, Ohio, said Mike Benz, vice president of the Greater Cleveland Growth Association, small businesses for the first time have organized themselves into an association which is winning national recognition.

"The small business people, for the first time, are meeting with the decision makers. They now have a voice in Cleveland. They don't have to carry a chip on their shoulders anymore."

The panelists told the audience that local Chambers of Commerce should pay attention to and have programs for the small businesses in their communities.

In Boulder, according to Carol Ann Wilson, "they have a great deal to offer." The

Chamber association in Minnesota, agreed.

"We're all aware that small business is in trouble," commented. "Unless we have a government which is informed and knowledgeable about the plight of small business we're not going to get anywhere. That's where the ball will be played. In most cases, legislators just really don't understand a small business or what constitutes a good climate for it."

And the business owners themselves were taken to task for not caring about pending legislation until it was too late to do anything about it. Pearsall said small business could take the credit for the defeat of the common situs picketing bill this

**What it all boils down to is government legislation which was designed with big business in mind because 'small business has no major political voice.'**

Boulder Chamber of Commerce acts as a resource center for SBA and also operates a business action center and counseling service.

Wilson, who 3½ years ago started Carol Ann Pottery Ltd. in Boulder, is now selling pottery in 20 states. Her firm employs nine people.

Chambers of Commerce, she stated, should encourage the small business person to speak up in city and county government matters.

Darryl Lee, with the state

year because of the 168 letters it sent to Congress.

Another good sign from Congress, panelists pointed out was the saving of the Senate Small Business Committee which was going to be eliminated under the reorganization plan.

**'Uncle Sam, bit by bit, is killing small business through the unintended effects of legislation at the national level.'**