Dumb Rules Published: Friday, 21 Jan 2011 | 12:47 PM ET By: <u>Ash Bennington</u> NetNet Writer, Special to CNBC.com

Here's a shocker: Washington imposes lots of dumb rules on its citizens—particularly beleaguered small businesses.

While the skeptics among us may suspect that fact is unlikely to change, it's at least getting a public airing.

According to an article in today's New York Times:

"It has become an article of faith in Washington that the government's extensive rulebook is riddled with burdensome requirements that are unnecessary, contradictory or, to borrow a phrase from the president, 'just plain dumb.'"

So the administration has just issued the impressive sounding "Executive Order on Improving Regulation and Regulatory Review"

"In this Executive Order, the President requires Federal agencies to design cost-effective, evidence-based regulations that are compatible with economic growth, job creation, and competitiveness. It outlines following guiding principles:"

Those principles are: Cost-effective and cost-justified, transparent, coordinated and simplified, flexible, science-driven, necessary and up-to-date.

All worthy goals, to be sure.

But not everyone is buying it.

For example, from the right: "'The history of these kinds of efforts is that they don't matter very much,' said Peter Van Doren, editor of Regulation magazine, a publication of the libertarian Cato Institute, which generally advocates for less regulation."

And from the left: "Gary Bass, executive director of OMB Watch, a nonprofit that generally advocates for more regulation, said the cost of the search was likely to outstrip the benefits. 'If saccharin is the most serious example the administration can come up with, then it does not justify doing these lookbacks,' he said."

But criticism from both sides notwithstanding, the data indicates a problem of increasing severity:

"It is clear that the government's rulebook keeps getting longer. The amount of time businesses and individuals must spend answering questions from the government — filing taxes, applying for permits, submitting reports — has increased by more than 30 percent in the last decade, federal data show. The annual burden now amounts to more than one day per person."

And so we are stuck with rules that dictate the number of capital letters required on a street sign, and the contrasting requirements for the interstate sale of beef and buffalo meat, as the New York Times article points out.

Judging by the tenor of the rhetoric—from both left and right—it doesn't seem likely to change anytime soon.