

[Lloyd Chapman](#)

Small Business Administration: the Most Important Agency in Washington Today

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I am stunned that as America slides into a double-dip recession and closer and closer to a depression, Republican members of Congress have once again drafted legislation aimed at ending all federal programs that assist small businesses. Senator Richard Burr (R-NC) has introduced the "[Department of Commerce and the Workforce Consolidation Act](#)," which merges the Small Business Administration (SBA) with the Department of Commerce and the Department of Labor.

We have tried everything under the sun to stimulate the economy except for the only thing that will work. That is to direct federal infrastructure spending to small businesses.

The latest [Census Bureau data](#) indicates that small businesses are responsible for 90 percent of all net new jobs. A report from the [Kauffman Foundation](#) found that small businesses have created virtually 100 percent of all net new jobs since 1980. Small businesses employ more than half the private sector workforce, are responsible for half of GDP and account for 90 percent of all U.S. exports.

It is undeniable that small businesses are the lifeblood of our nation's economy. To think about closing the only agency in the country that helps small businesses is unconscionable. Clearly Republicans like Senator Burr, his supporters and groups such as the CATO Institute are directed like puppets by the defense and aerospace industry.

The people that push this legislation do not need to be in Congress. There is only one way for the American economy to avoid sliding into a depression that it may never recover from. That is not to close the SBA, but rather to quadruple its budget, reopen every office that George Bush closed, rehire every person that has been laid off in the past five years and expand every federal program for small businesses.

Notice how Republicans never talk about closing any other agency. For thirty years it has been the SBA. Why not the Department of the Interior? Why not the Coast Guard? Why not the EPA? To put things in perspective, the SBA budget is one tenth of one percent of the Department of Defense budget. And they are going to save money by combining the SBA with the Commerce Department? Don't believe it.

Senator Burr's bill is just a power grab by corporations that are so blinded by their greed and avarice that they are willing to destroy our nation's economy to increase their bottom line. The American people should not allow this to happen.

I debated Fran Tarkenton on [Fox Business](#) and his arguments were laughable. He holds himself up as a small business advocate, and yet he is in favor of eliminating the largest federal program to help small businesses in U.S. history.

Members of Congress knew what they were doing in 1953 when they passed the Small Business Act. They realized that small businesses were the lifeblood of our nation's economy. I had to laugh when I saw President Obama talk about establishing a new agency to create jobs. That is a great idea. But Congress already did it back in 1953 by creating the SBA.

It is time for anti-small business elements in Washington to be run out of town, and time for President Obama and Congress to develop a real jobs program based on the Small Business Act and the SBA.

The Small Business Act defines a small business as being independently owned. That would exclude any publicly traded company. That said, the most effective action President Obama can take to create jobs is to issue a one-line executive order that states, "The U.S. government will no longer report contracts awarded to publicly traded companies as small business contracts."

We do not need to close the SBA. We need to clean it up. We need to end the rampant fraud and abuse that has allowed most federal small business contracts to be diverted to Fortune 500 corporations.

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