

press release

Aug. 29, 2011, 7:36 a.m. EDT

Lloyd Chapman Responds to Attack from Tad DeHaven of CATO Institute, According to the American Small Business League



PETALUMA, Calif., Aug 29, 2011 (BUSINESS WIRE) -- The following is a statement by the American Small Business League:

Let's discuss "conspiracy theories" and "wild exaggerations." Is the fact that Fortune 500 firms receive small business contracts a "wild exaggeration?" Read Reports 5-14, 5-15 and 5-16 from the SBA's Office of Inspector General (SBA IG), which describe this ongoing abuse.

The SBA Office of Advocacy found large corporations received small business contracts through "vendor deception."

As early as 2003, the Government Accountability Office (GAO) launched an investigation based on information I provided, finding over 5,000 large businesses receiving small business contracts.

The SBA IG, SBA Office of Advocacy and the GAO agree with me. The federal courts have ruled in my favor in dozens of lawsuits against various federal agencies. Is it also a conspiracy theory that Republicans have long tried to close the SBA?

Reagan tried it twice. His 1985 budget proposed abolishing the SBA. His budget director David Stockman tried to convince the Senate to close the agency. In 1996, House Republicans authored a bill to combine the SBA with the Department of Treasury. The Bush Administration cut the SBA budget by more than 60 percent.

The SBA's main mission is to ensure small businesses receive 23 percent of federal contracts. Small businesses create more than 90 percent of all net new jobs. They are responsible for more than half of GDP, half the private sector workforce and more than 90 percent of all US exports.

Why focus on closing the only agency that ensures small businesses get a fair share of federal contracts? Fortune 500 firms that fund the CATO Institute and the GOP (Phillip Morris, Exxon, Citibank, Prudential, Pfizer, and your founder Charles Koch, co-owner of the second largest private company in America) pushed the deregulation of the financial industry that is directly responsible for the recession. You advocate closing the SBA not to save money or to end the loan program, but to hijack all federal contracts.

The Kauffman Foundation found that companies less than five years old have created virtually all net new jobs since 1980. Your corporate funders haven't created one net new job in 30 years.

The next time you call me a conspiracy theorist, be ready to back it up with facts. You just might find yourself in court.

SOURCE: American Small Business League