

## [Lloyd Chapman](#)

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I am sure that Tad DeHaven and the staff at the CATO Institute have seen my press release in response to their [attack](#) on my credibility. I'd like to take this opportunity to try a different approach and appeal to their sense of patriotism, logic and reason.

My opinions on these issues are built on facts found in federal investigations. If Mr. DeHaven or anyone at CATO can point to anything I have said that is not accurate or factual, please let me know. If they can find something inaccurate, I will issue a national press release in response.

So let's think logically about this, look at some facts, and maybe we can come up with a solution here.

First, CATO cannot deny the fact that small businesses create virtually all net new jobs in America. It is irrefutable, presented in [Census Bureau data](#), the [SBA's own data](#) and studies by the [Kauffman Foundation](#). Conversely, large businesses have created virtually [no net new jobs in the last thirty years](#). It is common knowledge that Fortune 500 companies are shipping jobs overseas at record rates.

Second, federal law stipulates that 23 percent of all federal contracts and subcontracts should be awarded to small businesses.

Third, a [series of federal investigations](#) have found that a large percentage of federal small business contracts go to the very Fortune 500 companies that haven't created one net new job in over thirty years.

Mr. DeHaven and his colleagues at the CATO Institute may want to read Reports [5-14](#), [5-15](#), and [5-16](#) from the SBA's Office of Inspector General (SBA IG). They might also want to review investigations by the [SBA Office of Advocacy](#) and the [Government Accountability Office](#) on this issue.

The SBA IG, SBA Office of Advocacy and the GAO agree with me completely. The federal courts that ruled in my favor in dozens of lawsuits against various federal agencies do as well. Would Tad DeHaven call them conspiracy theorists as he called me? You can't win federal lawsuits with conspiracy theories. You win them with facts.

Why close an agency and eliminate programs designed to direct a mere 23 percent of our government's contracts to the small businesses where most Americans work, where [more](#)

[than half of GDP](#) and [90 percent of U.S. exports](#) are generated, and more than [90 percent of all net new jobs](#) are created?

Our country is in dire financial straits. A basic, common sense solution to our economic problems would be to end the rampant fraud and abuse that exists in federal small business contracting programs. I can't think of a downside to simply not giving small business contracts to Fortune 500 companies.

I constantly find myself in press battles with people like Mr. DeHaven, and people who I would describe as anti-small business or pro-big business, all trying to close the SBA. Over the years the SBA has probably been under attack more than any other federal agency. The SBA has the second smallest budget of all federal agencies in Washington (one tenth of one percent of the Pentagon budget). It is difficult to justify why anyone would try saving money by closing the SBA. It is the only agency that administers federal programs to help America's 28 million small businesses.

It is amusing when someone attacks me the way the Cato Institute has. There is never an attack on the facts I present, it is always personal. Mr. DeHaven claimed I was "hyperbolic," made "wild exaggerations" and called me a "conspiracy theorist." But no one ever seems to argue with the data.

Many people would disagree with Mr. Dehaven's assessment of me. [Entrepreneur Magazine](#) referred to me as a "modern-day Cesar Chavez" for small businesses. Senator John Kerry told me I was a hero to every small business in America. Numerous media outlets and print stories have called me the voice of small business in America. Former GSA administrator [Lurita Doan](#) referred to my organization, the American Small Business League, as a "champion" for small business, and called me "the real deal, an honest man focused on solving a difficult problem."

Mr. DeHaven, let's not trade emotional barbs, let's look at this as two Americans trying to find a solution to this horrible economic downturn.

If the CATO Institute sincerely wants to help get our economy back on track and create jobs, they need to support small businesses, federal small business contracting programs, and my campaign to end the diversion of small business contracts to corporate giants.

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