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Abolish the SBA?

In a WashingtonExaminer.com opinion piece, Tad DeHaven, a budget analyst at the Cato Institute, pushed for the [termination of the U.S. Small Business Administration](#).



Getty Images

The piece, published earlier this week, argues that SBA guarantees backing small-business loans are a form of “corporate welfare” for the banks, rather than a means to give credit to businesses that can’t get traditional bank loans. Says DeHaven: “Small businesses with sound business plans and solid prospects should be able to raise debt and equity capital through private means.”

But supporters have long pointed to the [success of the program](#) in helping small firms that have trouble finding capital that they need. Especially in tight credit markets, when banks are most averse to risk, SBA loans have been a popular option.

The debate isn't new. For years, think tanks have been debating the cost and benefits of the SBA's loan-guarantee program. Even before the economy tanked, Bloomberg Businessweek entertained the idea of [axing the SBA](#) in a June 2007 article, citing the pros and cons of such a move.

Now, with so many ideas being floated on how to cut the federal budget, the argument is becoming hot again. An August [survey](#) from Rasmussen Reports shows that 58% of likely U.S. voters don't believe the federal government should provide loan guarantees to banks. Only 23% say it should and 19% are unsure.

Readers, do you think the agency should be cut?

Do you think the Small Business Administration's loan-guarantee program should be cut?

Yes

No

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