One other facet of the Government-financed R. & D. sector deserves brief mention—namely, the fact that so little effort is made to exploit the vast quantities of information gained in the performance of research and development. Various Government agencies are presently provided small sums of money to publish abstracts of research reports. But the reporting standards are low: many reports are never submitted at all, in spite of contractural requirement; most are written in a fashion suggesting that the researcher wished to keep the information secret (which, no doubt, is a common objective); the technical abstracts are of little help, and of none to businessmen as distinct from scientists (and it is the businessman who must sense a possible use before the information can be placed at the disposal of the society).

In short, we are getting far less from our research expenditures than we could if the information so obtained were disseminated more widely, in more digestible form. This entire matter requires much fuller attention. But it may be at some time that Government will have to create a special agency charged with the task of collecting, analyzing, and exploiting the massive quantitives of research findings we are now accumulating.

CONCLUSION

If we sincerely want to reduce the prevailing levels of concentration in the American economy, as I believe we can and should in order to improve our chances of attaining our generally desired objectives (including those declared in the Employment Act), then the preceding survey should suggest many topics for further inquiry by this committee. The contradictory nature of our Federal policies in dealing with the whole matter of industrial organization warrants exposition and fuller analysis. What must be understood is that we cannot reduce monopoly and encourage competition by stirring together in one pot timid antitrust enforcement, monopoly incitement by the principal administrative agencies, and procurement practices that tend unduly and unfairly to favor the largest companies.

The way in which we handle our allocation of funds for research and development provides as good a test as any of our determination to enlarge the opportunities for smaller firms and in this way take a short step toward reducing concentration. Procedures can and should be developed that will give all businesses, new or long established, and regardless of size, a just chance to participate in the selection process and to perform R. & D. for the Federal Government. Such an opportunity does not now in fact exist, and most of the contracts are going to the biggest concerns, promising serious adverse consequences over the years to come. This situation can be corrected, freer competition can exist, increased concentration can be prevented—but not if we permit our present inconsistent and inadequate policies and practices to continue. Reforms are sorely needed and this committee is in an ideal position to stimulate their adoption.

APPENDIX TABLE 1.—*Intersectoral transfers of funds used for performance of research and development, by source and performer, 1960–61 (preliminary)*

[Millions of dollars]

Funds provided by—	Sectors—Funds for performance of R. & D.					
	Federal government	Industry	Colleges and universities	Other nonprofit institutions	Total	Percent distribution, R. & D. sources
Federal Government	$2,060	[1] $6,130	[1] $890	[1] $140	$9,220	65
Industry	----------	4,370	50	70	4,490	32
Colleges and universities [2]	----------	----------	210	----------	210	2
Other nonprofit institutions [2]	----------	----------	50	70	120	1
Total	2,060	[1] 10,500	[1] 1,200	[1] 280	14,040	100
Percent distribution R. & D. performance	15	75	8	2	100	----------

[1] This amount includes funds form the Federal Government for research centers administered by organizations under contract with Federal agencies.

[2] Data include State and local government funds. All data are based on reports by the performers.

Source: National Science Foundation, "Reviews of Data on Research and Development," No. 33, April 1962, table 3, p. 4.