APPENDIX TABLE 4.—*Federally financed research and development performance, by industry and size of company, 1959*

	Millions of dollars, 1959
Total	$5,610
Distribution by industry:	
Food and kindred products	(1)
Textiles and apparel	7
Lumber, wood products, and furniture	(1)
Paper and allied products	(1)
Chemicals and allied products	284
Industrial chemicals	280
Drugs and medicines	3
Other chemicals	1
Petroleum refining and extraction	24
Rubber products	37
Stone, clay, and glass products	2
Primary metals	15
Primary ferrous products	2
Nonferrous and other metal products	13
Fabricated metal products	58
Machinery	404
Electrical equipment and communication	1,575
Communication equipment and electronic components	842
Other electrical equipment	732
Motor vehicles and other transportation equipment	249
Aircraft and parts	2,610
Professional and scientific instruments	175
Scientific and mechanical measuring instruments	123
Optical, surgical, photographic, and other instruments	52
Other manufacturing industries	101
Nonmanufacturing industries	(1)
Distribution by size of company (based on number of employees):	
Less than 1,000 (5 percent of total funds)	276
1,000 to 4,999 (5 percent of total funds)	276
5,000 or more (90 percent of total funds)	5,058

[1] Not separately available but included in total.

Source: National Science Foundation (NSF 62-3). "Funds for Research and Development in Industry, 1959," table III, p. 11.

Dr. BARBER. While I do not want to go over the ground that has been covered so splendidly by my fellow panelists, I think it worth emphasizing that the kinds of industries which they have been speaking of, automobiles, in the case of Professor Adams; steel, noted among other things by Dr. Kahn; chemicals, mentioned by Professor Lanzillotti, are excellent illustrations of the pattern of dominance that exists in our most basic industries.

I have outlined some of this data in a table at the top of page 3 of my prepared statement, merely to suggest the kind of situation that does prevail.

What we have in our industry is typically not a monopoly, but a situation in which a rather small number of firms dominate most of the output, make the critical decisions, and are able to enforce their policies throughout the market or markets in which they function.

As my colleagues have suggested, we have in these industries a kind of "spontaneous coordination" (the term is not mine), something which the lay observer regards as the equivalent of collusion. For example, in 1956—and this example, I might say, is also in Professor Adams' statement—the Ford Motor Co. initially announced an average cost increase on its models of 2.9 percent. Two weeks later,