

and we have set-asides for small business, and the President of the United States, early in his administration, directed the Secretary of Defense to see that small business gets a better share of the procurement dollar.

We have done all we seem to be able to do to persuade the procurement officials to do this. We have had them up before this committee, before the Select Committee on Small Business, before the subcommittee of which I am chairman, and gone over and over again with them these procurement procedures they have, without very much success.

Now, when we get into the other area, that you other gentlemen are talking about, we are really up against it. And it seems to me, frankly, that we have to recognize that we are going to have a considerable concentration of economic power in American life, and I think it is going to increase. I think it is going to increase rather sharply. Maybe we can do something about holding down that increase.

One area, obviously, is space. Now, in space, we have the biggest increase in our budget this year, \$1.7 to \$3.7 billion. We had a speech yesterday, a very fine speech, by Senator Cannon, on the floor, in which he pointed out that the military possibilities of space have not been exploited by us.

And I think that this speech is going to catch fire to some extent, and we are going to increase our military expenditures in space.

Fortune magazine estimated space is going to have the impact on our economy within the next 4 or 5 years that the automobile industry has had—very severe and very substantial. But it also emphasized that this is going to be a concentrated impact, that a very small number of firms are going to do the overwhelming amount of work that is going to be done. I think they said something like seven firms are going to do virtually all of it.

R. & D. is the same kind of thing. The big firms have a tremendous advantage in handling research and development work.

The question I would like to ask you gentlemen is this: Recognizing that we have this concentration in industry, and we are probably not going to be able to break up United States Steel or General Motors, although Mr. Romney makes a pretty good case for breaking up General Motors, I am not sure we should follow the suggestions you gentlemen offer.

For example, Mr. Kahn hit hard at price supports for farmers, and at the possibilities of some kind of fair trade for small businessmen to permit them to have a fair margin.

I am inclined to think that this is one area where you will have success, because these people are politically very, very weak, in spite of popular opinion to the contrary. The farmers' political position has been deteriorating very rapidly as the farm population has dropped. I think there is every chance in the next few years that we will abandon the price support system, and then farmers will really be up against it.

Small business has been in serious trouble for the last decade. We had dramatic statistics yesterday that I put in the record from the New York Times, showing that in New York retail proprietors had dropped from 153,000 down to 66,000.