

by expansion and modernization, contributed significantly to the creation of the additional jobs which helped reduce our unemployment rate from 6 percent in 1960 to 3.9 percent in 1966. Ability to maintain current jobs and provide additions for our growing population will become increasingly important as the Nation emerges, hopefully, from the present Vietnam involvement.

Moreover, in the floor speech already referred to, Senator Prouty also pointed out that small business retail sales constitute 73 percent of national retail sales, that its wholesale sales constitute 73 percent of national wholesale sales, that it constitutes 82 percent of our construction activity, 80 percent of our service function, and that it provides 34 percent of the manufactured value added to the economy each year.

Clearly what affects small business affects vitally the entire fabric of our economy, and the lives and hopes of each and every one of our citizens.

For this reason, and in view of the facts previously indicated, we recommend a course of economic action as follows to maintain the strength of this base of our economy, and to build for further needed expansion in the years ahead:

1. That Government adopt spending policies which will permit the country to get by without proposed tax increases.

2. That there be delayed until after the extraordinary demands being made by the Vietnam involvement any action to increase the taxloads for various social programs, including social security and unemployment compensation.

3. An end—at least to completion of the job in Vietnam—of programs of social experiment which have failed, so far, to fulfill the needs for which they were designed.

4. The earliest possible restoration of the full 7 percent investment credit, coupled with action to extend its principle to both increases in inventories and accounts receivable, as well as investments in plant and equipment.

5. Continued independence for the Small Business Administration, coupled with action so far denied by both Houses of Congress, to secure legislative power for the House and Senate Small Business Committees, to assure small business proper recognition in both the executive branch and the Congress.

6. Vigorous enforcement of the antitrust laws to combat, in the words of the Council, "practices which strengthen market power through reducing the number of firms in an industry, which erect artificial barriers to the entry of potential competitors, which delay the introduction of superior products of cost-reducing techniques, or which serve to blunt the effectiveness of competitive price changes."

We are confident that, freed from the enervating cost squeeze to which it is currently being subjected, the Nation's small business community will be able to move ahead, furnishing jobs and purchasing power to our people, and assuring the manufacture and distribution of goods in adequate quantities at reasonable prices—thereby doing its part to build for a greater United States in the years ahead.