

The CHAIRMAN. We want to hear from our other witness in just a moment. But first, let me say this. In the vast Economic Opportunity Act we notice the section that says, on page 41 of the act, under section 406(f), that "The President may, if he determines that it is necessary to carry out the purposes of this part transfer any of the functions under this section to the Secretary of Commerce."

Now, that was a rather gratuitous section that was thrown in and agreed upon by an unnamed Senator. We think that the SBA is capable of doing this job. We think that it is located in the right area and in the right jurisdiction, that you are experts in this field. It is a new program, and you are making some progress, although it is a very difficult program. We want to commend you on it. We battled to have SBA administer this program. We have confidence that you will do a good job.

Mr. MOOT. Thank you, sir.

The CHAIRMAN. If there are no further questions, we will hear our next witness, Mr. Bothmer, who is the Deputy Associate Administrator for Procurement and Management Assistance.

The procurement program is one of the vast programs of the SBA, and one that has always been of immense value and service.

Mr. Bothmer, we will be pleased to hear your statement as to how your program is coming along.

Mr. BOTHMER. Thank you, Mr. Chairman.

I appreciate the opportunity to discuss this morning our procurement and management assistance programs.

The general objectives of our procurement assistance program are to increase the share of awards to small business at both the prime and subcontract level and to decrease the number and severity of the problems which small firms experience either in being considered for awards or in the field of contract administration.

Since 1960, there has been a dramatic rise in total Federal procurement and the amounts going to small business.

In 1967, Federal procurement totaled \$49.8 billion, an increase of 92.2 percent over the \$25.9 billion in 1960. The amount going to small business more than doubled and reached \$10.2 billion in 1967, an increase of 117 percent over the \$4.7 billion in 1960. Percentagewise the small business share increased from 18.3 percent of the total in 1960 to 20.5 percent in 1967.

The CHAIRMAN. If I may interrupt at this point, when you indicated that Federal procurement in 1967, last year, totaled \$49.8 billion, an increase of 92.2 percent over the \$25.9 billion in 1960, is this all procurement, both military and civilian?

Mr. BOTHMER. That is correct, Mr. Chairman.

The CHAIRMAN. And small business' share has gone up 117 percent since 1960. To what do you attribute this mammoth rise? Of course, there is great procurement in the military for the Vietnam war effort. But there has been this vast increase. Tell us what accounts for this large increase.

Mr. BOTHMER. The percentage of increase for small business, Mr. Chairman?

The CHAIRMAN. Right.

Mr. BOTHMER. We feel that the attention that has been given to the small business and the need for a viable small business community in assuring a healthy economic growth in the country by the