

Congress, that the continuing attention legislatively that has been paid to this area has contributed greatly to the rise in contract awards to small business, Mr. Chairman.

The CHAIRMAN. Very good.

Mr. MOOT. I think also, Mr. Chairman, that you touched on another fact, that the absolute volume of Federal procurement matches the defense programs in terms of the readiness of the country, as is evidenced by the difference between the \$25.9 billion and the \$49.8 billion which is the current level.

The CHAIRMAN. That is a dramatic rise. And the SBA and the others who have contributed to that percentagewise, as far as small business is concerned, are to be commended.

Mr. MOOT. And likewise this committee has done an amazing amount of work in hearings and in reports, which has helped our effort considerably, sir.

The CHAIRMAN. Proceed, Mr. Bothmer.

Mr. BOTHMER. We believe this trend speaks well for the efforts expended by SBA and for the cooperation we are receiving from the procurement activities of the Government. However, we are not resting on this past record. We intend to continue to press for larger shares of procurement for small business and would like to raise the level to 26 percent by 1975.

In addition to prime contract awards, we are, in cooperation with DOD and GSA, engaged in an effort to induce big business prime contractors to increase their subcontracting with small business.

We are working with 39 large Government contractors in what we call our voluntary subcontracting program to seek out more small firms for subcontract work. In fiscal year 1968-69, the number of prime contractors will be increased from 39 to 74 and the number of plants from 244 to 324.

The CHAIRMAN. If I might interrupt again, I would like to commend you for the recent voluntary subcontracting program conference which was held in this room recently, which is another evidence of your inducing large Government contractors to subcontract with small business.

Proceed.

Mr. BOTHMER. Thank you, Mr. Chairman. We appreciate the cooperation we received from this committee in making facilities available and making this conference a success. We have had a number of compliments on it.

We also have established Project Upgrade which is designed to assist submarginal small firms to improve their capabilities for subcontract work.

The subcontract program already is producing good results. In fiscal year 1967, DOD, NASA, and AEC, prime contractors reported that they had placed \$7.3 billion in subcontracts with small firms. If we add this amount to the \$10.2 billion in total prime contracts awarded to small business, the total would represent 35.2 percent of the 1967 Federal procurement dollar, as compared with 20.5 percent.

I am glad to report that after little more than a 2-year lapse, the procurement set-aside program was resumed on November 1, 1967.

We have 18 representatives working at major procurement activities of the Department of Defense and are budgeting for full implementation in 1969.