Our third program is designed to encourage States to provide incentives for SBIC's to organize or invest within their borders. This program is in its embryonic form, so we cannot report fully on it—or on its prospects at this time.

Fourth, we are cooperating fully with SBA, with the Securities and Exchange Commission, the Treasury Department, and the Internal Revenue Service to bring about the kind of regulatory climate which will allow our industry to survive and grow. This is not an easy task, either for the agencies or for the industry, but I believe we can jointly devise means for carrying out our individual responsibilities without crippling the industry.

VI. THE ROLE OF SBIC'S IN THE AMERICAN ECONOMY

You have heard Mr. Williams tell of our increasing concern with the attrition in industry assets as present SBIC's leave the program completely or in part.

Nonetheless, let me give you NASBIC's look down the road 5 or 10 years.

In the first place, we have set these goals for the SBIC's 15th birthday party in 1973; $5 billion in resources; this will allow us to provide at least $1 billion a year to new and growing small business concerns. And we predict a full spread of all types of SBIC's in every State and in every major metropolitan area.

Secondly, we shall augment our ability to work toward other national goals. I foresee the day when SBIC's are cooperating with governmental and other private institutions in working toward these goals:

(1) Increasing competition in our economy;

(2) Achieving business ownership by minority groups;

(3) Assisting small firms to sell in the export market;

(4) Helping small firms to get research and development work—and to perform on it; and

(5) Guaranteeing that small business gets a fair share of Government contracts.

As members of this committee know all too well, the pace of economic concentration is accelerating each year and 1967 witnessed the greatest number of giant mergers ever. Today, some 2,400 corporations hold 85 percent of all the manufacturing and mining assets. Obviously, present SBIC assets represent only a tiny B-B shot against the hide of a rhinoceros, but it need not remain that way in the crucial years to come.

In all these fields, we will be participating in a tremendously challenging and exciting experiment—the partnership between business and Government to achieve goals we all recognize to be crucial to the health and vigor of our national economic life. We will be working at the grassroots level and I am absolutely convinced that we can do all these things at a profit and that we can continue to return to the Federal Government several dollars for every dollar it has loaned us.

We pray for the continuing support of this important committee; we pledge that we shall be increasingly worthy of your backing.

Thank you.

The CHAIRMAN. Thank you, Mr. Davis, for a very fine statement.

And thank you, Mr. Williams, also, for your excellent statement.