

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE
PROGRAM

9. *Economic effects*

A supplemental appropriation of \$3.5 million for fiscal 1966 was only recently received. To date 17 planning grants to the States have been made under the State Technical Services Act of 1965. No annual plans have yet been funded. Consequently no data are available on the accomplishments of the program. The following information is a statement of what is hoped to be accomplished by the program.

(a) *Effects on personal incomes.*—The objective of the State Technical Services Act is “to promote commerce and encourage economic growth.”

This is to be accomplished by placing “the findings of science usefully in the hands of American enterprise.” Obviously, if this objective is met, it should, indirectly have a positive effect on personal incomes of those employed by industry through the lowering of production costs and through the expansion of the business activities and volume of the employer. While all business can participate, it is contemplated that the major beneficiaries of the program will be medium- and small-sized businesses and industries. Personal incomes in these businesses should rise as a result of the program.

(b) *Effects on placement or productivity of workers.*—The more effective use of technology by businesses and industries is expected to produce new products, new industries, expand existing industries, raise the level of productivity, and create new employment opportunities.

(c) *Effects on business.*—The whole thrust of the State Technical Services program is for the benefit of the business community. The following positive effects are expected:

1. Management of business will be made more efficient through the introduction of quantitative methods of business management through special programs carried out by qualified institutions under the Act.

2. More and better information dissemination should help to increase the number of entrepreneurs; establishing new, science-based industries; and expanding existing enterprises into new markets.

3. As the result of upgrading the technological level of American industry through better information dissemination, it should become more competitive in foreign markets and in meeting the competition of foreign products at home.

(d) *Effects on employment.*—Increasing the level of technology used by business and industry will make them more competitive in both domestic and foreign markets. This will result in improved products, new products, greater sales and increased employment.

(e) *Other benefits.*—If the objectives of the Act, “to promote commerce and encourage economic growth”, are attained, then it is obvious that the increased dollar flow will have salutary effects on all aspects of community life.

(f) *Geographic differentials.*—The maximum amount of funds which can be made to each State will be based primarily on population. However, States with low population will receive a larger allocation per citizen since it is recognized that a certain minimum level of expenditure is needed to have a viable program.