

DEPARTMENT OF COMMERCE,
Washington, D.C., May 23, 1968.

Hon. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in further reply to your request for the views of this Department concerning H.R. 16824, a bill "To extend for an additional year the authorization of appropriations under the State Technical Services Act of 1965."

H.R. 16824 provides for the authorization of an appropriation of \$7,000,000 for the fiscal year ending June 30, 1969. All other provisions of the Act are unchanged by this bill.

While the Department strongly supports the objectives of H.R. 16824, we believe that the interests of the State Technical Services Program will be best served if the authority for appropriations is not limited to one additional year. We consider it necessary that this authority be extended for two years, fiscal year 1969 and fiscal year 1970, as requested in the draft bill submitted to the Congress on March 5, 1968. This additional year of appropriations authority would serve to convey to the States participating in the State Technical Services Program confidence that the Federal Government shares their enthusiasm in the program and recognizes with them its potential. It would also provide the States with reasonable assurance that funding would be continued.

Although only two years have passed since the first approved State Technical Services Programs were put into operation, there is growing evidence that valuable services and benefits have been provided to business, commerce, and industry. More than 1,500 technical service projects involving technical information and referral services, field services, and educational programs are providing assistance to industries such as construction, ceramics, fishing, food processing, forestry, metalworking, mining, petroleum, printing and graphic arts, stone, textiles, and woodworking.

In the States of Maine and Oregon, companies in the fishing industries are being made aware of new technologies relating to the location of fish and the preservation, processing, and packaging of fish products, making them better able to compete with foreign nations. In Pennsylvania, a textile machine manufacturer was shown how to correct a hardening process to produce a reliable machine part. A maker of tire retreading equipment in Georgia was assisted in converting to fiberglass insulation for improved curing at reduced costs. In West Virginia, small manufacturers are being shown how to spray-paint their products using an electrostatic paint process which results in better quality products at reduced unit cost. Illinois construction firms are being introduced to the benefits which can come from the application of computers to their overall operations. These programs have been developed at the local level to meet recognized needs of principal industries in the States and have been made possible through matching grant support under the State Technical Services Act.

We believe that the above examples are indicative of the tremendous benefits which can occur from the more effective utilization of technology through State Technical Services Programs. The Department of Commerce earnestly requests the continued support of the Congress in carrying out this work.

We have been advised by the Bureau of the Budget that there would be no objection to the submission of our report to the Congress and further that enactment of H.R. 16824, amended as recommended above, would be consistent with the program of the President.

Sincerely,

PEDRO R. VASQUEZ,
for General Counsel.

Mr. Moss. Our first witness this morning is Dr. John F. Kincaid, Assistant Secretary for Science and Technology of the Department of Commerce.

Dr. Kincaid,