Mr. Moot. Concern for the widely varying impacts of these uneven growth trends is the central theme of most current appraisals of the Nation's economic health.

In fact, the growing commitment of Federal, State, and local governments—with progressively increasing private sector involvement—to the promotion of balanced economic growth is possibly the most significant single factor affecting the future rate and direction of economic change throughout the Nation. Major new or enlarged Federal programs aimed at this objective have been launched, stemming from such landmark statutes as those pertaining to manpower development and training, aid to vocational and higher education, equal economic opportunity, Appalachian regional development, public works and economic development, and model cities.

These programs have two principal thrusts:

(1) To upgrade the skills and the employment, business and social opportunities of disadvantaged persons and groups throughout the Nation; and

(2) To arrest and reverse the economic stagnation of the decaying core of major metropolitan complexes and other pockets of poverty in rural areas created by dependence on industries with slowly growing or declining employment opportunities.

The status and prospects of the 5 million small business concerns spread throughout the Nation will be determined, to a large degree, by these major developments in the national economy.

IMPLICATIONS FOR SBA PROGRAMS

Implications of the current and prospective economic environment and the agency's objectives may be summarized briefly as follows:

1. Small business needs for all SBA assistance programs will continue to grow. Continued assistance will be necessary to enable small business to cope with the opportunities and challenges of an expanding modern economy.

2. The availability of credit and the terms on which it can be obtained from private sources will, at best, show only moderate abatement from the tightness that currently prevails in the capital markets.

3. So long as defense expenditures remain at current high levels, pressures to restrain inflationary forces through restriction of other programs will remain strong. This will intensify the need to strengthen the economic justification of loans and other assistance to small business concerns, and to make sure that each dollar returns an equivalent or greater benefit to the national economy—as well as benefiting individual businessmen.

4. The economic health and survival of individual small business concerns depends, in large measure, upon the progress of economic development programs undertaken in communities and regions in which the concerns are located. Business loan programs, in particular, need to be tied closely to soundly conceived and broadly supported local development programs since this constitutes the most effective compliance with the statutory requirement that business loans "* * * be of such sound value or so secured as reasonably to assure repayment."