Promoting Balanced Economic Growth

PART I—THE CONCEPT

A. Overall agency objectives

Embodied in SBA basic legislative authorities:

The Small Business Act,
The Small Business Investment Company Act of 1958,
The Economic Opportunity Act of 1964.

The authorities and responsibilities conveyed upon the SBA by these congressional mandates may be translated into the following basic objectives of SBA:

First: Assist in maintaining balanced economic growth on a national basis.
Second: Assist in maintaining a healthy competitive environment.
Third: Provide opportunity to *ALL* qualified individuals.
Fourth: Assist in the creation of new jobs.
Fifth: Achieve the foregoing at the State and local levels.

The foregoing five objectives which have been adopted by the Administrator are in keeping with various statements by the President and the Congress—three of which are quoted below:

The Small Business Investment Company Act of 1958, in its statement of policy, states that the purpose is—"to improve and stimulate the national economy in general and the small business segment thereof in particular."

In speaking of community development ,the President has stated:

"* * * the sources of poverty vary from family to family, city to city, region to region * * * we urgently need to bring together the many existing programs—Federal, State, and local and private—and focus them more effectively in a frontal assault on the sources of poverty. * * * Most important, we shall encourage and assist communities and regions to develop their own plans of action; to mobilize their own resources as well as those available under Federal programs." (1964 Economic Message.)

In speaking of rural America, President Johnson has said:

"Local leadership and initiative are necessary if rural development is to keep pace with the needs of the people. But government can and should provide information as well as technical and financial assistance which will speed progress." (Labor: Smaller Communities Program booklet.)

B. Achieving the objectives

To assure accomplishment of the foregoing objectives in a manner which makes maximum contribution to associated Presidential national goals, SBA must align its assistance programs—financial, procurement and management—to the carefully defined economic needs of the local communities and regional areas. *In short*—SBA should encourage economic development planning at the local level and offer its program resources as complementary assets in the resulting economic balance sheet which lists community assets and liabilities in relation to needs or requirements.

Accomplishment of our objectives must, of course, be achieved through the small business community operating at the local levels. However, our assistance to the small business community should, to the maximum extent possible, be dovetailed with—

Organized economic development programs—state and local, and
Programs of other Federal agencies having the same economic growth objectives.

This "dovetailing" is essential because:

1. SBA must have a sound basis for planning and distribution of $1 billion in financial assistance throughout the nation.

2. There is a need to balance economic growth in accordance with the requirements and potential of all areas—rural, urban, and metropolitan. Only through balanced application of resources can maximum accomplishment of objectives be achieved. Only by looking at total needs vs. assets of a community can best use of SBA financial, management and procurement assistance be made.

3. Utilization of SBA resources to meet defined and outlined economic programs of the community minimizes possible duplication of effort and resources among SBA programs and among separate Federal agency programs. The role of each is known in advance. The multiplication effect of programs working in concert is enhanced.

4. We must recognize that there is varying economic potential from community to community and from region to region. The strengths of each area must