

RESEARCH BY STATE AGENCIES
FOR
PRIVATE ORGANIZATIONS

There seems to be little precedent for permitting state agencies to conduct research for private organizations or individuals and to charge a fee for the services rendered.

Some of the states, including Tennessee, Alabama, and others, charge for the services performed by the state planning units for the local subdivisions. This, of course, is still for public and not private agencies.

The federal government conducts a vast research program in practically every field of inquiry. These activities, however, are supported to a great extent by federal funds.

The National Bureau of Standards has a research associate plan which illustrates one of the fields in which private financing of projects is permitted or encouraged. The research plan is a cooperative arrangement under which technical, industrial or commercial organizations work at the Bureau on projects which are of special interest to them, and which are also of sufficient general interest to justify the use of government facilities. The Bureau supplements the facilities of organizations which already carry on some research and it affords facilities for those which have none. In general, a project is approved if it is of interest and benefit to a wide industrial or trade group in the interest of the general public.

The arrangement is preferably made with an association or group representing a major part of the industry concerned, but single companies or individuals may support projects when it is clear that the results will be of general public as well as private benefit. The research promoted through the plan has the distinct advantage of being immediately acceptable to the industry.

The Bureau of Standards is required to charge a fee for tests or investigations under certain sections of its act except when the work is performed for agencies of the federal or state governments. Likewise, the Bureau of Labor Statistics is authorized, under regulations prescribed by the Secretary of Labor, to make statistical studies on request and payment of the cost thereof by private persons.

Through cooperative arrangements with foreign governments, approved by the Department of State, the Bureau of the Census provides source material on foreign censuses, gives foreign students and visiting technicians assistance in their studies of American statistical methods, and assists other governments with plans for censuses and large-scale collection and compilation of statistics.

The Secretary of Agriculture is authorized to enter into contracts and agreements with other governmental agencies or private organizations and individuals for research purposes. More specifically, the Secretary of Agriculture is authorized, by the Forest Research Act of 1928, to "cooperate with individuals and public and private agencies, organizations, and institutions, and, in connection with the collection, investigation, and tests of foreign woods, he may also cooperate with individuals and public and private agencies, organizations, and institutions in other countries." He is empowered to receive money from cooperators "under such conditions as he may impose." In similar substance the Soil Conservation Service through the Secretary of Agriculture, is empowered to "cooperate or enter into agreements with, or to furnish financial or other aid to any agency, governmental or otherwise, or any person, subject to such conditions as he may deem necessary, for the purposes of this act."

The President's Scientific Research Board reported in 1947 several categories of research as defined by Science the Endless Frontier, and Julian Huxley's Science and Social Needs. These definitions appeared in Volume 2 of Science and Public Policy, "The Federal Research Program", pp. 311-314.

This Board lists four separate categories.

1. Fundamental research--research without specific practical ends. It results in general knowledge and understanding of nature and its laws. This type of research demands from its followers the freedom of mind to look at familiar facts from unfamiliar points of view. Good examples are atomic physics and experimental embryology.

2. Background research--research with some distant practical objective but still quite fundamental, such as soil science, meteorology, or animal breeding. Done chiefly in government laboratories because of the expansive facilities needed.

3. Applied research--research with an immediate objective, such as work on discharge tubes for lighting purposes, or on mosquitoes for getting rid of malaria. Work lends itself to organized effort, since the objective can be definitely mapped out beforehand. Private organizations undertake such work in the hope of ultimately recovering the funds invested. Another field of research of this type includes agriculture.

4. Development--the Joint Research and Development Board of the War and Navy Departments has set up several categories of development.

a. Experimental Development is that activity based upon knowledge of new phenomena and principles which is directed to the initial construction of devices or evolution of techniques to the point of demonstration of a system. This stage has defined goals in the form of general aims, not detailed specifications.

b. Engineering Development is the application of known scientific and engineering principles to a demonstrated technique, device or system to increase its technical or operational efficiency and evolve a completely reproducible engineering model.

c. Technical Evaluation means study and investigation conducted to determine the technical suitability of material, equipment, or a system for use in the military service where (1) specifications do not exist or are indefinite, or exist but are inadequate to assure that the item will be of use to the military service, or (2) test procedures are not defined.

d. Type Testing means test of a specifically developed item (material, equipment, system, or device) having definite specifications in order to determine and, if feasible, to measure the characteristics or performance of the item, relative to its specifications.

e. Operational Evaluation is the test of a specifically developed item (material, equipment, system or device) in order to determine as accurately as possible the operational characteristics or performance and its utility, in military service.

We must bear in mind that although the above standards relate to military research chiefly, they are also of value in establishing the type of research a state government might be willing or able to undertake for private interests. Wisconsin at the present time could perhaps perform all except development research.

Bibliography

National Resources Committee, "Research--A National Resource" Part 1 (Relation of the Federal Government to Research), December 1938.

President's Scientific Research Board, "Science and Public Policy", Volume 2 (The Federal Research Program), September 27, 1947.

United States Department of Commerce, 1949. A brochure describing the functions of the Department.

United States Department of Labor, "Your Department of Labor, Its Organizations and Services", 1950.

Appendix A--Federal Law permitting Department of Agriculture to do research for private requestors.

TITLE 7--AGRICULTURE

Chapter 38--Distribution and Marketing of Agricultural Products

Sec. 1624. Cooperation with Government and State agencies, private research organizations, etc.; rules and regulations; report to Congress.

(a) In carrying out the provisions of this chapter, the Secretary of Agriculture may cooperate with other branches of the Government, State agencies, private research organizations, purchasing and consuming organizations, boards of trade, chambers of commerce, other associations of business or trade organizations, transportation and storage agencies and organizations, or other persons or corporations engaged in the production, transportation, storing, processing, marketing, and distribution of agricultural products whether operating in one or more jurisdictions. The Secretary of Agriculture shall have authority to enter into contracts and agreements under the terms of regulations promulgated by him with States and agencies of States, private firms, institutions, and individuals for the purpose of conducting research and service work, making and compiling reports and surveys, and carrying out other functions relating thereto when in his judgment the services or functions to be performed will be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture. Contracts under this section may be made for work to be performed within a period not more than four years from the date of any such contract, and advance, progress, or other payments may be made. The provisions of section 529 of Title 31 and section 5 of Title 41 shall not be applicable to contracts or agreements made under the authority of this section. Any unexpended balances of appropriations obligated by contracts as authorized by this section may, notwithstanding the provisions of section 713 of Title 31, remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury. Any contract made pursuant to this section shall contain requirements making the result of such research and investigations available to the public by such means as the Secretary of Agriculture shall determine.

(b) The Secretary of Agriculture shall promulgate such orders, rules, and regulations as he deems necessary to carry out the provisions of this chapter. In his annual report to Congress, he shall include a complete statement of research work being performed under contracts or cooperative agreements under this chapter, showing the names of the agencies cooperating and the amounts expended thereon, segregated by Federal and non-Federal funds. (Aug. 14, 1946, ch. 966, Title II, Sec. 205, 60 Stat. 1090.) Also known as Public Law 733, 79th Congress.)

Appendix B--Federal Law permitting Bureau of Standards
to do research for private requestors.

TITLE 15--COMMERCE AND TRADE

Chapter 7--The Bureau of Standards

Sec. 273. Functions; for whom exercised.

The bureau shall exercise its functions for the Government of the United States; for any State or municipal government within the United States; or for any scientific society, educational institution, firm, corporation, or individual within the United States engaged in manufacturing or other pursuits requiring the use of standards or standard measuring instruments. All requests for services of the bureau shall be made in accordance with the rules and regulations established in sections 276 and 277 of this title. (Mar. 3, 1901, ch. 372, s. 3, 31 Stat. 1449)

Sec. 276. Fees.

For all comparisons, calibrations, tests, or investigations, performed by the National Bureau of Standards under sections 271-278 of this title, as amended and supplemented, except those performed for the Government of the United States or State governments within the United States, a fee sufficient in each case to compensate the National Bureau of Standards for the entire cost of the services rendered shall be charged, according to a schedule prepared by the Director of the National Bureau of Standards and approved by the Secretary of Commerce. All moneys received from such sources shall be paid into the Treasury to the credit of miscellaneous receipts. (Legislative history omitted.)

Sec. 277. Regulations.

The Secretary of Commerce shall, from time to time, make regulations regarding the payment of fees, the limits of tolerance to be attained in standards submitted for verification, the sealing of standards, the disbursement and receipt of moneys, and such other matters as he shall deem necessary for carrying into effect sections 271-278 of this title. (Legislative history of this section has been omitted.)

Appendix C--Federal Law permitting Department of Commerce to do research for private requestors

TITLE 15--COMMERCE AND TRADE

Sec. 189. Sale of commercial reports and services.

The Secretary of Commerce may make such charges as he deems reasonable for lists of foreign buyers, special statistical services, special commodity news bulletins, and World Trade Directory Reports, and the amounts collected therefrom shall be deposited in the Treasury as "Miscellaneous Receipts."
(May 15, 1936, ch. 405, s. 1, 49 Stat. 1335.)

Sec. 189a. Special statistical studies; compilations; transcripts; cost.

The department of Commerce is authorized, within the discretion of the Secretary of Commerce, upon the written request of any person, firm, or corporation, to make special statistical studies relating to foreign trade, domestic trade, and other economic matters falling within the province of the Department of Commerce; to prepare from its records special statistical compilations; and to furnish transcripts of its studies, tables, and other records, upon the payment of the actual cost of such work by the person, firm, or corporation requesting it. (May 27, 1935, ch. 148, s. 1, 49 Stat. 292.)

Sec. 192. Disposition of moneys received for special statistical studies, etc.

All moneys received by the Department of Commerce in payment of the cost of work under section 189a of this title shall be deposited in a special account to be administered under the direction of the Secretary of Commerce. These moneys may be used, in the discretion of the Secretary of Commerce, and notwithstanding any other provision of law, for the ordinary expenses incidental to the work and/or to secure in connection therewith the special services of persons who are neither officers nor employees of the United States. (Mar. 1, 1919, ch. 86, s. 1, 40 Stat. 1256; May 27, 1935, ch. 148, s. 2, 49 Stat. 293.)

Sec. 192a. Rules and regulations governing special statistical studies.

The Secretary of Commerce shall prescribe rules and regulations for the enforcement of this section and sections 189a and 192 of this title. (May 27, 1935, ch. 148, s. 3, 49 Stat. 293; Aug. 7, 1946, ch. 770, s. 1 (4), 60 Stat. 866.)

Appendix D--Federal Law permitting Department of Labor to
do research for private requestors

TITLE 29--LABOR

Subchapter II.--Special Statistics

Sec. 9. Authorization of special studies, compilations, and transcripts on request; cost.

The Department of Labor is authorized, within the discretion of the Secretary of Labor, upon the written request of any person, to make special statistical studies relating to employment; hours of work, wages, and other conditions of employment; to prepare from its records special statistical compilations; and to furnish transcripts of its studies, tables, and other records, upon the payment of the actual cost of such work by the person requesting it. (April 13, 1934, Ch. 118, s. 1, 48 Stat. 582; April 11, 1935, ch. 59, 49 Stat. 154; June 15, 1937, ch. 349, 50 Stat. 259; April 15, 1939, ch. 71, 53 Stat. 581.)

Expiration

This section and sections 9a and 9b of this title comprised sections 1-3 of act April 13, 1934, cited to text. Section 4 of that act provided as follows: "This act shall cease to be effective one year after the date of its enactment." This act was temporarily extended by acts April 11, 1935, and June 15, 1937, both cited to text, and was permanently extended by act April 15, 1939, cited to text.

Sec. 9a. Credit of receipts

All moneys hereinafter received by the Department of Labor in payment of the cost of such work shall be deposited to the credit of the appropriation of that bureau, service, office, division, or other agency of the Department of Labor which supervised such work, and may be used, in the discretion of the Secretary of Labor, and notwithstanding any other provision of law, for the ordinary expenses of such agency and/or to secure the special services of persons who are neither officers nor employees of the United States. (See legislative history under Section 9)

Sec. 9b. Rules and Regulations.

The Secretary of Labor shall prescribe rules and regulations for the enforcement of sections 9 and 9a of this title. (See Legislative history under section 9.)

Amendments

1946-Act Aug. 7, 1946, cited to text, amended section by repealing the provisions requiring the Secretary of the Interior to make annual reports to Congress.