

trator. I think we have worked out workable standards that OEO has approved and others have approved.

As an example, Berkeley Burrell for years and years has talked about that area where no one got any help, that gray area between the poverty level and those eligible for regular SBA loans. Under the new program that void is filled.

Mr. GOODELL. Mr. Boutin, let me pursue that point. If such a provision inadvertently in the drafting slipped in, it certainly was not the intention of Mr. Quie or me. I don't see it. Perhaps you can point it out. It is our intention under our proposal to transfer the entire program to SBA to be operated in very much the manner you now say you are now operating the program.

Do you read our proposal in Opportunity Crusade as giving HEW the power to set standards?

Mr. BOUTIN. Yes, I do, Congressman. Section 901 says, "Who qualify under poverty standards set by the Secretary of Health, Education, and Welfare, and to assist in the establishment or expansion of small business concerns which by the nature of their business have substantial and continuing promise of employing substantial numbers of individuals who, with inadequate background of educational experience skills"—which is still another problem. That would limit the program, as a matter of fact, to only those businesses promising to employ people lacking ordinary skills.

With the limit of \$25,000 they are not going to employ very many people and I frankly could not administer the program.

Mr. GOODELL. You are somewhat confused. They proposed loan authority is twofold. First, you may make loans to assist businesses owned by persons who fall under the poverty criteria set by HEW and applied by you. Second, you are granted authority to determine eligibility for loans for expansion of small business, concerns which by their nature hold substantial, continuing promise of employment for individuals of inadequate background or skill.

These basic provisions derive from the original act. Certainly I think you misread the language. If necessary we will clarify it and see to it that the only power granted in this instance to the Secretary, HEW, is the power generated now under the poverty act, directing OEO to set up standards as to what poverty is. That is the intention, to give them the flexibility here to define whom we are talking about in this special program.

Mr. BOUTIN. I am sure the Congressman will recognize that I can only go on what I see on the printed page on both H.R. 8311, H.R. 10682. Further complication, exactly what I think would be wrong with SBA, we have no grant programs at all. It contains a grant provision where we would be given the responsibility of making the judgments on continuation of SBDC's or funding other profit or nonprofit groups.

I do not mean to pick a fight with any member of this committee. I am only here to testify responsibly as to what tools I need to administer the program. I would like to see title IV left just exactly as it is.

Mr. GOODELL. The HEW poverty standards simply provide a means to determine eligibility for the SBA loans. The grant-making authority is identical to the provisions of title IV under which you now operate.