

group that we classify as poor, to separate them out and treat them separately for whatever the program may happen to be, all the community action programs, for example, or whether we can serve them better if we do not pull them out that way but have them as part of the total overall picture. Part of what I hear you saying as I have listened to you this afternoon is in this one narrow area that SBA deals with, really this group is better served by being part of the total picture than they were in this one narrow area of SBA when we did separate them out.

Do you have a general comment on that?

Mr. BOUTIN. Yes, Congressman, I do. I think to draw a comprehensive conclusion from the SBA experience on the administration of the war on poverty would be a mistake, because ours is a highly specialized program. Making loans, as any banker knows, or as any bank cashier or bank teller or bank president knows, is a complicated business. To offer management counseling is even more complicated and more difficult. That is why our Service Corps of Retired Executives—those people who have been vice president of Chrysler, vice president of General Motors, Philco, and all these concerns, plus the owner of a local grocery store—perhaps, have proven so valuable.

Mr. DELLENBACK. Excuse me. Are those people purely volunteers?

Mr. BOUTIN. Purely volunteers.

Mr. DELLENBACK. Not paid—or paid on a minimal basis?

Mr. BOUTIN. They are not paid anything at all. We have legislation pending in the Congress so that we can reimburse them under the Administrative Act for their out-of-pocket expenses.

Mr. DELLENBACK. Excuse my breaking in. Go ahead.

Mr. BOUTIN. I think it would be difficult to try to equate the SBA program as an example with Job Corps, or with Community Action, or with Upward Bound, or Headstart, or one of the others. What I am trying to say to the Congressman, and to this committee, is that while we have separated ourselves from OEO in terms of loan approvals, where instead of the loan applications being processed by people at the SBDC's—not at OEO, but at the SBDC's, so that they come to us directly, which prevents all of this duplication and time consumption—nevertheless, we continue to treat them as a part of the war on poverty. We are looking for the disadvantaged; the person who is handicapped because of race or because of geographical location. He may be in western Tennessee or eastern Kentucky or the southern part of West Virginia. Or it may, because of the nature of banking in his community; it could be any one of these reasons.

Nevertheless, we treat it as a separate entity, altogether, from our regular loan program. We have a separate director of the program—Mr. Philbin—who is here. He has a very small staff of about five people and they direct the field, loan specialists, our management counselors in the exercise of these responsibilities.

Mr. DELLENBACK. I recognize the danger of generalizing on the specific—that is taking SBA's experience and applying it blindly across the board—but I don't think that that danger completely wipes out or nullifies the fact of what you testified.

Let me ask you this along this line: Does the fact that SBA has dealt with many nonpoor, if you will, mean that you are unable to serve the "poor" ably and effectively?