

First, under Title III-A, loans were authorized to low-income individuals living in rural areas. Loans under this program that are non-agricultural are designed to help the poor supplement their income through some form of small business enterprise.

This program was delegated by OEO to the Department of Agriculture for administration where it was, in turn, made a responsibility of the Farmers Home Administration.

The major small business loan program under our Act was in Title IV. This established the Economic Opportunity Loan program which we delegated to the Small Business Administration. SBA made the loans through Small Business Development Centers funded by OEO in a number of cities and rural areas.

Before I describe these programs in more detail and give you their current status, I would like to comment on the general philosophy of our efforts to eliminate poverty.

The end goal of much of our activity is employment.

There are two main ways in which someone in poverty but who is in the generally "employable" span of years of, say, between 18 and 55, can get his subsistence.

He can get it through welfare, or he can get it through employment.

Our emphasis, naturally, is on helping him earn his living through employment, providing him an opportunity to become a productive member of society and to enable him to support himself and his family in dignity and some security.

But not just *any* job.

Often, we hear from the employer who claims there can't be many unemployed people who *really* want to work, because he hasn't been able to hire a floor sweeper, or a dishwasher, or someone to perform some other menial task.

Those jobs don't really take a person out of poverty. They simply permit him to live a little closer to the outskirts of it. The future is almost nil, and he is the first to go at the slightest downturn in the economy.

But there is more to it than that.

First, almost half of the persons classified as poor are unable to work. Many are too young or in school. Some have family responsibilities that keep them home caring for children. Some are permanently or temporarily disabled and unable to perform work of any kind. Probably around 15 million of the poor are in these categories.

Second, most of the remaining poor who can work—and most of them do—cannot get jobs at which they can earn a decent income for various reasons. They lack education in basic and vocational skills; often they cannot read or write or understand instructions.

We should bear in mind that although statistics show that it is not uncommon for a poor person to have an 8th grade education, his actual intellectual capabilities are more realistically indicated by his reading level. Tests have frequently shown this to be far below the formal grade achievement.

In addition, many of these people cannot get jobs because they have a police record. Or there is no transportation between their home and potential employment locations. Repeated rejections by employers have destroyed the motivation of many of the unemployed to look for work. These are the hard-core unemployed and underemployed, and they constitute about 15 million persons.

This second group includes a small portion of the poor in urban areas who might have the qualifications necessary to become a successful small businessman—the skills, experience, and determination that can only be obtained through education and some steady, disciplined participation in the world of work.

I think we can say that it is precisely because most of the poor have not had the opportunity to obtain these attributes and attitudes that they are poor and will continue to be unless we can find a way to help them.

These are the people that the programs of OEO and other Federal agencies concerned with poverty are seeking to help. The Job Corps, Neighborhood Youth Corps, Work-Experience, and the Nelson-Scheuer programs all are directed toward the goal of employment training. We are in the process of developing new comprehensive manpower programs with the Labor Department that will reach into the ghetto to the hard-core unemployed, the same areas that have generally been the target of the Title IV loan program.

Our Community Action Programs, health and legal services, neighborhood service centers, adult education—and even Head Start—all seek to supply some of the advantages to the very poor that most of us take for granted.