

the Department of Commerce, and controlled by the local small investors.

2. A sophisticated research program which will identify feasible industrial and commercial enterprises which can operate profitably while providing jobs for Harlem residents.

3. A nonprofit management consulting and managerial skills training program for community residents recruited to operate these enterprises.

4. A network of new community services corporations, for example, day camps, career clinics, et cetera, which will dispense needed services while providing jobs for Harlem residents.

Under this plan, control of the business enterprises and of the profits would remain in the hands of the SBIC. A portion of the profits would be reinvested to achieve the expansion and diversification of the enterprises and the remaining portion would be used for the establishment of the nonprofit community services corporations.

It is in this kind of a dynamic way that I think that we can begin to break the cycle of poverty so that people who are in the impoverished conditions are not merely receiving handouts but are beginning to acquire equity and therefore are able to fend for themselves.

You might fully agree that is within the American tradition. I think if the OEO programing and policy emphasis should be shifted here, there is no question but that it would gain in increased relevance and would be a vital arm in the war on poverty.

Failing that it seems to me no purpose could be served by this Agency in a true war on poverty.

Chairman PERKINS. What caused you to leave your post as Director of Haryou? Did you feel you were not accomplishing what you should be accomplishing in the Harlem area?

Mr. MARSHALL. That, too, sir, but more importantly I had the opportunity to become a Director of the poverty program and in the Haryou program I was the third man down.

Chairman PERKINS. You were satisfied with your accomplishments at Haryou?

Mr. MARSHALL. I think what happened at Haryou was again that there were not sufficient inputs. What I mean by that, and I don't want to overstress this point, but if you have a program which is offering mainly jobs in the service sector and if you have many, many people seeking work, naturally, there is going to be a kind of distortion here because since many people need jobs, the question becomes one of hiring people and not necessarily concerning themselves with whether or not they are sentimentally equipped and otherwise to do community service work.

Chairman PERKINS. Were you satisfied with the results obtained with that type of program in Paterson, N.J.?

Mr. MARSHALL. No, sir, I was not and for the reason that the main thing the poor people in Paterson needed could not be provided by any stretch of the imagination by the poverty program that we got funded in Paterson. Paterson, as you may know, is a very old city with very deteriorated and dilapidated housing in the poverty districts and there was nothing at all that was available through the Economic Opportunity Act programs that could address that problem and this was a very big problem of the poor people.