

is the only criticism I have of public housing. They would send them back and in the meantime the cost of living is going up, the cost of material is going up, and the bids were under the 10 percent, and yet they would refuse or reject them saying it was over what they had allocated in the budget which I think is just a delaying action, I don't know.

Our public housing in Hazard is one of the most successful in the United States. As you can see, we have shown a profit every year. Money has been turned back into the treasury.

Gentlemen, poverty did not happen overnight, within a few months, or a few years; consequently, it will at least be a few years before concrete, long-lasting effects can be felt in the economic structure. But we must give them time and what you have done a chance. To decrease or do away with poverty programs at this stage would only create increased tensions and problems for the poor—Negro and white. These programs are effective and very, very successful in eastern Kentucky.

These programs pump money into the local economy that have effects that perhaps you have not taken into consideration, and this is where my stores and others come in, Mr. Chairman.

Personally, I have employed 20 percent more people in my stores. Other sales and service companies have had similar increases. Again I have firsthand knowledge of this because retail stores in our city buy an occupational license.

Chairman PERKINS. The impact of these programs has already been felt in Hazard, Ky.

Mayor DAWAHARE. Yes. As I say, in my stores we sell even a better grade of clothing, but some other stores and businesses, their employment has increased 50 percent on account of these programs. It has helped. According to our gross sales volume, the city tax amounts to \$1 per \$1,000 sales. In the past 2 years our city has had a \$21,000 increase in occupational licenses.

As I stated before, they are producing more coal with 10 percent of the manpower they used to use.

Chairman PERKINS. You mean 10 percent of the manpower that used to be used in the heyday of the coalfields?

Mayor DAWAHARE. Yes.

Chairman PERKINS. How many miners do you hire? How many miners?

Mayor DAWAHARE. We used to have—I don't know. It is about between 3,000 and 4,000.

Chairman PERKINS. Do you feel like to some degree you have arrested the outward migration now?

Mayor DAWAHARE. Yes, sir. I will tell you we might not have arrested it, but the people who are trained in our vocational school are placed in jobs. They might go to Dayton, Ohio, and get a job or they might go to Detroit or they might go to Cincinnati, but their families still live in Hazard, and money that they make comes back home, and it helps.

They still live at home in the mountains or eastern Kentucky, and that has helped our economy, too. On a holiday you can see more Ohio and Indiana cars in eastern Kentucky than you can Kentucky cars.

Chairman PERKINS. I have witnessed that myself driving in.

Mayor DAWAHARE. Yes, sir.