

3300 ECONOMIC OPPORTUNITY ACT AMENDMENTS OF 1967

their competent staff. Since the majority of our funds come through OEO, they have some control to see that we do not duplicate or overlap other programs. In functioning as a business, it's important to be required to report to the authority responsible. Coordinating without authority is not practical.

Recently, I spent an afternoon at the Chamber of Commerce of the United States, of which we are a member, talking to their research people and economists on their views of the poverty program. Three weeks ago, I joined 40 other business executives at a "think" session at Airlee, where political, social and economic problems were discussed with Chamber executives and with many of the outstanding leaders of our country. With my letter to you of July 7, I attached a copy of my letter to Mr. Arch Booth, head of the United States Chamber which included a point by point comment on the Chamber's recommendations towards the poverty legislation. I hope that this will be helpful to you, and if you choose, make a part of this record.

I have three suggestions for improving the effectiveness of OEO and the War on Poverty:

- (1) Improve the communication with the people in the United States to let them know what the Anti-Poverty Program is. Most people do not understand it. They think it is a federally administered program from Washington. However, it is a local program. If a local community action organization is not formed to identify local needs, there is no program. If local people do not take an interest and do not run it, there is no program. The Economic Opportunity Act of 1964 gives local communities an opportunity to develop their own tailor-made programs for their own local people. But this is not understood.

There is a misconception about handouts. Recently, a distinguished Senator said to me, "If the poverty program is continued, I want to see that the money goes to people who need it the most". My reply to him was that no money in this program goes to people directly. Ninety percent of all the money which is expended for the poverty program in the Roanoke Valley is used for education and training and for motivating the poor to help themselves—to become productive, participating members of society. This means that the money is spent for teachers salaries, schools, neighborhood development and other related costs. People who need help are being given the opportunity to take advantage of the opportunities which have accumulated over the decades to make up the American dream. The answer to the poverty problem is very simple: do what is required to get people who are in poverty into society and into a job. There are no handouts. The public doesn't understand this, but they must.

- (2) Information and evaluation techniques and procedures must be improved and expanded. The amount of money we are spending now for the Anti-Poverty Program is only a small amount of what will have to be spent later, in one form or another, when our available resources are greater. We must know accurately what we are doing right and what we are doing wrong. This is another reason for a central OEO. But more independent evaluation must be made both at the national and local level.

- (3) Administrative procedures and systems in OEO must be strengthened. Both stability and time will help here, but encouragement from you will certainly accelerate it.

Let me conclude by giving you a business analogy to the central OEO problem.

As you know, I am in the shoe business. Our company sells shoes through direct house-to-house salesmen. We have over 100,000 full and part-time representatives in every state and every district in the United States. If we had been assigned the project of developing a shoe program for the natives of some under-developed island, who never before had worn shoes, we would have many problems such as design, supply, marketing, but primarily a motivational program in convincing these people they should wear shoes. Suppose we had worked on this problem for two years. Suppose we knew we were being successful to some extent, making some progress and even making a profit. This does not say that we would have made as much money as possible or that the program could not be improved, or some other shoe company could not have done a better job. But with two years experience, it is unlikely that some other company without any experience could start from scratch and do a better job. In fact, the odds would be that they would start two years behind, having to learn again what we had learned in our two years experience. A more positive way to accelerate marketing of shoes to these people would be for all interested organizations to advise