1. A study of the impact of crime on small business to provide, for the first time, reliable information on losses resulting from robbery, burglary, vandalism and shoplifting. This study is being conducted with the advice and assistance of the U.S. Bureau of the Census. This is an in-house study.

2. An evaluation of existing protective device systems available to businessmen and the development of improved systems using components already in use elsewhere in defense, industry and other countries. Cost-benefits of alternative systems will be considered in the evaluation. This evaluation will be performed by contract.

3. Architectural changes in physical facilities that may assist in reducing losses and deterring crime. An interagency task force will be organized to conduct this study.

4. A review of managerial techniques to identify changes which might be made by the businessmen themselves to reduce losses. This would be aimed at a "self-help" program for the businessman.

5. A review of the role of insurance in helping to reduce economic losses due to crime. Full use will be made of the work of the Insurance Advisory Panel of the President's National Advisory Commission on Civil Disorders.

We are confident that the study will be completed and a report filed with the Congress within the one-year time limit established in the Act.

SUMMARY AND CONCLUSION

Mr. Chairman, this has been a lengthy statement. I felt that a long statement was necessary because it has been over 18 months since SBA appeared before this Committee, and that the Committee should have a complete and current picture of what we have accomplished and what the outlook for the future was. I would like to summarize:

The economic prospects for the nation and the small business community are generally bright but some grave problems persist.

As the economy grows, the opportunities for small business also grow. This causes expansion in demands placed on SBA for assistance to small business—loans, procurements, and management assistance.

Our loan programs have contributed to national economic growth, have provided thousands of new job opportunities, and have enhanced the competitive environment.

The net cost to the Government of SBA programs are quite modest in relation to the returns to the nation and the economy.

The future appears to portend a challenging period for small business and SBA in promoting balanced economic growth on both a national and community basis. SBA and small business will be significant elements in achieving national economic and social goals.

Our new Community Economic Development Program holds much promise for helping to solve the hard-core unemployment problem.

The banking community has gained increasing confidence in the small business prospects and we look forward to greater private sector participation in our loan programs in FY 1968 and FY 1969, thus conserving tax dollars for use in other high priority programs.

Our SBIC program holds much promise to assist in narrowing the equity financing gap existing in the small business segment of the economy and to provide important supplemental assistance to the small concern.

Our procurement assistance program has been revitalized with the reinstitution of the set-aside program and the stationing of SBA representatives at major procurement centers.

Our management assistance program, as supplemented by the 3,210 man cadre in SCORE, are reaching more and more small businessmen with our training and counseling activities.

Our lease guarantee program is off to a good start. It is an important supplement to our small business aids and the outlook for extensive participation by the insurance industry is optimistic.

The legislative amendments enacted in the last two sessions of the Congress have materially assisted us in the conduct of our programs. We do not have any proposals to submit to the Congress at this time. If our program evaluations so indicate, we may submit some new proposals.

This concludes my statement, Mr. Chairman. I would be pleased to answer any questions the Committee may have. Thank you.