

and aimed at improving these areas through strengthening small business enterprises and entrepreneurship in these particular target areas.

Upon the passage of the Economic Opportunity Act Amendments of 1967 in December, SBA reviewed and evaluated the programs it then had, which were aimed at the objectives of Congress. And we have revitalized and redesigned our programs to make them more effective to meet the objectives of the Congress.

As you stated, Mr. Chairman, the Deputy Administrator has been the coordinating focal point for these programs. And he does have a prepared statement. And with your permission, he will now address the committee with that statement.

The CHAIRMAN. Mr. Greenberg, the committee will be most pleased to hear you. And you may proceed as you wish.

Mr. GREENBERG. Thank you, sir.

Mr. Chairman and members of the committee, I am glad to have this opportunity to report to you on the actions and plans of the Small Business Administration in carrying out a mission assigned by the Congress and underscored as to importance in the Economic Opportunity Act Amendments of 1967.

The need to develop and expand entrepreneurship in poverty pockets and among minority group citizens is well known. So well known, in fact, that for me to dwell upon the need would be redundant.

Suffice to say, I assure you that we who have the responsibility for creating, safeguarding, fostering, and encouraging small business enterprises are well aware of the requirement.

We have developed what I believe to be an effective and balanced approach. And we have plans to progressively expand our approach as experience and resources permit.

I would like to describe the tools we have, how we have been using them, and what plans we have for the future.

At the outset, let me say that the Congress has given us the legislative authority we need to do the job.

First, I would like to describe a new SBA activity known as our community economic development program.

We know that one of the main aims of our disadvantaged citizens in both urban and rural areas is to become a part of the economic ownership structure.

It is the typical and truly American desire to be a manager and an operator of one's own means of earning a living.

To help in achieving this objective, SBA has established a new effort—additive to our others. Its aim is very specific: to bring about the creation or expansion of existing resident-owned, operated and managed substantial enterprises located in deprived areas.

By substantial enterprises, we mean those which are concerned with light manufacture or wholesaling; enterprises which involve a considerable number of local residents not only as workers but shareholders as well.

We mean enterprises which community residents either wholly own, or in which they initially have a strong position and eventually, through positive divestiture arrangements, gain control.

We mean enterprises which will reverse the adverse balance of payments in the depressed area by exporting goods and services outside the area and bringing the revenue into it.