

One of the key ingredients of the program is our requirement that the local residents, who are going to own and operate what is created, invest their substance.

We will help form local development companies. We will assure maximum Federal participation. We will urge private sector capital to assist. But we also will require that the local community, to the extent possible, raise and put into the plan as much of its own funds as it can.

Even though the new program has been launched recently, I am heartened to report that the response has exceeded our expectations. A number of proposals show great promise.

If the results prove we have projected accurately, we will soon extend the number of target cities to include an additional eight. And if our resources permit, during fiscal year 1969 we will move across the Nation so as to have more than 70 teams at work in underprivileged areas, both rural and urban.

This program we hope will effectively harness our entire resources, and the applicable resources of other agencies who have indicated a willingness to work with us. We have tested this technique in the past few months through the development of some 12 actual projects in various parts of the country. We are satisfied that the approach is feasible and that it will prove productive.

Next I would like to outline our plans for using another authority which the Congress has provided us in the Economic Opportunity Amendments of 1967.

These amendments reinforce and expand our existing authority to provide management and technical assistance to small business concerns.

While authorization has been given, necessary funds are required to put the program into effect.

Now we are authorized to finance private and public organizations, under contract, to broaden the scope of our management and technical assistance activities to small businesses.

Now we can go in strength and in depth to the low-income area small concerns and provide expertise in basic business practices.

Now we can specifically tailor our help to the struggling enterprise, or the new enterprise, by contracting for and supplying in sufficient scope and duration the expert advice, help, and training the small businessman needs to develop entrepreneurial and managerial self-sufficiency.

Now we can contract with private and public organizations to work continuously with SBA, the local business community and the potential entrepreneur, in the identification and development of new business opportunities.

In the coming fiscal year, the authority to fund local organizations—that is, small business development centers or other similar groups—has been granted to SBA.

If financing is provided for contractual management and technical assistance and to staff local organizations, we intend to significantly increase the program support level to small business in depressed communities.

We plan to fund the local organizations at modest levels and direct their efforts to working with the target area SBA teams in the development of small substantial businesses. The wider scope of our manage-