

A new bakery, Home Sale Bakery, in Chicago, which has an employment of 114, was established along the lines we are talking about. There is in Los Angeles a seating company which has an employment of 50 people.

And I could go through several others.

The CHAIRMAN. Mr. Administrator, do you envision your responsibility under this act as one of being imaginative and creative and taking the initiative, or do you wait for applications to come in to be processed to fund them or to assist them in management? In other words, are you waiting for the tide to come in, or do you go out and recognize the problem and meet it?

Mr. Moot. Mr. Chairman, I think that I have had the message from the Congress loud and clear that we are supposed to be creative and imaginative and to use our own initiative. It is for that reason that we are actually locating our teams in these areas, to search out with the communities, projects and packages that we can get started.

The CHAIRMAN. What success are you having today with, let us say, large business enterprises that have taken a contract; established a business, with a view to putting large numbers of people to work, and ultimately selling or allowing them to acquire ownership and control and management?

Mr. Moot. We have two specific operations now going. We have talked with perhaps 12 or 13 of the largest concerns in the country. All have expressed interest in working with us. There is nothing specifically in process at the moment, over and above the two that are actually in operation. But we have many that look very promising.

And I would say that big business is showing a great cooperation in this area.

The CHAIRMAN. If you can enlist the large business concerns to establish branch plants, other plants, with a view of providing employment, and letting the people become partial owners, that would be helpful, I should think.

Mr. Moot. Yes, sir.

The CHAIRMAN. You state, of course, that every slum area is a target area. Local organizations are being formed. Tell us again, how many have expressed interest, and how many besides the two dozen that you have mentioned, do you have underway.

Mr. Moot. We have, as Mr. Greenberg can outline in detail, in the legislation a requirement to look to the Office of Economic Opportunity to designate target areas for us. The OEO has designated areas, and it is within the scope of these areas that we are gradually and progressively establishing our SBA teams. We would plan, if resources are made available to us, to have about 70 teams or 70 areas with teams in them by the end of fiscal year 1969, Mr. Chairman.

The CHAIRMAN. In other words, if OEO says that a location is a target area, this is where you would concentrate? You are not finding this, they are finding it for you, is that right?

Mr. Moot. They are charged to make the recommendation to us.

The CHAIRMAN. Tell us about your work with OEO and your cooperation with Commerce. We notice in here that Commerce has a role. What do the other agencies do? The primary responsibility is SBA's, is it not?

Mr. Moot. Yes, the primary responsibility is SBA's. We work closely with the OEO, with the Labor Department, and with Com-