

The other program is a specific program within a target area designated by the Office of Economic Opportunity. And this is the area where we are trying to build above the retail service and trade level. We are trying to build substantial businesses, minority owned, managed, and operated. In Los Angeles we have two areas, South Side and East Side.

Mr. CORMAN. Then it follows the same target areas as the Department of Labor's concentrated program, doesn't it?

Mr. MOOT. In the certified areas, yes.

Mr. CORMAN. I would like for you to give consideration to expanding that, because—and I expect all the metropolitan areas have similar problems—you will find that a half of a percentage point difference in unemployment will cause the Labor Department to cut off the geography of the availability of those areas. And I think that is wrong. I think you will find that there very well may be significant areas within the total metropolitan area where the minority unemployment is extremely high, because it is relatively smaller. And they find themselves handicapped in a great number of ways.

They lose the concentrated employment program, and they lose the availability of your program. So I hope you will counsel divorcing yourself from this criteria unless they broaden it rather quickly.

Mr. MOOT. We would be glad to do that.

Mr. CORMAN. The other question is concerning the development of shopping centers or retail businesses. In many of the ghetto areas that seems to be one of the really depressing facts of life, that the balance of the metropolitan area has beautiful shopping centers, but the people in the ghettos are still tied to very substandard retail facilities. If a reasonable proposal were made, would you consider assisting in the financing of that kind of business enterprise, assuming that they met the other criteria of local ownership and reasonably sound management, and so forth?

Mr. MOOT. Yes, sir; we not only would, but we have. And in Los Angeles specifically we have recently funded through a local development company the establishment of a shopping center. You are probably aware of it. The name is a Mexican one, El Mercado.

Now, I want to qualify one statement, Mr. Corman. Subject to the availability of insurance, to the relationship to urban renewal model city programs, all of which have an impact on our particular programs, we stand ready with all of our resources, including the lease guarantee which attracts the flow of outside money as well as our own money, to help build the economy of the inner city as well as the rural areas.

Mr. CORMAN. Fine. I appreciate that very much, sir.

The CHAIRMAN. Any further questions?

Mr. CORMAN. No. Thank you.

The CHAIRMAN. Mr. Conte.

Mr. CONTE. Mr. Greenberg, I share your point of view as to the importance of bringing our urban and rural disadvantaged citizens into the economic ownership structure of this country. I can't understand, however, why you have made the proposed means of doing this, as stated on page 2 of your statement, so rigid and narrow. Isn't it unrealistic to limit your assistance to light manufacturing and wholesaling? I am wondering why it isn't more flexible. As I understand it, the services area is an area of great potential for achieving the goals you talk about. It is something where hard work and initia-