

tive can bring beneficial results a lot faster than manufacturing and wholesaling.

Why is this services area excluded from possible assistance under your community economic opportunity program? I notice on page 3 of your statement that you refer to the reversing of the adverse balance of payments in depressed areas by exporting goods and services. Yet, you exclude services from your own development program.

Mr. GREENBERG. Let me see if I can answer that.

What we are trying to do essentially is to establish enterprises that have a greater impact on the area involved. We are treating this as you would treat an underdeveloped nation. What we are saying in fact is that our regular programs are available for services and retail operations. We don't have to go out and find people to build substantial businesses. The regular programs of SBA are already available for the entrepreneurs for the smaller service operations, for the retail operations, for the mom and pop store.

They will come under 7(a), also under the local communities. The 502 programs can assist in developing various kinds of enterprises.

What we are trying to do, if we can, is to reverse the present conditions where the communities feed upon themselves, where all of the money that comes into the community goes outside and we believe that the best vehicle to accomplish this is manufacturing and wholesaling enterprises. Obviously there are situations which do not particularly qualify as such. We would consider, for instance, if there was a new car dealership established in a local community, in a ghetto area, in an underprivileged area, or in a rural area, which had this kind of problem, we would consider that.

What we are trying to do is limit the availability of this particular program to establishing enterprises which would be owned, operated, and managed by residents of the community, and employing and teaching skills to the hard-core unemployed in the area.

There is nobody excluded, except that our regular programs are available for the kinds of things that you are talking about.

Now conceivably if we had a large drycleaning plant—we have, for instance, a group of some 60 or 65 drycleaners in the community here. They might, if they wanted to, establish a wholesale drycleaning operation which would not only service their own particular group, but would make their services available to other businesses, white businesses outside. What we are trying to do is export goods and services outside and bring some revenue in which can be used to build up the economic viability of the community itself.

Does that answer your question, Mr. Congressman?

Mr. CONTE. Yes.

I am interested in your seven trial locations. We are pleased that Boston happens to be one of them. I feel, however, that John Lindsay has done a good job working in the ghettos in New York City. Why was New York City excluded?

Mr. GREENBERG. Let me explain this to you. We first decided on an initial impact in some 15 locations. New York was one of the locations. But in order to be effective in the community we have to develop a local organization with which we can work. We have been working very closely with New York City which is developing a