in, the story is exactly the same—boarded-up stores, dilapidated stores, Where the riots have taken place, there has been almost no rebuilding. You know, this is logical. The whites in America are not going to rebuild in the inner cities, they are not encouraged to make the investment. And the blacks and the other minorities in this country lack two things—they lack capital and they lack experience. And it seems to me that in the responsibility that you have given me, that the President has given me, that one of the major efforts of this country is to support the minorities who own only 1 or 2 percent of our businesses—and they are not the cream of American businesses either. Minorities are 15 percent of the population. And a great amount of my effort in the organization and the renewing of the goals of the SBA has not been to neglect the white businessman that we have, who we must continue to serve on a very aggressive basis, but to recognize that we have a social responsibility and real economic opportunity in the inner cities that nobody else in Washington has.

I say to you, Mr. Chairman, that we in the SBA, because of what you in Congress have given us as tools, and what I see in terms of willingness on the part of the private sector, or the banks of America and American business, to support us, have an opportunity to develop better understanding between white and black and with all minorities that no other agency in Washington has, by making them part of the free enterprise system.

The CHAIRMAN. Mr. Samuels, you do have a lot of tools; we alluded to that. And you won't find this committee quarreling with your desire to put minority groups in business. We are concerned with this one announcement that you have made regarding the alcoholic beverage type of business rather than stressing some other.

No. 2, you have a project called Own, in which you will make a loan to a minority group to buy out an existing business. But as I understand it, this comes from the SBA revolving fund, and you would not make a loan to another person to purchase a business or to go into business. In other words, you are showing favoritism, some discrimination in the type of loans that you are making, as I understand your policy in Project Own.

Mr. SAMUELS. First of all, we are discriminating for the disadvantaged, whether they are in rural America, whether they are Puerto Ricans or whether they are blacks. We could have a program, Mr. Chairman——

The CHAIRMAN. Can you recite for the committee the authority to you to do that?

Mr. SAMUELS. Is Bill Genetti here?

Bill, do you have that?

The CHAIRMAN. Will you read into the record the authority under which you can make the loan to go into business—to buy out a business for a black man but you cannot make a loan for a white man to buy out a business. The committee would be interested in your reading that authority into the hearing.

Mr. GENETTI. I don't believe that is what Mr. Samuels——

The CHAIRMAN. Well, your Project Own makes loans to buy out a business for a minority group, but your Project Own does not make a loan for another American to buy out a business.