

Mr. SAMUELS. First of all, Mr. Chairman, we make loans to buy out businesses whether it is white by black or black by white. We do recognize, Mr. Chairman, that in terms of the inner city that the movement will be to develop minority businesses and the encouragement of blacks to move into the inner cities and become viable partners in the economy of the inner city is being encouraged by us. But this does not mean, Mr. Chairman, that we are discriminating and saying whites can't buy at all, it is not true, and it is a misinterpretation of Project Own.

The CHAIRMAN. We wouldn't quarrel with you on your effort to put minority efforts in business, but let's not discriminate in the selection of loans.

Mr. SAMUELS. I think, Mr. Chairman, I would like to feel that we are not. I would like to feel that the only discrimination we are making is discrimination in terms of making capital available in the inner city by the banks of this country because there is no capital available in the inner city. And I would like to indicate to you how we are doing this, and then get certainly the ideas from the Congressmen here as to whether they think we are serving the country's interest well in what we are doing.

I made it clear that it is my feeling that we wouldn't rebuild the inner cities without minority ownership. I said that there were two things lacking in the inner cities in terms of minorities being able to own: They don't have capital, and they don't have management experience. And I don't think I have to mention to the members of this committee the basis of the history of why these things are true in terms of the minorities of America.

Now, what we have done in Project Own is, we have really asked the support of the bankers of America to provide us with the loans to provide the capital. And I have to report to you, Mr. Chairman, that what I have done many banks in this country have already started to do on their own; that what I am doing is really taking the best ideas of what the socially sensitive and economically sensitive banks of the country have already begun to do.

I can take you to the program, for instance, Congressmen, that we put together in Rochester, which was a program for the banks and American business in Rochester to make capital available for the development of minority businesses. I can take you to a program in Buffalo that I saw this week when I spoke to the bankers in Buffalo where the banks got together to provide compensatory capital for the inner city. I can tell you about the work that has been done by the First Pennsylvania Bank. And I can only tell you that we have taken the best ideas of the involvement of the banking community of the country to make capital available to the inner city, and we put it into a management plan, just as I would in my own company.

And operating through the SBA and through the ABA organization in every city, with cooperation in every city, because this cannot be done in Washington, I plan to provide capital to the inner city.

And I again want to report to you today that the banks of this country have responded with enthusiasm. I am not suggesting that we know all the answers of how to do this. But they have responded with enthusiasm and as we develop businesses in this country we are