



a news summary of the **war on poverty**

OFFICE OF ECONOMIC OPPORTUNITY - DEC. 9, 1968

NEARLY HALF OF THE OEO BUDGET currently goes to programs for the hard-core unemployed, Acting OEO Director Bertrand M. Harding said last week in announcing the Agency's Fiscal '69 program allocations. Employment programs will receive \$937 million of OEO's \$1.948-billion appropriation, Harding said. During Fiscal Year 1968, employment programs received \$807 million. The largest increase is in the Job Opportunities in the Business Sector (JOBS) program operated by the National Alliance for Businessmen. This program received \$70 million last year. During the current year, its allocation is \$162 million.

Other programs with increased allocations include the out-of-school Neighborhood Youth Corps, from \$96 million to \$130 million; summer Neighborhood Youth Corps, from \$114 million to \$125 million and the Concentrated Employment Program, which will go from \$74 million to \$83 million. The Job Corps allocation will be cutback \$2 million to \$280 million, but the use of carry-over funds will avert cutbacks in the program. In all, OEO will spend about \$931 million on community action programs during the current Fiscal Year. Last year the figure was \$864 million.

THE FIRST MAJOR ghetto economic development corporation that is completely controlled by black people, the OEO-funded Harlem Commonwealth Council, took the plunge into the industrial field with the purchase of a foundry whose business had been declining. The HCC received loans and technical assistance from the New York Urban Coalition,

the Episcopal Diocese, banks and business firms to purchase the foundry on 126th Street from white absentee owners. Kidder Peabody & Co, the investment banking firm, did a financial analysis of the foundry. The Morgan Guaranty Trust Company lent \$50,000, the coalition's development agency put up \$20,000 and the diocese a \$20,000 loan.

The purchase averted the possible loss of one of Harlem's few industrial employers. The foundry employs 27 persons and does a gross business of \$500,000 a year. The purchase is aimed at the HCC's goal of helping Harlem gain control of the community's capital goods and services.

HCC was founded with a \$393,000 OEO research and demonstration grant in June, 1967, to Columbia University to test whether a community-based corporation could run an economic development program with resident participation. Since the initial grant, the idea of "black capitalism" has become a much-discussed solution to ghetto problems. HCC could serve as a pace setter in the black capitalism field if it is successful. HCC's experience and its officials, particularly Roy Innis, the Council's first director, helped lay the groundwork for the proposed Community Self-Determination Act. The measure would provide for the funding of community development corporations through a Federal development bank.

Although it is just 14 months old, HCC is establishing a string of businesses owned by Harlem residents. It has set up or is working on two children's shoe stores, a financing service that has enabled Harlem pharmacies to obtain more rapid payment under the Medicaid program; an auto diagnostic center and training school scheduled to open next spring; a computer service center, and several supermarkets.

UPWARD BOUND will be "the same kind of program, with the same kind of focus and the same kind of youngster," after it is transferred from OEO to Department of Health, Education and Welfare control next July, according to U.S.

Commissioner of Education Harold Howe II. He made this remark during a meeting of the National Upward Bound Advisory Council and the High School Principals Council in Washington after several of the delegates indicated fear that the program would change.

"These kids are getting a good-self-image for the first time. It is a frightening thing to think the emphasis will be changed," said one high school principal of the college preparatory program. Commissioner Howe was presented with 10 resolutions aimed at retaining the most important parts of the program. Commissioner Howe promised that the Office of Education would prepare a position paper on the transfer of Upward Bound before he leaves on Dec. 31. Arthur Flemming, chairman of the National Upward Bound Advisory Council, called for a meeting of both groups on March 15 to discuss the position paper and make recommendations to the new Commissioner of Education.

Under the new legislation, Upward Bound, Talent Search and a new program of Special Services for Disadvantaged College Students will be under the supervision of a bureau chief who will be directly responsible to the Commissioner of Education. Each of the three programs will operate independently, however.

WELFARE PROGRAMS should be entirely funded by the Federal Government, Gov. Rockefeller of New York suggested. The government could then also set national standards for welfare benefits, the New York Governor told the Republican Governors Association, meeting in Palm Spring, California. California Gov. Ronald Reagan did not go along with the suggestion. He said the way to cut welfare costs was to permit the states to enforce their own residence requirements. State residence requirements are being challenged in a pending Supreme Court case.

SUMMER JOBS ANYONE? It will take at least 2 million more jobs at a probable cost of \$1 billion to provide 1969 summer employment for young people able and willing to work.

That's what the National Committee on Employment of Youth has revealed in a recently released survey of the nation's summer job programs. The Committee found that while more poor youths found work in the summer of 1968 than ever before, there were still some 2 million youngsters who wanted jobs and couldn't get them. Girls and younger boys were hardest hit by the job drought, the survey found. The Committee report showed that state governments did relatively little in the job field. In addition, private employers in the cities fell more than forty percent behind the 156,700 job goal established by the National Alliance of Businessmen, a group started last year to help find work for the hard-core unemployed. The Committee credited Federal and city governments with making major efforts to employ poor youngsters in summer jobs.

A POOR PEOPLES BOUTIQUE is now open in Winston-Salem, N.C., sponsored by the Experiment in Self-reliance, the local CAA, the store offers poor people the opportunity to buy clothing at low prices. A child's dress costs \$2 and a simple cotton shift is \$4. The shop also offers custom-made items. This part of the business creates income for the six seamstresses who work at the shop. Most achieved their finesse in the CAA's home management clubs. The seamstresses also do alterations and upholstery jobs. The Northwest Boutique and Upholstery Shop is expected to be a viable business by October 1969.

TUCSON GAS AND ELECTRIC RATES will be investigated as a result of a petition circulated by antipoverty workers that garnered 479 signatures asking for a review. According to Arizona law, a public hearing is required whenever 25 or more customers request it. At issue are the electric and gas rates of Tucson Gas & Electric. "I have no idea of how TG & E's rates compare with those of other utilities, but they certainly are high and a lot of people can't afford them," said Frank Barrios, an employee of the Pueblo Area Neighborhood Council who helped circulate the petition. TG & E officials said they thought an investigation by the Arizona Corporation Commission would demonstrate the need for higher rates although they did not propose a rate increase.

*THE WEEKLY SUMMARY OF POVERTY PROGRAMS

COMMUNITY ACTION-Total during Fiscal 1969, \$191,421,047 in Federal funds. Project Upward Bound new funding for 1968-69 school year 298 projects, 26,937 students at a Federal cost of \$31,305,360. The Foster Grandparents program for Fiscal 1969, includes 7 refunded projects financed by \$845,606 in Federal funds. Under Project Head Start in Fiscal 1969, 68,310 children have been enrolled in the year-round program financed by \$63,420,518 in Federal funds. For the summer of 1969 program, 6,043 children were enrolled at a cost of \$1,163,642. Neighborhood Health Centers for Fiscal Year 1969 includes 18 grants for \$19,370,978. Thirty-three Legal Services programs have been helped in Fiscal 1969 at a Federal cost of \$6,464,550. The Migrant projects are financed by \$6,557,448 in Federal funds for Fiscal Year 1969. There are 26 Indian programs at a Federal cost of \$7,938,669.

JOB CORPS-33,335 youths (23,135 males, 10,200 females) are enrolled in 82 conservation centers, 6 urban centers for men, 18 for women, and 3 special centers. Obligated Federal funds in Fiscal 1969 - \$143,970,000.

VISTA-There are now 4,799 VISTA Volunteers. Since inception, there have been 15,019 VISTA Volunteers.

WORK TRAINING PROGRAMS-(Dept. of Labor)-Neighborhood Youth Corps in Fiscal Year 1969, 144,836 enrollment opportunities at a Federal cost of \$107,485,729. Operation Mainstream in FY '69 6,854 enrollment opportunities at a Federal cost of \$22,464,140. New Careers in FY '69, 1,902 enrollment opportunities at a Federal cost of \$7,955,210. Special Impact in FY '69, no figures available. Conc. Employ. Program in FY '69, 30,022 enrollment opportunities at a Federal cost of \$42,696,411.

WORK EXPERIENCE-(H.E.W.)-Fiscal 1969, 103 projects have been approved for 4,552 enrollment opportunities at a Federal cost of \$2,541,362.

LOANS-Rural loans (Dept. of Agric.)-Total \$5,271,265 for Fiscal 1969.

*The above statistics are based on information available as of December 2, 1968. Telephone: (202) 296-2980, OEO Public Affairs, Washington, D.C. 20506

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NINETY-EIGHT COMMUNITY ACTION AGENCIES have already indicated their intention to hold Open House Celebrations in conjunction with Human Rights Week this December. In addition, sixty-four plan to adapt the press kit and other materials for use on other occasions. These materials were mailed to all CAAs prior to Thanksgiving. Kindly check your mail to be sure the kits have arrived at your agency. If not, S.O.S. to A.C. (202), 382-3091, Speakers and Conference Bureau, OEO, Washington...HUNGER U.S.A. will be the topic of hearings conducted in January by a Senate Committee chaired by Senator George McGovern. OEO officials will be among those invited to discuss the issue, according to the Senator's office...OEO DUTY OFFICE for Dec. 9-16 is Job Corps Operations Center, telephone: (202) 382-7353...

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