

File

THE WHITE HOUSE
WASHINGTON

December 6, 1963

MEMORANDUM FOR

Mr. Louis Martin
Democratic National Committee

The attached somehow turned up on my desk and it seemed to me that it might be of interest to you. I pass it on for whatever action you deem appropriate.


Lee C. White
Assistant Special Counsel
to the President

Enc.

OHIO NEGROES
Columbus, Ohio, Correspondent
October 7, 1963

Governor Rhodes has appointed several Negroes to high positions for the first time in the history of the state, and has retained the few Negroes appointed by Governor DiSalle. Some of the Rhodes appointees are:

Llewlyn Jack Coles, Administrative Assistant to the Governor.

William O. Walker, Industrial Relations Director.

Augustus G. Parker, Chairman, Industrial Compensation Board.

Ellis Ross, Chairman, Civil Rights Commission.

Leonard Holland, Secretary-Treasurer, Civil Rights Commission.

William Willis, member of the Youth Commission.

Macco Clarke, member of the Education Regent Board.

Ralph Brown, examiner, Bureau of Unemployment Compensation.

Wade Franklin, Intergroup Relations chief.

Ralph Beason, Motor Pool Superintendent.

Robert Duncan, Chief Attorney of Liquor Control and Unemployment Compensation.

Ollie Milner, Superintendent of Bedding and Upholstery.

J. Maynard Dickerson, a Lausche Democrat, was transferred from chairman of the Industrial Compensation Commission to a member of the Liquor Control Commission. Joseph Donegky retained his position as chairman of the Pardon and Parole Commission.

Salaries of these positions range from \$10,000 to \$14,000 a year.

The record of Federal appointments of Negroes has not been

Ohio Negroes (2)

good in Ohio. Franklin Whittaker, one of the first Negroes given a Federal appointment was a Republican. Whittaker was named to the ~~first~~ Commerce Department. ~~But~~ Dissatisfied with his assignments there he moved to the Civil Rights Commission. Still dissatisfied he resigned to return to the private practice of law in Cincinnati. Negro Democrats here that he has been sent out there to build a Kennedy Negro organization and they resent being bypassed.

One of the few other Negro appointments in Ohio is Frederick H. Kelley, who has been named an appraiser in the Columbus office of the Federal Housing Administration. He is the first Negro appraiser in the country, but is only a G.S. 9. There is said to be no Negro Democrat serving anywhere at a policy level.

SMALL BUSINESS ADMINISTRATION

WASHINGTON, D.C. 20416

OFFICE OF THE ADMINISTRATOR

February 5, 1964

The President
The White House
Washington, D. C. 20501

Subject: Pilot Loan Project for Prospective Negro Businessmen

Dear Mr. President:

I thought that you would be interested to learn that the Small Business Administration launched a pilot loan and management training program for very small businesses, particularly those of minority groups, in Philadelphia last week, and that the initial response to the program has been extremely enthusiastic.

Briefly, the program operates as follows:

Three Philadelphia institutions have organized a non-profit corporation. (The three institutions are: (1) the City of Philadelphia; (2) the Drexel Institute of Technology; and (3) the Fellowship Commission.) This non-profit foundation, called the Small Business Opportunities Corporation, will have a permanent staff of five people augmented by the voluntary participation of 30-40 prominent businessmen from the Philadelphia area.

The non-profit corporation will recruit and screen prospective businessmen from the various poverty groups and, with the help of SBA, will organize a training program for each individual, pointed towards a particular enterprise. Any person certified by the non-profit corporation as reasonably qualified to conduct successfully the type of business he proposes to enter will be eligible for a special loan from the SBA. It is a special loan because it will not require previous earnings record, previous experience, or collateral. Loans are presently limited to \$6,000, with a maturity of six years.

It is expected that the early applicants will be trained in finance for the operation of grocery stores, service stations, repair shops, paint stores and similar small retail and service operations.

In the first five days of the program (January 29 to February 4) 293 small businessmen were screened, 100 of them referred to SBA to

discuss their financial problems with loan specialists, 45 loan applications were handed out and three applications are nearly ready for approval.

If this program proves successful, it is intended to establish a similar program in several other cities, including Boston, New York, Chicago, Los Angeles, Detroit, and Washington, D. C. The pilot project may indicate that legislation will be required to liberalize SBA's lending authority for nationwide operation. We will not know whether this is absolutely necessary until we have several months of experience with the Philadelphia project.

Respectfully yours,

(Signed) Eugene P. Foley

Eugene P. Foley
Administrator

SMALL BUSINESS ADMINISTRATION
WASHINGTON 25, D.C.

OFFICE OF THE ADMINISTRATOR

December 9, 1963

MEMORANDUM FOR: Honorable Walter Jenkins
Special Assistant to the President

FROM: Eugene P. Foley
Administrator

SUBJECT: Coordination of Federal Lending and Spending
Programs in Hard Core Unemployment Areas
of Major Cities

I am attaching a memorandum on the above subject which I sent to a group of officials in the Administration some time ago. It is hard to believe there is no coordination of Federal programs in urban areas but there isn't. I think we can do a much better job of implementing these programs if they were coordinated with other Federal programs as well as municipal planning and, at the same time attack one of the major economic and social problems of the country -- the hard core unemployment areas of major cities.

I personally think this has great political benefits for President Johnson. I might suggest we select a pilot city to experiment with and after some of the "bugs" are worked out, arrange for the President to hold a conference of the Congressmen and mayors of other large cities for the purpose of announcing a program to attack this problem.

I have not gone forward with this plan as yet and would like to have some indication of approval to go ahead before I start. I would, of course, see to it that there would be no national publicity until the President made his announcement.

Attachment

SMALL BUSINESS ADMINISTRATION
WASHINGTON 25, D.C.

OFFICE OF THE ADMINISTRATOR

October 30, 1963

MEMORANDUM FOR: Bernard L. Boutin
General Services Administration

FROM: Eugene P. Foley
Administrator

SUBJECT: Coordination of Federal Lending and Spending
Programs In Hard Core Unemployment Areas of
Major Cities

At the meeting in your office recently, I mentioned my thoughts on the above subject. Briefly stated, they are as follows:

A number of Federal agencies have lending or spending programs that operate in our major cities. For instance, SBA has a regular business loan program (amounting to approximately \$300 million a year), a state and local development company program (amounting to approximately \$35 million a year), and a small business investment company program (amounting to approximately \$85 million a year). Urban Renewal, of course, has a major program as do HEW, Labor (Manpower Training), and ARA.

The heart of the problem is the fact that most of our hard core long range unemployment is in large cities which are generally not covered by the programs of the Area Redevelopment Administration. It seems to me we could accomplish a great deal in terms of alleviating this hard core problem by coordinating the existing programs of the Federal Government.

More specifically, I have in mind selecting a city that has a Democratic mayor and appointing a Federal Coordinator representing all agencies of the Government that might have a spending or lending program in that city to work with the city government. This may seem obvious and simple, but the plain facts of life are that this has never been done. Most city departments are like government bureaus: they are compartmentalized and think solely in terms of their own agency's operations. (Bill Slayton of URA, for instance, did not know of the opportunities that exist in the community development program which I administer; he simply had never heard of it before.)

FROM QUICK COPY

I discussed this with Lee White and he feels it would be a good idea to select a city as a pilot program to see if this might possibly be expanded to cover all the major cities in the U.S. Needless to say, there could conceivably be a political benefit both for the Administration and for friendly mayors.

I cannot be at the next scheduled meeting of our group but you may wish to discuss this matter in my absence. The following cities may conceivably be selected as the pilot city: St. Louis, Providence, Philadelphia, Pittsburgh, Detroit, Los Angeles, Chicago, and Cleveland.

I am sending this memorandum to you in order to get your views on this both as to its economic practicality as well as its political practicality. If there seems to be a consensus of approval, I would take the bull by the horns and call the necessary Federal agencies together, select a city, and go to work. If you have any thoughts on this, I would be interested in hearing from you.

cc: Lee White - White House
James K. Carr - Interior
Frederick G. Dutton - State
John S. Gleason, Jr. - VA
William J. Hartigan - PO
John F. Henning - Labor
Ivan A. Nestigen - HEW
Milton P. Semer - HHFA

SMALL BUSINESS ADMINISTRATION
WASHINGTON 25, D.C.

OFFICE OF THE ADMINISTRATOR

October 29, 1963

MEMORANDUM FOR:

Bernard L. Boutin
Administrator
General Services Administration

James K. Carr
Under Secretary
Department of the Interior

Frederick G. Dutton
Assistant Secretary of State

John S. Gleason, Jr.
Administrator
Veterans Administration

William J. Hartigan
Assistant Postmaster General

John F. Henning
Under Secretary
Department of Labor

Ivan A. Nestingen
Under Secretary
Department of Health, Education and Welfare

Milton P. Semer
General Counsel
Housing and Home Finance Agency

FROM:

Eugene P. Foley
Administrator
Small Business Administration

E. P. Foley

SUBJECT:

Coordination of Federal Lending and Spending Programs
In Hard Core Unemployment Areas of Major Cities

See White

SMALL BUSINESS ADMINISTRATION

WASHINGTON 25, D.C.

OFFICE OF THE ADMINISTRATOR

January 6, 1964

MEMORANDUM FOR: Honorable Walter Jenkins
Special Assistant to the President

FROM: Eugene P. Foley Eugene P. Foley
Administrator

SUBJECT: Small Business Loans to Prospective
Negro Businessmen, Philadelphia, Pa.

On January 28, 1964, I am inaugurating in Philadelphia a program designed to increase the number and volume of small business loans to Negro businessmen. I have a series of conferences arranged all day in Philadelphia, together with radio and TV programs and a general news conference. This has attracted considerable interest. I think you ought to know about it in the event you may wish to identify the President with the project.

The plan I am following in Philadelphia is what I hope to begin in other cities. Briefly, I am developing a system in which the SBA works with a private, non-profit foundation (in this case it is the Small Business Opportunities Corporation sponsored by the Drexel Institute, the Fellowship Commission and the City of Philadelphia) which will recruit prospective Negro businessmen and, in cooperation with SBA, give them a business management training program. The SBA will then advance the necessary capital for those persons recommended by the non-profit foundation as reasonably qualified to manage a business. This is a major change in our program because it will call for some relaxation of our lending criteria. I have not gone beyond Philadelphia at this time because I want to see what our experience is. I do have in mind, however, attempting a similar program in other cities which have a heavy Negro population.

The basic reasons for a special emphasis in the Negro business community are rather obvious. There are 600,000 Negroes in Philadelphia, approximately 5,000 Negro-owned businesses, but only 7 SBA loans to those businesses in 10½ years. It is well recognized in banking circles that Negro businesses are extremely risky and financing is therefore hardly available to potential Negro businessmen. Our ultimate

objective, of course, is to help develop a strong middle class among the Negro community. This should help give that community not only leadership but a sound, stable social structure.

For the first time in the history of SBA I have appointed several Negroes to our National Advisory Council. I intend to appoint more. It may be that the President or someone in the White House acting for the President would like to contact personally various Negroes for appointment to the Advisory Council. Jackie Robinson, for instance, might be a good appointment.

The Negro press in America will be covering our Philadelphia meeting very closely and heavily. Please advise if you would like to have a White House identification in any way with this project. I should be happy to prepare any message or letter. I am not advising anyone within SBA or the Negro community of this memorandum, in the event you may have some other thought on this.