

October 10, 1967

*Mr Barnes*  
LUNCHEON  
*Mr Hunt*

*Negro-Army*

*Personnel*  
*Parttime*

Besides calling their attention to Secretary Wirtz's willingness to receive specific proposals for employing hard core unemployed from private industry, doing the training job in plants - and the Secretary's objective of 225,000 jobs for adult Negro males in 100 cities. You will want to point to the President's announcement relating to set-aside programs of defense contracts where the work will be done in or near inner-city areas of high unemployment.

*Set aside*

You will also want to point to the fact that the Small Business Administration will be interested and is authorized to make guarantee programs available for the underwriting of plant and equipment in these areas.

*I think*

Another very interesting program which Phil Zeidman has described for us, and which is available but not included in the public announcements, is a program under which SBA would contract with a major company to assist in the management of a defense or other government procurement contract and the management of that contract carried out by a number of small business firms. Phil has indicated that SBA will seek out one or two firms with experience in managing defense contracts to see if this authority can be ~~utilized~~ utilized in creating small industrial operations in or near slum areas.

The main idea to get across to those present at this luncheon is that the government is most eager to receive imaginative proposals that will meld the resources available in training programs, government procurement contracts, plant and equipment guarantees, funding for technical assistance to small entrepreneurs and utilization of Federal surplus properties and equipment.

*Bill Zesch - Aerojet General*  
*Commerce*

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These men at the luncheon should be able to come up with ideas on how to do this, and the point of contact for this program is the Department of Commerce and Bill Zisch who has been brought in from Aero-Jet General to coordinate this approach for the Administration.



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