

We're going to train minority youths and CETA people in building trades programs and then we're going to use them to rehab the homes in Detroit. Now, CETA will provide funds for six months, and here's how we're going to make up the difference. The Small Business Administration [SBA] has a thing called "Local Development Corporations" or what they call LDCs, which are community organizations that provide loans for small businesses. And you can get half a million bucks in direct SBA loans under these LDCs, for *each* LDC! It's a wonderful program, no one has utilized it in the state!

What I said is okay, you got 5,000 homes in the neighborhood and 200 that need to be rehabilitated. That will keep a labor force of, say 10 people working for a year and a half. Take these 10 youths, send them to some training program like Chrysler Learning or GM Pre-Employment or some other CETA training facility, to learn your basic skills. Then pair existing home improvement companies with these unemployed youths. These companies then have these youths subsidized for the next six months, they get new equipment, and they get loans from the LDCs. In exchange, instead of the neighborhood group having any liens on the company, the youths become employee stock owners.

You're rationalizing the whole home improvement industry, you're increasing the competition in the area, you're giving them subsidized employees for the first six months, you're giving them access to half a million bucks in new equipment and revamping of their own business structure at subsidized rates from SBA, and you're putting people in partnership with existing firms—and you don't have to end up with a unionization problem! You're getting around the high cost of construction wages!

And in terms of the rehabilitation monies, there's "captured assessments." Say there's a vacant home in Detroit that would be valued at \$5,000. That may produce, in academic terms, \$50 a year in property taxes. If we rehab that home and sell that home for \$26,000, it's going to be producing every year \$300 in property taxes. Well, the bonds that we're floating are floated on the captured assessment; that is, you take the increase in the taxation that will be gained and you float a bond on that new valuation, that is, on the difference between \$50 and \$300—guaranteed by the tax revenues on the property for 10 years.

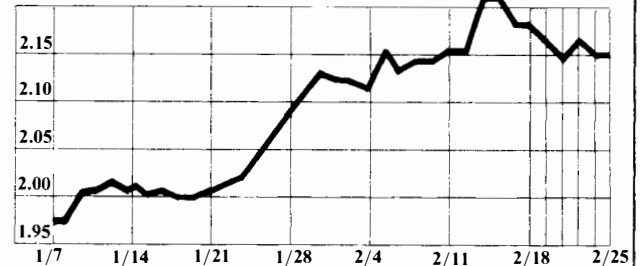
**EIR:** Are you sure you'll be able to get away without paying prevailing wages, though?

**Kelly:** Well, there's only one exemption right now in the state of Michigan from the prevailing wage statute, and that's the Neighborhood Development Corporations. . . . It took me two years to get it through, but it was really fun doing it. That's my baby.

## Currency Rates

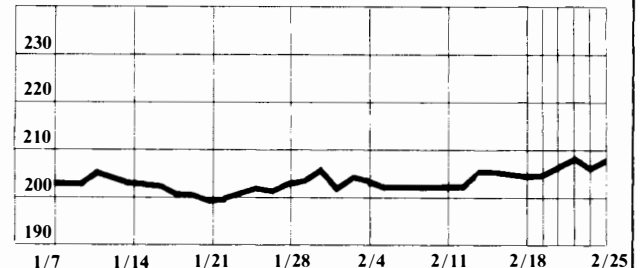
### The dollar in deutschemarks

New York late afternoon fixing



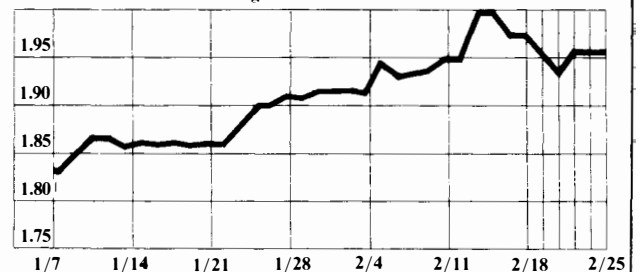
### The dollar in yen

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing

