Secretary FREEMAN. That is correct.

Mr. SCHERLE. Why was this not done sooner?

Secretary FREEMAN. If it had been done sooner, it would have hurt the farmers of this country by adversely affecting our position in the Kennedy round negotiations which ended very advantageously to the grain farmers of Iowa.

Mr. SCHERLE. I think first of all we are going to find out in a very short period of time that agriculture did not come out very well in the tariff negotiations in the Kennedy round.

Second, I think we have caused a great hardship to the farmer by not instituting dairy import restrictions earlier when the very Congressman from your State and the rest of the States asked you and the President to take immediate action.

My next question is why not use the same existing law and restrict meat imports? We have asked you this question ever since the session began.

Secretary FREEMAN. The Congress of the United States in 1964 in cooperation with and in concurrence with the meat industry both producers and processors, reached an agreement in connection with a level of meat imports which it was felt that this country could and perhaps should accept and which would not adversely affect cattle prices.

That level has not been reached and that point in terms of quotas has not been triggered and as such the law that the cattle industry recommended in 1964 is still on the books and is still being administered.

Mr. SCHERLE. Isn't it true that this is the only thing they could get through at that time? If this bill were in effect for a hundred years with the loopholes that are now in it, it would never be triggered.

Secretary FREEMAN. No; that is not true.

Mr. HAWKINS. Mr. Secretary, I would also like to commend you on a very excellent statement. I think perhaps you have been too good to Iowa and not as good as you should have been to Los Angeles.

I do have one or two serious questions.

I perceived from the record that rural loan title 3–A loans gradually have decreased from fiscal year 1966, which was $35 billion, to $24 million in 1967, and currently the fiscal year 1968 to $20 million.

Does this represent an absolute increase or is this a revolving fund that is being used over and consequently this apparent decrease is not one actually?

Secretary FREEMAN. It represents a revolving fund. Repayments have been good and that money is being loaned out and the program level has not been reduced.

Mr. HAWKINS. With respect to Community Action agencies in the rural areas, it would appear to me from the testimony that you have given there is perhaps a much more essential function that they serve in the rural areas than that which they serve in urban areas.

In other words, would it be possible if the program were fragmented for you to deal with multicounty organizations as one agency and actually render another type of service that you are now rendering in a coordinated way through a CAP agency that involved other Federal agencies?

Secretary FREEMAN. I am not quite sure how to answer that question.