

we can keep it running, we should be able to reach everybody we want to reach.

Mr. HAWKINS. What is your opinion with respect to the amount of money being spent on rural poverty? Would you say not enough money was being spent? We were perhaps left with the impression that you were in agreement with the amount now being spent.

Are you in agreement that enough is being spent or that more could not be effectively spent if made available?

Secretary FREEMAN. No, sir; I did not mean to leave that impression at all. I think we are now in a position and have progressed organizationally enough that we would effectively and efficiently spend more funds to carry these programs forward more rapidly.

Mr. HAWKINS. Thank you.

Chairman PERKINS. Mr. Steiger?

Mr. STEIGER. Thank you, Mr. Chairman, and good morning Mr. Secretary.

One of the problems that has disturbed me—and I touched on it with Mr. Shriver and others in their testimony—has been what I would judge to be a failure in OEO to adequately cope with rural poverty.

According to the figures that Mr. Shriver gave us, some 32 percent of the community action agency funds for fiscal year 1967 went to rural areas. This will be increased to 36 percent in fiscal year 1968.

I know that you are deeply concerned about this particular problem and discuss this in your testimony. I wonder whether or not you have any thinking for this committee in terms of the fact that so much of the Community Action program funds are earmarked and not versatile?

Has this problem come to your attention and the fact that this makes it more difficult for a rural CAP agency to effectively meet the needs of their area?

Secretary FREEMAN. Frankly, I don't think it is earmarked very much. It is one of the programs in which there has been rather wide discretion as to how CAP is going to spend its money locally.

There has been a good deal of flexibility and I think that is very important and as a result there are a whole variety of different CAP programs which are developed to local indigenous needs and it is a matter of local resources to have more CAP's and have more money for those that are operating satisfactorily.

Mr. STEIGER. Let's take Wisconsin. Only 28 percent of the funds in Wisconsin are versatile and the balance is earmarked for specific programs and specifically in my State for the Headstart and Nelson programs but this has created some very real problems for the local CAP agency.

Secretary FREEMAN. The local CAP agency needs more resources I would certainly agree.

I don't think that the programs that are pending—you mentioned two—that the Job Corps program or the National Youth Corps or the Nelson program—these, I think, are very meritorious as well. I believe within the resources that the distribution of funds is about as equitable and wise as could be made.