

Mr. STEIGER. Wouldn't you think we ought to go to a greater degree of versatility and less earmarking to allow the CAP agency to have the greatest flexibility to meet its own needs?

Secretary FREEMAN. I think the CAP agency has wide discretion. The problem is they don't have enough money. I really don't think it is a limitation on their discretion. It is a limitation on their resources.

Mr. STEIGER. What kind of work are you doing with the Department of Agriculture or with OEO to try to alleviate the problem of the older farmer who no longer is capable of farming but who is still employable if we can provide a skill to make the kind of transition necessary from agriculture to some kind of a job opportunity so that he can maintain his self-respect?

Secretary FREEMAN. No. 1, I think the OEO loans proper have been very helpful in trying to develop some supplemental source of income.

We had a demonstration over in the patio of the Department of Agriculture about a month back with an elderly gentleman doing a little part-time farming who got such a loan, and he was a very skillful woodworker and he got a lathe and woodworking equipment. He is now selling items he makes successfully. We have had a program with local people to try to stimulate industry and bring new jobs to communities so this kind of a person could have—and many of them are women—full or part-time jobs to supplement that income.

The program of loans under the FHA for recreation has resulted in many cases where men who felt they could not farm actively but could convert some of their lands into recreation facilities like camping, picnicking areas, sometimes fishing, sometimes hunting—a good bit of this has taken place.

Many of these people have wanted to and have successfully worked on the Nelson Act projects—various kinds of conservation and environmental improvement programs.

There are a good many different things that are taking place along these lines.

Mr. STEIGER. In view of the fact that some 46 percent of our Nation's poor live in rural areas, are you satisfied that at the level of 36 percent which is estimated for the fiscal year 1968 we are doing enough for our poor?

Secretary FREEMAN. No, I am not satisfied but I approve of the direction in which they are moving which is more. In other words, the percentage we have put in the rural areas after a rather small start initially has been steadily growing.

It is true that 45 to 50 percent of the poverty is in rural America with roughly 30 percent of the people there.

But I don't think it necessarily follows that you should say 50 percent of the resources should be going for poverty or whether it should be 60 or 40. It started out with a rather small percentage going to the countryside because the cities were, by and large, able to organize, apply, get funded, and get moving more quickly and there are very special problems in getting these programs moving in the rural areas.

We have recognized this and we are beginning to move, I think, very aggressively in that direction. I am not satisfied rural areas are getting all we can get but I am pleased that we are making strides toward the goal.