

Mr. O'MALLEY. Yes, we have that. Generally the production of projects, for instance in public works, is probably one-half at this point of what it was in the preceding fiscal year. Now, that is because of several reasons, but mainly because as of July 1, beginning of this present year, we changed the public works approach to the problem of accepting applications. This was one thing I was going to get into with regard to denials.

We found in 1966, at the end of the 1966 fiscal year, that we had accumulated approximately 1,400 applications, totaling \$1.2 billion. We knew that it was impossible to reach those applications with any facility for processing and for action.

We worked very hard during the early part of that fiscal year, and up until the spring of the past 1967 fiscal year, to eliminate those projects which were not susceptible of ultimate approval under any conditions.

That meant from November of last year, November of 1967 or of 1966, up until January or February we denied approximately 1,000 of those projects.

We eliminated them for their lack of qualification.

At the beginning of this present fiscal year, we reviewed very carefully our procedures with regard to acceptance of applications, as I am sure you are aware. We had had a great deal of complaint about the length of processing time in connection with an application.

We had been, I think, in the posture of accepting applications and reacting to applications rather than to analyzing the possibility of a project prior to the acceptance of an application.

So we developed in public works, for instance, the procedure whereby our field representative spent a great deal more time in discussing with the applicant, which in most cases would be represented by the mayor or leading city official, the ultimate possibilities in connection with an application which he desired to file.

That resulted in a process where, after those preliminary discussions, the applicant sits down with the representative of our office, our office sits down with the representatives of the applicant, and discusses not only what a particular project might do, but what the community itself is doing in connection with what might be described as an economic development process, what they are doing to help themselves.

Mr. EDMONDSON. Let me stop you just a minute and go back to this question of the rate of project approval.

Your September 30, 1967, report shows a total in public works projects approved up to September 30, 1967, of 875.

Mr. O'MALLEY. That is the total for the entire term of the Economic Development Act.

Mr. EDMONDSON. I understand this is a 1965 act.

Mr. O'MALLEY. That is correct.

Mr. EDMONDSON. And you are telling me now that approving 47 as of November 9 means the falloff is only about one-half the rate of approval that we had in fiscal 1967?

Mr. O'MALLEY. No. I am saying that to the same point of fiscal 1967.

Mr. EDMONDSON. I said the rate of approval. Are you telling me that you only approved about 115 or 120 projects in fiscal 1967?

Mr. O'MALLEY. No, I am telling you that by November 9, in fiscal 1967, as contrasted with November 9 in fiscal 1968, we approved ap-