

Mr. O'MALLEY. Yes, we have been looking at them and will continue to look at them.

Mr. HOWARD. This is a change, then, from Mr. Davis' stated policy when he appeared before the subcommittee?

Mr. O'MALLEY. Well, I am not verifying your description of Mr. Davis' statement. I think what he said was that with the limited resources that we have that our policy generally was to look first at the areas of worst need, and from that proceed downward to those areas in which the need was lesser.

Now, it is true that in many of those areas where the unemployment rate is very high that there are no applications or no projects or no economic development process that makes them susceptible to the investment of moneys. That being true, we move down, then, to the next area or to the next lower area and look at that.

It is not to say that because an area has a high unemployment rate that we say to them: Here is money, you invest it. We do not do that. If there is no project there susceptible under our criteria to the investment of funds, we move down the line, so it is quite probable that we will reach, under that kind of process, the lowers—

Mr. HOWARD. He stated he would look first to the areas with the greatest unemployment, but the funds available were so small and so limited there was no opportunity for any second looks.

In other words, these areas of 15 to 17 percent unemployment and up were the ones that were using all the money.

Now, if he had all the money he needed, then he would be able to get down to these other areas; but he was not at that time considering applications in an area of, say, below 12 percent, I believe. He may have said 15, but certainly below 12 percent.

I asked him whether he had staff members in these economic development areas below 12 percent to help municipalities prepare applications and send them onto the agency, and if he was doing that in these low areas, I asked him if that was not a great waste of money since the agency knew these areas were not even going to be considered.

I would think the agency would be able to use the personnel in areas where they are going to at least consider the application. I do not know whether we have anything in writing, that we could get from the agency, to indicate what Mr. Davis' policy was at the time he appeared before this subcommittee and whether we have heard, in writing, or have anything available to us that we might be able to read, indicating that his policy seems to have changed since that time. I think it could save a lot of time, money and effort if people would be told that we are not considering 8, 9, 10, 11 percent areas, and that they should not bother to send in applications, and use the taxpayers' time by having Federal agents come into those areas to help or advise them; we would let them know when we are going to start considering those areas.

With the number of counties that we say are covered by this act, there are many, many of them that are in no better position to obtain Federal help for economic development than the wealthiest counties in the Nation would be as far as the operation goes.

This is done despite the act. You cannot read the act to find out what the agency is doing.

Mr. EDMONDSON. I think the gentleman has a good point. I think if there is a policy at this time with reference to the employment level