

quently make these Government programs tougher to get to than conventional lending institutions.

The question I have been asking of witnesses that come before this committee—I am not on the Agricultural Committee, I wish I was—I have been trying to find some sense out of these agricultural programs.

We have all these agencies and we have all these programs and about the best that Mr. Freeman could say is that we need a little goosing along. Would you share that view?

Dr. BISHOP. Let me say this: As I understand title III this would make loans available to people who cannot qualify for loans under the current FHA programs.

This would enable the Department of Agriculture to provide capital where it is not now privileged to provide capital.

Mr. PUCINSKI. Wasn't the FHA program established for the very reason of providing insurance on these close loans? Isn't FHA really a risk program to provide insurance for loans where conventional institutions for various reasons, legal or otherwise, can't grant these loans? Now, we are suggesting a third program. Are we saying that FHA is playing it too close to the chest and we now have to have a third superrisk program. Is that what you are saying?

Dr. BISHOP. You are quite right; FHA was set up to provide credit where credit could not be obtained through our traditional financial institutions. But we have, and I am not sure where these limitations or FHA's lending authority got established, but we have established limitations on FHA's lending authority which precluded the organization from granting loans to this particular type, this particular stratum of our society.

Of course, FHA has no authority for grants, FHA's funds are all loans. They are loans with interest and are expected to be repaid.

Mr. ROOSEVELT. Would the gentleman yield?

Mr. PUCINSKI. Certainly.

Mr. ROOSEVELT. Dr. Bishop, would it be helpful in title III and, of course, in my book the same thing would be true of title IV, to give some discretion to the administrator to increase the amount of the loan? In other words, \$1,500 is a relatively small amount. It seems to me that if \$2,000—

Mr. PUCINSKI. These are grants we are talking about.

Mr. ROOSEVELT. I beg your pardon, grants. Increase the grant to a somewhat more substantial amount where it would really do the job instead of putting him on the basis of a small grant and then have to supplement it with a loan, the loan, however, being on a very questionable financial basis, would it not be better in both those titles to just make up your mind that whoever administers this—and you are going to guess wrong in some of them, but at least the need is there and that it was a wise investment to take the chance to think of it more in terms of grants than loans?

Dr. BISHOP. I feel a little uncomfortable about the limits that we have on the lending authority, at least in title III. If we are going to look at this—

Mr. PUCINSKI. You are speaking of the \$2,500?

Dr. BISHOP. \$2,500. That is not much money. If we think we are going to farm with \$2,500 today, we are kidding ourselves and we are