

not going to operate any other kind of business with this limitation on capital.

It would suit my taste better if we looked upon title III as a means of bridging the gap between the current circumstances of the people the title is designed to serve and the current lending authority of organizations like FHA. What is this gap?

Let us close this gap. It may mean that we need to go beyond the \$2,500 level to do it.

Mr. ROOSEVELT. This is basically true with title IV because what you are trying to do is to close the gap for the fellow who can't get it and he can go to SBA to get the loan.

Dr. BISHOP. That is right.

Mr. ROOSEVELT. Mr. Pucinski?

Mr. PUCINSKI. What is your feeling about the \$1,500 grant? We have a \$1,500 grant, then we have a \$2,500 loan on top of that and then we have a deal where a family may qualify for one of these redeveloped family farms. Now, these three things in unison, you feel that is still not enough?

Dr. BISHOP. My figures are a little rusty on the investment in agriculture but I believe we will find if we look at figures that an investment per farm worker now runs something like \$20,000 to \$25,000 on a commercial farm.

So, we are talking about real small amounts of money. If we are going to have economically viable units we have to pull together enough resources for people to make a respectable living on our farms.

Mr. PUCINSKI. Would we be wiser then, as a committee here, to take a look at the existing FHA program on the farm, in the Department of Agriculture, where they now have a program, for giving loans, and see what is the technique they are using now and see whether or not the criteria for awarding these loans is too rigid and make our changes there rather than fool around with these \$1,500 grants which you feel are really not very big, if I understand your testimony correctly, and also phase in this proposed \$2,500 loan program into the existing FHA program for the farmer? Would this be an area for this committee to explore in your judgment?

Dr. BISHOP. As I indicated a moment ago, it would suit my taste to look upon title III as bridging this gap, whatever it is. Maybe you should have a \$3,500, \$4,500 limit on it; maybe it should be \$1,500.

Maybe the current lending authority does not reach this group at all and can't reach it at all until they get—maybe grants are necessary to get enough assets to help these people qualify for loans under current authority. I think these ought to be geared together, yes, which I guess, is a way of saying yes to your question, that you ought to look at them in terms of whether these two programs, viewed simultaneously, can serve the needs of the people.

Mr. PUCINSKI. Would you also recommend that this committee give any consideration to putting some sort of age limit, minimum age limit on the grant and loan program in view of your testimony that if they stay on the farm until they are 25, the chances are pretty good they are going to stay on the farm? If I understood you correctly earlier, you said that those who leave the farm usually are in the younger brackets.

Dr. BISHOP. That is correct.