

They do not have skills which enable them to get jobs in cities and, further, would be very difficult to train; to get them to move from the point where they are now, both in the context of geography as well as society.

This is the group that title III would attempt to aid through a direct grant program.

Mr. Chairman, I think this program is probably one of the most vital in the entire bill, because the people it will help are the most difficult to reach. About a million and a half of these farm families presently live at the poverty level in rural America. Of this number, some of the younger and better educated have found an opportunity away from these areas, but there are still about 1.3 million young people who are caught in this situation.

If these families can raise their income by just merely a modest amount, they can increase their level of living standards significantly, we believe. If a family, for example, with an income of \$700 a year can increase its income to \$1,500 a year—you can see just what a dramatic impact this would have in terms of living standards.

Of course, Mr. Chairman, in rural America we believe that we have been subjected to an outflow of capital for generations. We not only have moved raw materials to the cities to help build cities, but we have moved our most valuable resource in this country, our human resource. If you add up all of the dollars represented by this movement of human resource, it would be a fantastic figure. In fact, the NEA did put together figures showing that the drain on rural areas—and this seems really preposterous—is about \$500 billion over about a 30-year period in the history of this country.

Therefore, Mr. Chairman, to get some capital back in rural America seems to be one of the things we need most. All farm families need capital. Modern farming requires capital. But the group that is poverty stricken could certainly be helped if capital is put where they are—particularly if we could call on an agency like the Farmers Home Administration to supervise the use of that capital.

Somewhere along the way the Farmers Home Administration started making harder loans. Back in the old farm security days, they made some loans they figured out would be repayable, although there were some thin lines of determination. Today, the Farmers Home Administration is recovering about 99 percent of the money that it lends. I would call this, by any measurement, a hard-loan program. Therefore, what does an FHA county supervisor do when he meets a family that wants to borrow \$500 to try to get into the farming business; to buy seed, fertilizers, and so forth, when he discovers that not by the wildest stretch of imagination is this a family that can repay the loan? Here is a program that can augment a Farmers Home Administration program already in effect, and provide some help to these people who, as I have said, are not going anywhere.

I should like, also, to say that I look upon this grant program as providing the basis for further progress in farming for these families. If it was apparent, for example, that a young member of a family could help in the farming operations, the Farmers Home Administration could augment a grant by a so-called hard loan, such as they are making now, as the family progressed. So here is the beginning of an operation that will help rural families faced with