

But I think we must draw a pretty fine line there about which direction we are going, and when and why we are to go these directions. I think we should point out that this is not going to be a very easy problem to solve, because in many instances the farm buildings of the land that has been joined to other lands, other farms, to make this large unit, the farm buildings have been destroyed. They are no longer in existence. And the buildings are so extremely expensive today. I worked as a real estate appraiser long enough to know that if a barn burns in a great many areas, especially in New York where I worked, you are much wiser to buy an old farm, because you can buy the farm cheaper than you can build a new barn.

These are economic problems we should be careful about getting into, unless we are willing to pay the economic price to do this. Perhaps we are going to have to do this in terms of land reform. I don't think we know whether we are going to have to do that or not, but this is an extremely important problem that we can't avoid facing. Perhaps this is the answer. I think on a limited basis we ought to try to see what will happen in this area by some kind of Government program. I think we would be reluctant to make this Government policy at this point, that is, an overall policy.

I think with that much longer statement than I had anticipated giving, this completes my statement.

Mr. PERKINS. This legislation leaves it optional with the corporation if they desire to sell to another corporation which wants to sell land to the small individual farmer. There is nothing here that spells out any compulsion.

Mr. GRAHAM. That is the way we interpret it. We would hope that the Congress would so interpret it, too.

Mr. PERKINS. I appreciate your comments on title III. If I understood you correctly, you feel that we should start out on a loan basis to the little farmer who has his problems, instead of giving a grant, even though it may turn out in the end that we may have to write the loan off.

Mr. GRAHAM. Yes; in general. The little farmer or the big farmer, this is a deeply involved social problem, as you well recognize. Members of this committee, I think, are probably more familiar with the complexities with these social problems than, perhaps, any other committee of either House, so I am not telling you anything except for the record saying that if it is a young farmer who has not even the beginning capital for a down payment, the \$1,000 that he needs, even to qualify for the loans under the FHA, then I think if we are intending to develop a situation in which this farmer becomes self-supporting, that we should probably go the loan direction. Because, always, this other is something that hangs over his head. If he becomes self-supporting, if these loan terms are sufficiently broad, I think he can handle that all right.

Mr. PERKINS. Let us assume we have a little farmer who has an income of \$1,500 and has indebtedness on his farm, say, \$1,500; and the outlook in the future is that he may suffer foreclosure and will lose that farm unless he receives some Government assistance. Now in a situation of that type you would not see anything wrong with making a small grant available, where the representatives of the Farmers Home Administration recommend it and reported in all