

Mr. QUIE. Or any other.

Mrs. GREEN. I have no more questions, Mr. Chairman.

Mr. PERKINS. Mr. Quie.

Mr. QUIE. Go ahead. Mr. Bell was here before I was. I would just as soon defer to him.

Mr. PERKINS. Go ahead.

Mr. QUIE. Mr. Graham, are you familiar with the programs we have had in the past where there have been some grants to farmers available for assistance?

Mr. GRAHAM. Yes.

Mr. QUIE. Could you make any comments on how they have operated and the reluctance to use them?

Mr. GRAHAM. I could, but I would answer the Congressman saying that these were used at a time when our economic situation was so completely abnormal that the comparison between that time and the present time was a bit difficult to make and do it with good judgment.

The other thing is that some of this information is rather old and what the results then were and what they would be today might not be the same.

What I am talking about is more in general. I would answer you by saying this, that in some of the experiences that I have had where I had opportunity to dispense money to needy people, and I think this is generally true of relief groups, that they find that it is more desirable, if possible, to be helping them than to be giving to them. The net result is better. I think this is pretty generally recognized by social workers everywhere although this does not say that we should not give them money in some instances.

Mr. QUIE. I think you are right, helping them to help themselves is better than an outright grant.

Right now, the Farmers Home Administration can make loans to farmers but they have chosen to give the loans only to those who are at a pretty high level, just below the level of credit rating where they can get loans from private sources, Federal land bank or PCA, and just below the Farmers Home Administration. The ones who have less of a credit rating they have chosen not to make the loans to. Part of this is due to the decision of the farmers who pass on the loans, looking at their neighbors and deciding on which ones are actually good risks even though they do not have a good credit backing.

How do you think their minds can be changed or their concept changed in a program of this kind? What you are doing will reach a little bit deeper into this kind of program.

Mr. GRAHAM. This is one of the things that concerns us, to some extent the original purpose of the Farmers Home Administration seems to have been lost in administration at the level that you are pointing to, and that the original purpose of the Farmers Home Administration to bring people into productive capacity in agriculture that is sufficiently high that they have a reasonably good income has in more recent years, due to this continual depression in agriculture where their input has been so much greater than their output, their credit possibilities have been reduced and the FHA now in many instances is working the opposite way that it was supposed to because people who have been able to get credit from normal credit sources and then they have gone into PCA, first the commercial and then into PCA.