

and they get so far into debt where PCA thinks it no longer thinks it can handle them and they turn them over to FHA, which is the last stop before bankruptcy.

Now, I think we ought to recover some of the original concept there where we help people go up instead of helping them come down and cushion their landing when they come down.

It is at this point that we need, it seems to me, to begin to rethink the relationship of the Farmers Home Administration to this particular problem of poverty, and then write the legislation in such a way that even the committee cannot misinterpret it and use these funds only in the direction they want to use it and refuse to use it in areas where it needs to be used, also. This is both the strength and the weakness of the committee system.

Mr. QUIE. One thing about the way the FHA has been operating, there are certain requirements made of the farmer when he receives the loan to improve his management of his operation. The deeper you reach into the group who need help, I think there is the less willingness to accept new management operations and talk to some people, such as supervisors. Some of the farmers seem quite willing to do it, but when they come out to the farm for the next checkup they have not done it.

I remember reading an article once when they were looking around at a farm area and they said, why is it that this farm sits in an oasis of marginal farms around here? The farmer said, "The trouble here is that there are more marginal farmers than there are marginal farms."

Do you think there has to be any tightening up of the authority given FHA to require the management practices that are certain to make a success especially when grants are made?

Mr. GRAHAM. Certainly in terms of grants, this ought to be pretty tight. I think this is what the Department has in mind that this will not be given, a fellow is not going to be given a check for \$1,500, it will be a controlled fund like the present funds which are controlled funds.

Incidentally, I am probably one of the few witnesses who has had an FHA loan. So I am a little familiar with the way it operates. I think the Congress should, either by direction or by law, and I don't think there would be any disagreement on the part of the Department, to have a pretty clear understanding about just how tight this ought to be in this administration of the grant and, on the other, I think they probably have enough authority at the present time if they want to use it. I would not be competent to be the final judge on that, but they have a good deal of authority, I can tell you by experience.

Mr. PERKINS. One more question.

Mr. QUIE. OK.

I would like to hear your comments on the other portion of title III where the corporations can be set up to purchase land and resell it again to low-income farmers. First, what type of operations do you think we should have in mind to secure the land? What corporations are now owning or is it large landholders when the land comes up for sale; and, secondly, do you agree with the average of 80 acres which the statement that Sargent Shriver prepared for Members of Congress contained, as the size of operation that will be sold to the low-income farmer?