

Mr. PERKINS. Mr. Bell.

Mr. BELL. I am sorry that I was not able to hear your statement earlier. I had another meeting that I had to go to.

There is one thing that puzzles me a little bit in this bill. That is the grant, outright grant of \$1,500 to the farms, but there is no provision in there for loans to the farmers directly other than through this corporation. I do not quite get the reasoning behind it. Do you have any comment on that?

Mr. GRAHAM. Without trying to cover this with all the committee again, may I just briefly say what you will find in the record: that our preference is the loan route with the long-term nonrecurring loans that can be written off, if necessary, and with appropriate funds made available to see that this kind of approach is made possible.

Mr. BELL. In other words, you would favor a loan arrangement of some kind?

Mr. GRAHAM. That is correct. This is what we said. We say there may be instances where the grant is the only practical way. It may be cheaper than putting them on welfare, for instance. But, in general, we would prefer this other direction.

Mr. BELL. I am sorry, I may have to ask you some questions that you have already been asked.

Mr. GRAHAM. That is all right, that is your privilege, I will answer them.

Mr. BELL. In a situation where you have, as you know, a great many farms, some of which may not be viable at all, simply because they may be just impractical to try to operate. I do not know how many that will be, but I know there are many other economic factors in farming than just the routine operation of the farm—I should think in making loans and grants to farms of this kind the Government could be just adding to a dilemma and making it worse. Would you like to comment on that? Is that a problem you have discussed earlier?

Mr. GRAHAM. This is the problem that is in the back of our mind all the time. I did discuss it some earlier. I suggested that we ought to decide which direction we are going.

In the case of a young man trying to get into farming with a lifetime ahead of him, we ought to point him toward a good farm where he can make a good living and not toward one which brings him forever at a subsistence level or a semipoverty level. We must get a different approach than that or we are not solving the poverty problem.

There is justification, I think, for trying to help some of the older people who are used to living on this small farm, to stay on that land throughout the rest of their lifetime. This becomes a different problem.

Mr. BELL. Then you are saying, in effect, I assume, just by jumping at what you are saying a little bit, that maybe some of the younger groups or members should be encouraged to go in the direction of a different type of economic livelihood and maybe leave the farm. Then you would be inclined more to take it on an age basis and maybe encourage the younger members to leave the farm and get in some other type of work. Is that right?

Mr. GRAHAM. I think we have got to do that especially in the areas we are talking about because we are talking about marginal farming areas in general where the poverty is most deeply seated.