Nation. Obviously many approaches are needed. We report this experience primarily to support the workability of direct loans with good credit terms from the Government to the poor. We understand that the loss ratio on the Farmers Home Administration direct loan program has been two one-hundredths of 1 percent.

We also share this case history to illustrate the points with which we opened this testimony: the wisdom of involvement of the poor and their capacity to plan, the need for skilled personnel, and the need for experimental approaches.

OTHER STEPS IN THE WAR ON POVERTY

Neither the President in proposing this legislation, nor, to our knowledge, any of those who have testified in its support have seen the Economic Opportunity Act of 1964 as a cure-all, or as even remotely adequate by itself to the task of eliminating poverty.

We urge Congress to consider the adequacy of the coverage for the poor of a great part of our existing social legislation.

The Fair Labor Standards Act, for example, even as revised in 1961, excludes many of the rural poor. Has any study been made showing how many of the "poor" we are considering now are covered by this act? We do know from our experience that inclusion of seasonal farm laborers, of unskilled day laborers—presently excluded, along with other groups of whom we do not have firsthand knowledge—would be an effective step in the war on poverty.

What about extending social security coverage as a part of the war on poverty? Farmworkers, excluded from complete social security coverage, have no other source of assistance in retirement (except, in some States, old-age assistance). The partial exclusion of the farmworker—extending him coverage only if he earns $150 from one employer—is in many instances total exclusion, since many cannot meet this requirement.

What about unemployment insurance coverage? Here again seasonal farm laborers are among the groups not normally covered. We tried an experiment in Tulare County, Calif. We organized a farm labor cooperative which employs crews of farm laborers and contracts with growers. In California unemployment insurance is optional. The co-op, being an employer, could opt for the insurance and did so, making a deduction from members' earnings. But they found that they were at a severe competitive disadvantage with the growers, who did not deduct for unemployment insurance. We had difficulty attracting and holding the best workers in our co-op crews. If unemployment insurance were compulsory, this would not happen.

What about a hard look at national housing policy? It must share in the goal of eradicating the poverty in which many citizens live. By getting at housing problems, the environment of poverty is attacked. But getting housing benefits to the poorest in the Nation has proved difficult.

In the March issue of the Annals of the American Academy of Political and Social Science, devoted to "Urban Revival," William Grigsby, research associate professor of city planning at the University of Pennsylvania, writes that, although urban renewal had its genesis in legislation to improve the residential environment for low-income families, "on balance it appears that not over one-fifth of the $3 billion donated to local communities under the Federal renewal program have been earmarked for projects intended to improve the living accommodations of the lower income families."

Finally, let us assume that the Economic Opportunity Act of 1964 is passed in its strongest possible form and implemented in its most effective manner. Assume also that other legislation affecting the poor is strengthened. The challenge of the war on poverty will still not have been met. Before each of us—citizens and public officials—are the challenges of the manpower revolution and of the conversion of our economy from defense preparation to meeting national needs. These issues relate to the structure of our economy and the size and kind of labor force that is required to meet the needs of a healthy economy.

In this connection we commend to your attention H.R. 9005, a bill introduced by 21 Democrats and Republicans to examine the problem of economic conversion, and S. 2427, introduced by Senator Hubert Humphrey, which would establish a Commission on Automation, Technology, and Employment. We feel that passage of these bills would provide the legislative support for needed studies dealing with our economic structure.