

utilize a two-tier system whereas they would set aside the portion of the farm debt that is not able to be serviced by the present income. That portion of the debt would draw a lesser rate of interest. It would not be forgiven, but it would only draw a lesser rate of interest until such time as the farm economy turns around, at which time then the set aside portion of the debt would come back and be serviced by the farm. I want to point out again that there have been many proposals that have suggested some method of trying to liberalize the credit practices of institutions that service farmers. Most of them are not going to come to pass. We have had proposals in this Legislature and others that have discussed an interest buy down. Most of those are extremely expensive, therefore, not unrealistic. What the American Farm Bureau Federation proposes to do here is to acknowledge that at this time, with disastrously low farm commodity prices and again low livestock prices, that it is impossible for many farmers to service their entire debt. The farmers have always come back and farm commodity prices have always come back. We went through these times in the thirties and the fifties and the sixties and the seventies, but because we had lower interest rates farmers were able to survive. Today's interest rates at 12, 13, 14 percent make it impossible for the farmer to survive three or four or five years of adversity. I want to point out we've already had seven years of actually less than cost of production income. This morning's Kiplinger Newsletter pointed out that we can look for another two to four years of continued uneconomic conditions in agriculture. We've been told that the lower prices for commodities would improve exports. We've been told that a weak dollar would improve exports. We've been told that additional monies spent to subsidize exports would get rid of the surpluses. Realistically, all of us know that's not going to be of any immediate impact. In order to keep agriculture solvent and to keep the Middle West solvent we need to have some way to give agriculture time to get out from under this burden. The American Farm Bureau Federation has come up with an excellent plan, one which deserves our support and one which was not, I am sure, proposed lightly. I know that there are those here this morning who will speak on the issue and I want to emphasize again it's a two-tier program for restructuring farm debt. It is not a debt forgiveness program, it is a debt set aside program which will allow for that debt to be paid off when the commodity prices become profitable once again. I just hope that there will be others who will endorse the project and endorse the