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LB 16

Nebraska farmers and agribusiness concerns use low interest small business administration loans to offset financial losses wrought by natural disasters during 1977 and '78 and some apparently found the 3% loan program an easy way to make some bucks. The FDA crop disaster loan program from which Nebraskans have received nearly \$35,000,000 has come under fire recently on the national level. Some congressmen allege the two year old program is weighted in favor of wealthy farmers and businesses and has allowed some borrowers to reap easy profits. To go to another point, but some farmers had tales of instances where some got 3% loans and then put it out in interest. Another person who said such a windfall certificate of deposit investment was possible was a northeastern Nebraska banker who also asked not to be identified. The program is a farce, a big joke in banking circles. Only those who didn't need it used it. Then in this portion from Berkley Bedell's article said, Senator Kahle, mentions the welfare for the wealthy loans established by Congress itself. The law is written so that loans can and are made regardless of the ability of the borrower to secure credit from a conventional lending source, his net worth or his annual income. We sit in here talking about penies, Senator Kelly, where ever you are, and yet there are...

PRESIDENT: One minute, Senator.

SENATOR CHAMBERS: ...the wealthy walking away with millions and these millions of dollars which are given at these low interest rates are put there by the taxpayers. So this this morning is an exercise and the worst type of hypocrisy, hypocrisy, hypocrisy and despite how upset you all get I am going to keep rubbing it in your face like you keep rubbing it in the face of the poor as though they are walking away with windfall amounts from this country or this government. The rebate is supposed to restore to people what they pay in taxes on food so do away with all of that bookkeeping and inequities by taking the tax off food but there are people who will watch the millions go to farmers who don't need it who would rather let that be a source of income for the state, I'm talking about the rebate, that people do not apply for because they do not realize that they can get it. I think it is unconscionable and it is wrong. I'm glad Senator Newell took the time to give statistics but, Dave, that has nothing to do with the issue. We are dealing with hardheartedness and I say again, every time I get this opportunity you