

(Gavel.) The Chair recognizes Senator Lamb.

SENATOR LAMB: Mr. President and members of the Legislature, resolution number 6 can be found on page 97 of your Journal. This resolution is designed to encourage Farmers Home Administration to be more active in making agricultural loans in the state. Mr. Chairman.

PRESIDENT: Yes. Thank you. (Gavel.) May we have order in the Chamber, please, so that the speaker may be heard, please. (Gavel.) Senator Lamb.

SENATOR LAMB: Thank you. Thank you, Mr. President. I have introduced resolution number 6 which is on page 97 of your Journal. Also on your desk has been distributed a memo, a letter from me, also a memo which Ron Bowmaster of the Research Department prepared, which really tells the whole story. But in a nutshell, here is the problem. In areas where a bank has failed or a production credit association has failed the depositors are protected, but the people who are finding themselves in dire straits are the borrowers of those institutions. They are now thrown on the credit market. I think those borrowers fall into three categories. There is the top category of borrowers who will not have problems finding another source of credit. They are the best risk people, and there is not a problem there because another bank or other institution will take their loans. Then we have a bottom group, a bottom group which probably is in an impossible situation, that loaning them more money will not be doing them a favor, and so they will logically be liquidated. But we have a big group of borrowers in the middle. They are borrowers who would otherwise be considered credit worthy, but since their source of credit, their institution has gone down, they are going to have a difficult time finding another bank or lending institution to take their loans to loan them money and their situation is drastic because in a couple of months they are going to have to have their plans made for the planting season, for the calving season, for the productive season that is to follow. So if they don't find credit in these next two or three months, they are facing liquidation. But these are people who do not deserve liquidation. They deserve to find a source of credit because under ordinary circumstances they would be considered credit worthy. So this resolution is designed to have more of a loan presence in the area by Farmers Home Administration. Farmers Home Administration