

about. As recently as ten months ago, again through the Banking Committee, I introduced legislation warning this was coming, offering alternative plans to begin to prevent the massive foreclosures. Again, the farm credit system appeared and, as recently as February and March, told us there were absolutely no problems. I might point out in the hearings we had we pointed out, as early as that time, the exact numbers, within pennies almost, of the significance and extent of the problem. Today the farm credit system is in hopeless trouble and they are asking for a federal bail out of multibillions of dollars. It is my belief that there should be no federal bail out of the farm credit system and there should definitely be no federal bail out in terms of just printing money and picking up bondholders' notes for a mismanaged system. I know very few people are apparently paying attention, but I repeat, if you think what you are dealing with in this legislative session is significant, wait until you see the real problems of the farm credit system. For example, Omaha represents about 10 percent of that system. Omaha represents about 10 percent of a 70 to 80 billion dollar system. But the losses of the entire farm credit system, when all the facts and figures are in, about half of all of them are going to be in the Omaha system. So even though it represents about 10 percent of the system, about 50 percent, between 40 and 50 percent of all these massive losses that are coming are in the Omaha system which is this group of states right here, which is Nebraska, Iowa and so on. What does that forebode for agriculture and for the state? If the farm credit system moves ahead in the direction they are going now, which is indiscriminate and massive foreclosure without any judgment, without any reasoning, you are going to have a complete and final collapse of land prices and pandemonium in this state. The solution of the farm credit system is to bail out the "stockholders." Let me briefly explain how the farm credit system works and why I, personally, think it got into trouble. Unlike every other banking system and every other financial system where you have basically two sides, over here are the stockholders who put money in and over here are the borrowers who are getting the money and have to repay it. Believe it or not the farm credit system has a system in "the supposed stockholders" who control the system are farmers who are also the borrowers. So if ever there was a conflict of interest and a system designed to go into collapse, it is a system in which the person borrowing is really also supposedly controlling it and making the