

Legislature, I wish that Senator DeCamp would remain on the floor because Senator DeCamp has made some rather profound statements here, many of which I must disagree with, many of which I am sure most of you will disagree with, and a few of which I'm sure all of you will disagree with. I want to say this, first of all, Senator DeCamp, the farm credit system was organized as a cooperative credit system because the system of banking in this country failed to provide for the needs of agriculture, it was in direct response to the inability of the banks to perform. The federal credit bank in particular was formed in the thirties after the collapse of many banks, due to the system which at that time resulted in total collapse of the farm economy across the United States. I want you to read this resolution very, very carefully. Senator DeCamp says the result of imprudent lending policies, inefficiency and gross mismanagement. Let me tell you something, there isn't a banker in the United States, farm credit system, savings and loan, anywhere, who, today, is not confronted with problems because of the change in the monetary policy of the federal government and Mr. Volker. On October 6, 1979, in my estimation the darkest day that has befallen agriculture since the Depression, Mr. Volker and President Carter deregulated the cost of money. Notes that were signed for 6 and 7 and 7.5 percent escalated to a prime of 21.5. Many individuals had to pay 2 and 3 percent over prime. No one in the farm credit system could foresee this. No one in the banking system could foresee this. I have worked with numerous individuals who are in financial trouble today. If you take the amount of interest they were paying on October 6, 1979, subtract the average cost of their money from that point in time until today, they would not be in financial difficulty. If you throw in another factor, Senator DeCamp, and that is the drop in the price of commodities from that period of time due to the mismanagement of the federal government in the area of grain embargoes and many other activities, you would find that some of them would have no debt, absolutely no debt. I do not disagree with you, Senator DeCamp, that there have been some unwise decisions by farm credit, just as there have been unwise decisions by many individuals. But the assertion that farm credit went wild, at a period of time when everyone else was being moderate, is a lie, it's a lie. Commercial credit, consumer credit, all escalated at a rate equal to or exceeding that of farm credit. The only reason they are not in the same difficulty as the farmers is that we have not had the degree of intervention in the labor