

SENATOR DECAMP: Mr. President, just to reaffirm the discussion we started out with, indeed, the Farm Credit System is in severe financial problems. The solution preferred by the Farm Credit System is simply for the federal government to effectively put up 6 billion, that is billion dollars, to buy out or save the bondholders. Who are the bondholders? They are primarily investors, very large investors in tax exempt bonds which these bonds are. They took a risk. They knew they were not federally guaranteed. If you simply use federal money to bail out bondholders it would be identical to the federal government stepping in and buying up the WPPSS, remember, the famous Washington bonds. It does not help the agricultural economy as such. Why not? Because it is the farmer who has a loan with too high an interest rate and too much owed who is in trouble. By buying up the bonds you don't help that farmer. All you do is transfer his note to the federal government. The money is still owed. The interest rate is still owed. The farmer is no more successful. It is not the appropriate or correct solution to the farm credit problem and that is the solution being offered and requested from the federal government by the Farm Credit System. I believe the proposal that is now, on this very day, being presented to the Congress by the financial community including the American Bankers, the Independent Bankers, is a far better solution. It involves everybody taking part of the blame and part of the suffering to correct the problem. For example, the financial institutions suffer some. The interest is written down some by the financial institution. The farmer has a rewritten note. Everybody takes part of the suffering to liquidate and get rid of that outrageous debt that can't be supported and if you're going to save the farmer and the Farm Credit System, by the Farm Credit System I mean the entire Farm Credit System, that is a far more appropriate solution. It is a "God helps those who help themselves" situation, and to the degree that the industry and the farmer are willing to participate and take some of the suffering, then maybe there can be some state and federal intervention or participation or loan guarantees or something. But simply doing what is being offered now would be horrible. I do intend, personally, to introduce legislation next year, and this should send shudders down some people's backs, to prevent the Farm Credit System, the PCAs, Federal Land Banks from going through the massive foreclosures they are doing, and I think there are ways