

that an influx of capital in the Farm Credit System would certainly, indirectly, help the independent banking system in this country as well. The independent banking system, remember, does have FDIC, has FSLIC and those kinds of guarantees from the federal government. The Farm Credit System doesn't. If, in fact, there is an influx of capital to the Farm Credit System and the individual farmers who are teetering on the edge are then able to hang on a little longer, they will be much more apt to be able to pay off their independent bankers as well that they might be borrowing funds from. If, on the other hand, there isn't that influx of capital and they topple off the edge, they are going to wind up being a big liability to the independent banking system also. So it seems to me they are all in this together and some assistance to the Farm Credit System would, in fact, help the independent bankers in itself. That, I think, is the crux of the issue. The fact of the matter is, and we all know it, a resolution to the Congress probably has as much effect as a letter, but if we're going to send a letter, if we're going to send a resolution, at least let's say the right thing. So I would urge the adoption of this amendment to LR 9. Thank you, Mr. President.

SENATOR HABERMAN PRESIDING

SENATOR HABERMAN: Senator Schmit.

SENATOR SCHMIT: Mr. President and fellow members, I support the resolution. I think it's of interest that this morning's newspaper again said that the administration stated emphatically that the Farm Credit System did not need assistance, this in direct contrast to the statements made by officials of the Farm Credit System. I want to emphasize again what Senator Vickers has said, I cannot emphasize it too strongly, the fact that the Farm Credit System is in difficulty, albeit, personal mistakes in judgment and in management is due directly to the market intervention policies of the federal government over the last 15 years. Each time farm prices showed any strength beginning in 1973 the federal government intervened, five, six, seven times to hold those prices down because they were committed to provide low cost food to 230,000,000 consumers and they really didn't care if they injured, irreparably, a million or so farmers. The farmers have no political clout. It's just as simple as that and the administrations of the past