

with the farmer, then you could have the system start functioning again. Some losses have to be taken, some debt repudiated. The only way to do it is to force the Farm Credit System to go out and start acting like money managers which is taking that hundred thousand with Senator Chambers...

SENATOR HABERMAN: Senator DeCamp, time is up.

SENATOR DECAMP: ...Senator Chambers, and writing it down to let say, 50,000 at seven or 8 percent with the Farm Credit System taking part of that through the bondholders and Senator Chambers taking part of the loss, in other words, make it work and they're not making it work.

SENATOR HABERMAN: Senator Schmit.

SENATOR SCHMIT: Senator DeCamp is partly correct, but not entirely correct, and I want to point out where I disagree with Senator DeCamp. The portion of his comments where I disagree are these. He said, we are, under this resolution, asking the federal government to bail out the investors. That is not what we are asking. We are not specific, Senator DeCamp. What we are saying is that they contribute to provide for a stable Farm Credit System. Now that's what we had back in the '30s when the federal government invested funds in the Farm Credit System. As the system became self-supporting it paid off those funds until it was totally farmer owned. It was not so originally. I have no disagreement whatsoever with Senator DeCamp's proposal, that the Farm Credit System be obligated to negotiate with the individual borrower just as banks are doing, just as many other individual credit institutions do frequently. But what I do object to is the often held and often spoken conclusion that, number one, there is no problem; number two, that if there is a problem, it is of the Farm Credit System's own making or even more likely, the farmers' own making. And when you read the comments about how only 10 percent of the farmers are in trouble or et cetera, et cetera, let me point out that it is not just agriculture that is in trouble. It is every single business, every single investor in anything that has anything to do with agriculture is in difficulty. Now you can sit here today and be isolated if you want to. Maybe a few attorneys can be isolated, a few professional people, but eventually, eventually we're all going to be touched. I'd probably have