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NEWS from U.S. Senator Bob Dole

(R.-Kans.)

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DOLE INTRODUCES ECONOMIC EMERGENCY LOAN LEGISLATION

Washington, DC. Senator Bob Dole (R-Kan) today introduced legislation to create an Economic Emergency Loan program for farmers. The new loan program would be under the Farmers Home Administration.

Senator Dole, Ranking Minority Member of the Senate Agriculture Committee, said, "More credit is not the answer to farm problems... Many farmers, though, do need credit to survive until we can solve the farm price problem and get prices up."

Following is a full text of the Senator's statement:

"Farmers all across the country are facing a financial crisis. Many farmers are having to refinance to continue in the farming business; farmers are borrowing record amounts of money to finance their farming operations.

Private and public loan organizations are being called upon to loan farmers large amounts of money. Many organizations are already loaned up or are limited in their capacity to help finance farmers.

Farmers from all parts of the United States are calling my office stating loan funds are not available, from private or public institutions, to keep them in business until farming conditions improve.

More credit is not the answer to farm problems. More income and constant prices for supplies is the answer. Farmers have to have more income in order to survive.

NEW LEGISLATION NEEDED

Many farmers, though, do need credit to survive until we can solve the farm price problem and get prices up. New legislation is needed to give farmers the credit necessary to survive the present crisis.

The major governmental farm lending institution is the Farmers Home Administration (FmHA). The FmHA presently is not in a position to help most farmers survive:

(1) The FmHA's regular farm operating and farm real estate loan programs are handicapped by legal loan ceilings that are many years out of date. The real estate loan program is also severely short of adequate funds. FmHA can only loan a farmer \$50,000 to operate a farm. This amount will hardly buy a combine or a tractor at today's prices.

(2) The FmHA's emergency loan program is only available to those farmers who have suffered severe physical losses due to drought, flooding, hail storms, and other natural disasters. Economic losses due to low prices do not qualify.

There is not a loan program in the Federal Government today, either in FmHA or the Small Business Administration, designed to truly help the farmer through an economic crisis caused by low product prices.