

News from Senator

BOB DOLE



(R - Kansas)

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DOLE SEEKS HEARINGS ON FARM CREDIT SITUATION

(Washington, DC) -- Kansas Sen. Bob Dole says he will ask the Senate Agriculture Committee to hold hearings on the farm credit situation, and hopes that a legislative response can be formulated by the end of the year.

Dole's intentions were announced following a meeting last Thursday with Marvin Duncan, deputy governor of the federal Farm Credit Administration.

Sen. Dole said, "There is no doubt in my mind that the farm credit system is in need of a major overhaul and possible restructuring. Poor quality land loans in the farm credit system portfolio may total \$25 billion. Combined with similar lending by commercial banks and the Farmers Home Administration, we could be looking at up to \$50 billion in non-performing loans over the next year or two."

Dole said he would ask Sen. Jesse Helms, chairman of the Senate Agriculture Committee, to approve hearings by the full committee on the situation. "I see no reason to wait for things to get worse. It is my hope that we can get into the heart of the problem by the end of September, and come up with a legislative response before Congress adjourns this year," said Sen. Dole.

Duncan, second in command at the Farm Credit Administration, told Dole that while the farm credit system does not face immediate insolvency, enough of its member districts are experiencing difficulties that some remedial action will be needed within the next 6 to 12 months.

Sen. Dole, in turn, said he preferred to address the situation in its own right, independent of the pending farm bill now facing Congress. "We should not try to solve the credit and lending problems through the farm program, and vice versa. We need to finish considering the farm bill and get it behind us in order to be able to properly address the credit issue," said Sen. Dole.