

News from Senator

BOB DOLE



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FARM CREDIT SYSTEM HEARINGS OPEN

WASHINGTON -- Kansas Senator Bob Dole, Senior Republican on the Senate Agriculture Committee, today underscored the seriousness of the ailing Farm Credit System (FCS), but cautioned against a quick bailout that could roadblock his top priority -- to help the American farmer first.

Dole made the statement during today's Senate hearing on the teetering Credit System. The Kansas Senator requested Committee Chairman Jesse Helms (R-NC) to hold these special hearings in view of the deteriorating financial conditions in the farm belt.

"There is no doubt that member institutions of the Farm Credit System are experiencing serious difficulties. However, we must not lose sight of the fact that these institutional problems are based on the financial straits of thousands of U.S. farmers and ranchers. And with the gloomy outlook for recovery of farm commodity and land prices in the next few years, our efforts must focus on saving farm families -- not just their lenders," Dole said.

While the Senate is debating a new farm bill, Dole said it would be a mistake to attach a Farm Credit System rescue plan to the pending legislation. "My wheat farmers in Kansas have once again planted next year's crop with no clear idea of what the key provisions of the new programs will be. With the difficulties now facing our efforts to bring the Senate bill within the guidelines of the budget resolution, I would not want to further complicate the matter by introducing new cost factors into the bill," Dole said.

"Before we simply wade into the Farm Credit issue and start tossing money at the problem, we need to determine how the relationships between System member institutions, and between the System and the Farm Credit Administration (FCA), permitted the erosion of its financial base and capital structure. It is clear that, as a prerequisite to any federal assistance, both the FCA and the FCS are going to face some intense scrutiny and possible requirements for changes," Dole said.