

News from Senator

BOB DOLE



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FOR IMMEDIATE RELEASE
DECEMBER 19, 1987

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DOLE HAILS FARM CREDIT PACKAGE;
"ANOTHER STEP TO REVITALIZING RURAL AMERICA"

WASHINGTON -- SENATE REPUBLICAN LEADER BOB DOLE (R-KS.) TODAY HAILED CONGRESSIONAL ACTION ON LEGISLATION DESIGNED TO SHORE UP THE AILING FARM CREDIT SYSTEM. AFTER TALKING TO TOP ADMINISTRATION OFFICIALS, THE KANSAS REPUBLICAN SAID THE PRESIDENT WILL SIGN THE BILL.

"THIS IS ANOTHER STEP IN OUR CONTINUING EFFORT TO REVITALIZE RURAL AMERICA. THE FIRST BIG STEP WAS PASSAGE OF THE 1985 FARM BILL WHICH PLACED A SAFETY NET UNDER FARM INCOME AND HELPED MAKE U.S. FARM PRODUCTS MORE COMPETITIVE OVERSEAS. BUT THERE IS MUCH MORE WORK TO DO AND THE FARM CREDIT PACKAGE IS PART OF THAT EFFORT," DOLE SAID.

"THIS PACKAGE PUTS ONE OF AGRICULTURE'S LARGEST LENDERS ON SOUND FOOTING FOR THE LONG HAUL. IT ALSO HELPS PROP UP MANY OF THE SMALL BANKS THAT ARE SO IMPORTANT TO OUR RURAL ECONOMY," DOLE SAID.

"IT ALSO EXTENDS HELP TO FARMERS WHO NEED TO RESTRUCTURE THEIR DISTRESSED LOANS WHEN THAT OPTION IS LESS COSTLY THAN FORECLOSURE. THE KEY IS MAKING CERTAIN THAT THERE IS A STABLE AND READILY AVAILABLE LINE OF CREDIT -- AT COMPETITIVE RATES -- FOR THOSE WHO REALLY NEED IT; AND, JUST AS IMPORTANT, THAT THE AMERICAN TAXPAYER ISN'T PICKING UP THE WHOLE TAB."

THE FARM CREDIT PACKAGE ALSO PROVIDES -- FOR THE FIRST TIME -- A NEW SOURCE OF CREDIT THROUGH A SECONDARY MARKET THAT WILL BENEFIT ALL COMMERCIAL LENDERS. WITH THIS NEW SOURCE OF CAPITAL, THERE WILL BE MORE COMPETITION IN THE REAL ESTATE MARKET WHICH SHOULD ENCOURAGE LOWER INTEREST RATES.

EVERY EFFORT WAS MADE TO MINIMIZE THE LOAD ON THE TAXPAYER BY PROVIDING THE FUNDING THROUGH GOVERNMENT GUARANTEED BONDS INSTEAD OF HARD CASH FROM THE TREASURY. IT ALSO REQUIRES THE SYSTEM TO REPAY THE PRINCIPLE AND INTEREST ON THE BONDS.

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