

March 26, 1981

LB 384

an asset or not, he put up the earnest money and maybe it was a bad decision of his to do it. But if you are assuming that the FHA funds are a viable route for farmers that are in trouble to go to this coming year, I think you are making a bad mistake and we do have an opportunity in family combinations where a son is wanting to go into farming, where if we don't put a severe limitation on this we could make it viable and workable to expand that operation a little bit where two families may be able to take something out of it at interest rates that maybe don't walk them right out of business. If you put a hundred thousand limitation and if you can't take the six hundred thousand, I would certainly ask the body to look at some other figure that might leave some functioning approach on this bill. And I do beg of you to look at the six hundred thousand figure seriously because we are talking about a three percent return business and debt structures that are now hiking a guy at 16, 18, 14 percent and 12 on land. We have got a federal land bank that needs a very solid situation and a five hundred, six hundred thousand net worth with debts running two to three hundred thousand dollars is not a highly bankable situation if that man has no cash flow because of the high interest rates. The interest rates alone have created a situation which, and the low earnings on agriculture, that makes what would normally be a very bankable situation unbankable because of no cash flow and no ability to pay off debt and even pay the interest. So I would urge you to make this fund workable. It restricts it to low income. It gives the board some ability to function and with land prices fluctuating and shooting upwards as they are, the net worth can be there on current market values. And the only way the family can get at that net worth is to sell out and be ex-farmers. Now, I think if you decide that this should just as well happen in this state, you better look at your food supply because it isn't manufactured in the back room of a chain store. It comes out here in agriculture and it is somewhat important because there is one thing more important than medicine and that's food for our nation. Nobody worried about a limitation when we allowed tax exempt funds to be loaned in to help industry, in fact, no one there could do it with under six hundred thousand. We are talking about a limitation, and I would really like to have you look at it. We didn't put limitations on the others. If you do put it high enough, it doesn't stop the workings of the program. Thank you.

SPEAKER MARVEL: The motion is the adoption of the