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6-27-1974

## **Agriculture News Release - 1974-06-27**

United States. Congress. House. Committee on Agriculture

E. De la Garza

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# news release

COMMITTEE ON AGRICULTURE  
U.S. HOUSE OF REPRESENTATIVES  
Room 1301, Longworth House Office Building  
Washington, D.C. 20515

FOR IMMEDIATE USE, THURSDAY, JUNE 27, 1974

WASHINGTON, JUNE 27 .....The House Committee on Agriculture today approved by a 28 to 2 vote an emergency loan bill designed to bring swift relief to farmers and stockmen who have been hard hit financially by sharp declines in livestock and poultry prices.

The legislation was introduced by Chairman W. R. (Bob) Poage, D-Tex. A majority of other Committee members, including Rep. William C. Wampler, R-Va., ranking minority member, joined Poage as cosponsors.

"There is an urgent need for this legislation," said Chairman Poage, "and I hope it can be passed before the July 4th recess begins.

"Without the help provided by the bill a lot of farmers and stockmen will be driven out of business and the American consumer will be the ultimate loser because of decreased production."

Under the bill the government guarantees 80 percent of loans negotiated between borrowers and private lending institutions. Borrowers must be unable to obtain such credit without such a guarantee in order to qualify for participation in the program.

Maximum amount of individual loans authorized to be guaranteed under the legislation is \$350,000, with total amount of such guarantees not to exceed \$2 billion. The life of the authorization is one year, with the Secretary of Agriculture being given the authority to extend the period an additional six months. The time limit on the individual loan guarantees is placed at three years, with authority for a two year extension. Those eligible for participation in the guarantee program include those directly engaged in agricultural operations, including production of cattle, hogs, sheep and goats and poultry, and dairying. However, it does not include producers of livestock products.

Basically the legislation is similar to a bill already passed by the Senate. Principal points of difference include the fact that the Senate version fixes no maximum amount of loans to be guaranteed, sets guarantees at 90 percent of loans, provides for seven year loans with up to five year extension, and makes producers of livestock products also eligible.