

# Grange supports Farm Credit Act with certain reservations

WASHINGTON, D.C. — Proposed amendments to the Farm Credit Act of 1971 were discussed here last Thursday by farm organization leaders testifying before the Conservation and Credit Subcommittee of the House Agriculture Committee.

Edward Andersen, Master of the National Grange, said several amendments contained in HR4782 are not acceptable to the Grange. He said the Grange is strongly opposed to any extension of economic power by lending institutions.

One amendment before the Committee would broaden the authority of the Farm Credit Administration banks to organize one or more corporations to perform functions and services for the bank, other than the extension of credit. The Grange feels this will be interpreted as giving the FCA authority to form insurance companies.

The Grange does not object to the FCA writing "credit life" insurance to cover a loan but opposes writing other life, property or casualty insurance. Andersen said he seriously questions the extension of the FCA into the insurance business. He feels this type of activity should be avoided as it is unfair competition

and there is no evidence that it is needed.

Another concern relates to an amendment which would broaden the authority of the Production Credit Associations and Federal Land Bank Associations to permit the financing of processing and marketing enterprises which are part of farming, ranching or aquatic operations of eligible applicants and borrowers.

The Grange questions the need for such increased lending authority as these operations are at the present time financed through Banks for Cooperatives in each FCA district. The Grange feels the proposed changes would permit the financing of farm-related businesses providing off-farm services and would waive the present concurrence of the Banks for Cooperatives.

The Grange fears that such new loan authority could be used to provide credit to businesses that would be in direct competition with family farms or used to finance an establishment in direct competition with a Bank for Cooperatives.

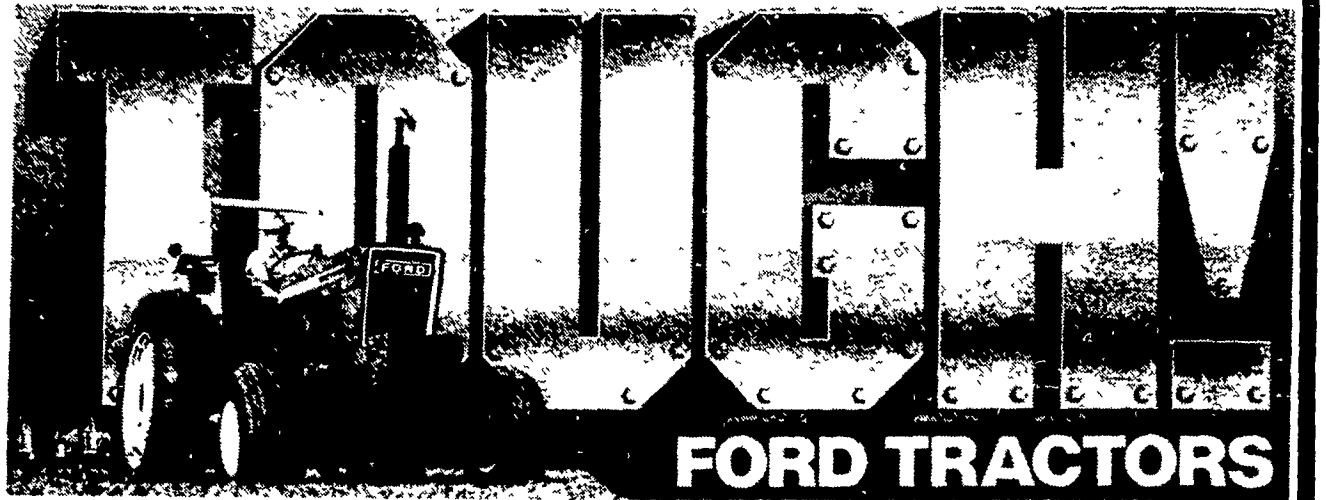
A final concern is that HR4782 would lower the percentage of farmer members of cooperative borrowing from Banks of Cooperatives from 80 per-

cent to 60 percent. The Grange believes it is in the long-range, best interest of farmer cooperatives to maintain the 80 percent

farmer membership requirement for all cooperatives with the possible exception of rural electric cooperatives.

National Master Andersen said the Grange is in general support of HR4782 with these few exceptions. He said the most important new lending

authority in the bill is the financing of agricultural exports through the Banks for Cooperatives, which the Grange fully supports.



**IN STOCK - READY FOR SPRING DELIVERY**

## LANCASTER FORD TRACTOR

(THE FRIENDLY STORE WHERE YOU GET MORE)

1655 Rohrerstown Road, Lancaster, Pa.

Flory Mill Exit off 283

Phone: 717-569-7063



### PENNSYLVANIA AGRICULTURE



**WE'RE GROWING BETTER**

### BULK MOTOR OIL

**SAVE 25%**



from Agway...  
the best way for the large user  
to buy motor oil

**COMPARE OUR PRICES!**

If you're a large user, Agway will save you some money.

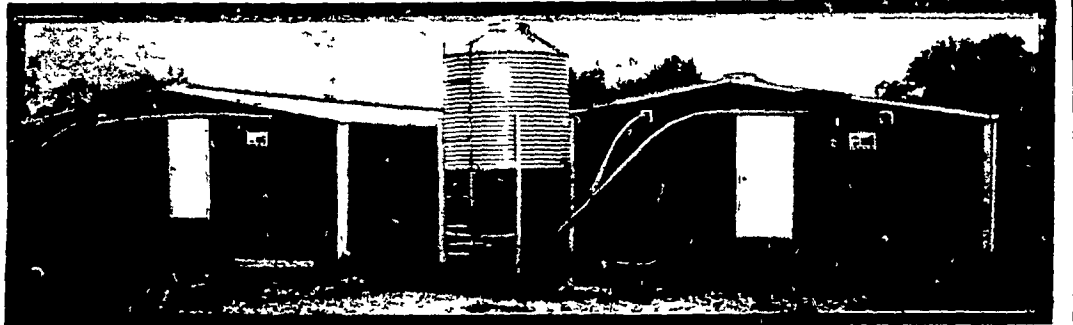


Call 717-397-4954

**AGWAY PETROLEUM**  
BOX 1197, DILLERVILLE ROAD  
LANCASTER, PA

## THE SYSTEMS PEOPLE

THE  
COMPLETE  
SYSTEM  
BUILDING

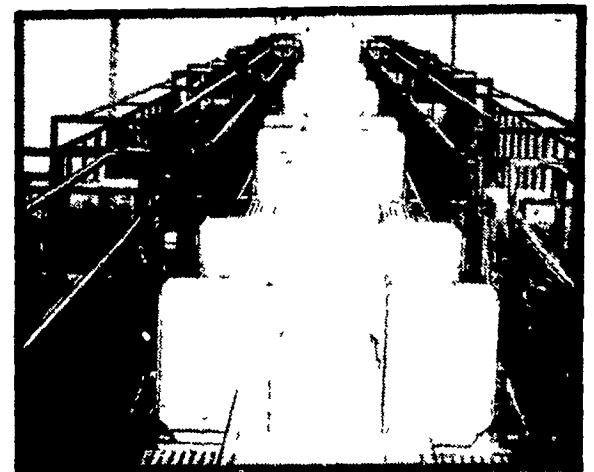


**SWINE & CALF CASTLE**



Having Problems Raising  
Swine or Calves?  
Let Us Show You A Castle.

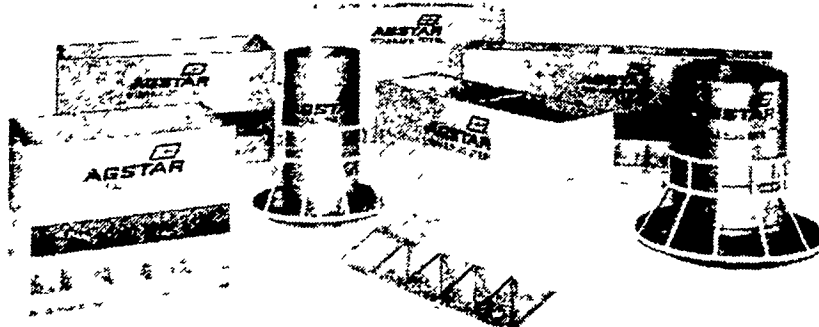
WE WILL EXPAND  
YOUR HOG BUSINESS  
FOR **LESS DOLLARS**  
LET US SHOW YOU HOW!



**SOW CASTLE**

**AGSTAR**

### STAINLESS STEEL CONFINEMENT FEEDERS



AGSTAR introduces the broadest and most durable stainless steel hog feeding equipment lines available.

BEFORE YOU BUY  
STAINLESS STEEL  
FEEDERS  
CHECK AGSTAR PRICES

— THE BEST  
STAINLESS STEEL  
FEEDER  
FOR THE MONEY

★ FULL LINE PARTS DEPARTMENT ★ WE SELL, SERVICE AND INSTALL

**EMHERR EQUIPMENT, INC.**

RD3, Sprecher Road  
Willow Street, PA  
Lancaster Co  
717-464-3321