

“The bank was sold to another group, and we signed a stipulation. They reported the loss to FmHA, adding interest, and reported they wrote the loan down \$40,000 more than they did. FmHA paid them more than they should have. When we get through with our payments to the bank there is nothing left for operating expenses the following year. We have had to let our children and their families leave and find work elsewhere, because we could no longer afford to pay them and they had to find work elsewhere.”

**Collusion between the FCS and banks.** Leonard and Florence Kraus of Crete, Nebraska:

“We were fraudulently forced into co-signing a note for our son. The bank, Crete State Bank, then kept juggling his notes and raised his interest up to 21%, and it became impossible to meet the interest without meeting any principal. The bank foreclosed on our son. He had a 400-acre farm which was over half paid for, a 300 hog operation and was a very good manager.

“Next, they took our 240-acre farm. We had a loan from the Production Credit Association for our cattle. When the Crete State Bank began legal proceedings against us, the PCA immediately called our note due, even though our interest and principal was current and everything paid on time. Our farm was sold at a sheriff’s sale, we were evicted, and now we are in deep trouble with the IRS. This was in 1988. We found a house in Crete, which is barely liveable, and the rent is difficult to meet. It is difficult to put into words the emotional trauma.”

**Discriminatory treatment of borrowers.** From Dennis Kucera of Bellwood, Nebraska:

“My father had done business with the First National Bank of Schuyler, Nebraska for over 50 years, had an unblemished record with the bank, and had no money borrowed in 1984. That he had \$100,000 more or less in assets made no difference. We needed operating capital to make our farming operation as viable as possible. At least two attempts to borrow capital were futile.

“It has been brought to my attention on two occasions that three farmers banking with First National of Schuyler were liquidated to some degree while at about the same time frame—mid-1980s. Century Farms of Colfax County, Nebraska, had an \$800,000 write-off by First National Bank of Schuyler, Nebraska. It may be of interest to note that a senior member of Century Farms served as a director for First National Bank of Schuyler.

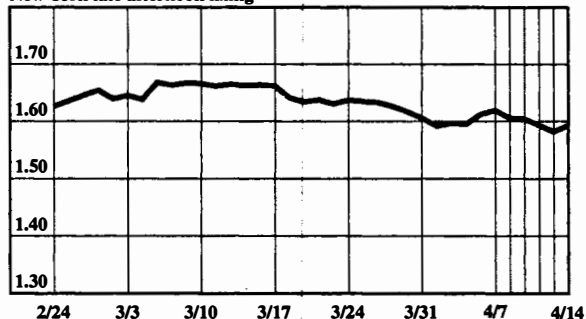
“My father again made an attempt to borrow \$3,260 to cover a March 1, 1985 land payment, our 18th of 21 payments, and was refused. My father had no choice but to file a Chapter 13 on April 2, 1985, a very humiliating and disheartening experience for him. I’m convinced the stress triggered his cancer, subsequently killing him in 1990.

“I feel very strongly that all banks should be investigated as to whether some farmers were sacrificed to cover write-offs for others.”

## Currency Rates

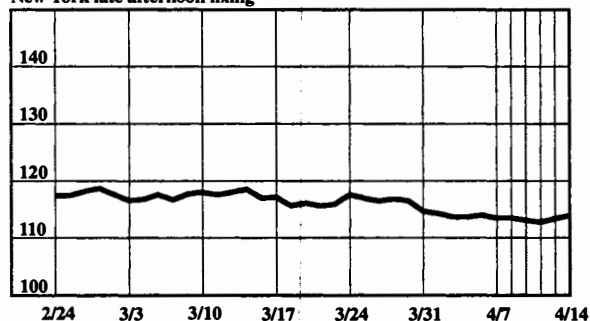
### The dollar in deutschemarks

New York late afternoon fixing



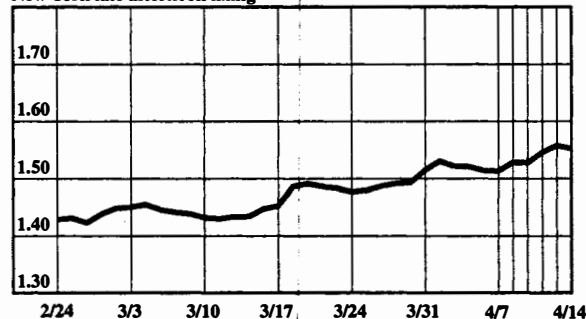
### The dollar in yen

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing

