

personal taxes, cost of their property taxes, cost of their state income taxes, and then discover which of the three or the four is the most burdensome. I would suggest that the cost of the money, the cost of borrowing money today, to own a home, to own a business, to operate a farm, to send your children to school, is one of the most burdensome costs that you bear. We rant and rave, we shout and holler, we gesture and we postulate and we exercise all sorts of rhetoric, and I have done it myself, I have learned how to do it, and I am as good as the average, when it comes to raising taxes, but we totally ignore, ladies and gentlemen, we totally ignore...

SPEAKER BARRETT: One minute.

SENATOR SCHMIT: ...many of the real costs, many of the real problems. The greatest deterrent to business activity in the State of Nebraska today is, what, from my opinion, high interest rates. If you don't believe it, just pick up your favorite newspaper and check the automobile ads, and what are they doing? They are subsidizing interest rates, 2.7 at one point they were as low, 3.9 is now still common, 6.7, 5 percent, 6, 7, 8 percent below the cost of borrowing money at the banks, 10 percent below the cost of a credit card financing. Again, remember, as I said earlier, it isn't just the interest rates. The merchant pays another 6 percent, and there is a little fee every month or every year on that card. All of these are here. I want to say this, if you go to the bank today to try to finance a business, and I am just having another business sell out in David City, several people would like to have bought it, but there is no way they can afford the kind of interest rates we are paying. I will be honest with you, this is my first attempt this year, it is not my last.

SPEAKER BARRETT: Time, Senator Schmit.

SENATOR SCHMIT: It is not the only effort I will make because I am going to attempt to try to bring some degree of sanity to interest rates. A very good friend of mine, Mr. Henry Klosterman, who owned and operated banks for many years in the early '80s told me, Loran, you ought to have an excess interest remission tax, and we ought not to be allowed to pay over 8 percent for CDs and we ought not to be allowed to charge over 10 percent on loans and force us to operate on the 2 percent. This was not a wild-eyed radical. He was a conservative Republican.