

April 26, 1979

LB 69

is an agriculture or rural oriented state and there probably are exceptions, like Senator Lewis' district and the Omaha district, and maybe they do need a change there, but in rural Nebraska I don't think that we do. And as the saying goes, as agriculture goes, so goes the State of Nebraska. In one letter that I received from a large metropolitan bank asking me to support this bill, he said that credit demands of agriculture substantially exceed available funds for loans. Well, I talked to some of the bankers in my area about this. I said, how is the money supply? Is it really this short? And they assured me that it wasn't. They said that they had plenty of money to loan to agriculture, to businessmen and manufacturers and individuals in our area. They said that if they didn't have enough money that they were assured that they could get it from their corresponding banks. I strongly believe that the 400 or 450 commercial banks that we have in Nebraska are doing an effective job in taking care of the banking requirements of our state, and with the banking structure as we now have it, decisions are made by local ownership or by local managers and these people know the needs of rural Nebraska. These people that participate in local affairs and are aware of our local problems and, of course, our opportunities. If we pass this bill, we would create multibanking companies, multibanking holding companies and what does this do? How would it effect our rural areas? Why I can tell you this, that if this happens, there would be a creation of control of financial resources, and in this case, funds would be shifted to areas where they could get higher interest rates. I believe that the shift would have an adverse impact on the many communities in our area and we who live in agricultural communities know that the interest rates are usually lower than in the city banks and I think Senator Kremer talked to that and I can assure you that this happens up in our area. Local bankers are usually leaders in the communities, and if they see an opportunity, if they see that something would help this community, they are more than willing to go along with it, and so I ask you here today to oppose the DeCamp amendments to LB 69 and to oppose the bill.

SPEAKER MARVEL: Senator Lamb.

SENATOR LAMB: Mr. President, members of the Legislature, I rise to oppose LB 69. As a farmer, I am an extensive user of credit in this state and I have been served well and my area has been served well by the present banking system in the state. The mail has been heavy on this issue and I would like to read just one paragraph from a letter from the United Chambers of Commerce, South Platte United