

March 11, 1980

LB 308

Koch amendment: (Read the Simon amendment to the Koch amendment as found on page 1118 of the Legislative Journal.)

SENATOR SIMON: Mr. President and members of the body, I have sat here this afternoon with tears in my eyes as I listen to the plight of the retail merchants. I would fully expect to be able to go out tonight to Brandeis or Sears or Penney's or some of the smaller places and find them shut down, because they just can't make a dime. You know, it is kind of interesting. I was chatting with Senator Koch and not only is business so good at the retail level but now many of them have a policy, Senator DeCamp, where they say, buy in February and we won't charge you until June or July, interest free, interest free, Senator DeCamp. So I don't see that the retail merchants are hurting so terribly. I do realize that it is a tight money market. I am cognizant of the fact that interest is certainly more than reasonable. Anybody that stands here on the floor of the Legislature and purports to tell this body that retailers are not in the business to make money, that they are not going to make money off of interest cards, either mistakes some of us for fools....I don't even know what the other alternative is. There is no question that credit cards are issued by department stores for two purposes...number one, to sell more merchandise and number two, to make money. If they didn't have credit cards, if credit cards didn't help them, then they could use Bank Americard or Visa, and when I discussed this alternative with somebody representing the merchants' association, I was told, well, you have to have that personal touch by having your own little Brandeis card, by having your own little Tully's card, by having your own little J.C. Penney's card. You feel much more concerned and much more closely aligned with going in that department store. I say, baloney, I have got a Visa and Mastercharge and I use them any place I can. That is not the issue. The fact is that those department stores do make money off of the interest and they encourage you to buy. They are encouraging you to buy everytime. Everytime, Senator Koch, that I get a bill from Brandeis or Penney's or one of the other twenty places that I owe, there is a little thing saying, buy these bed sheets...we have got a special on these bed sheets, or we have got a special on pillows or we have got a while sale or a black sale, or a green sale, and we are going to sell you this at a special price. They are always trying to get you to buy something. If I get my balance down to where I only owe thirty dollars, they will say, we