

March 11, 1980

LB 308

SENATOR SIMON: Mr. President and members of the body, it just came to my attention after I was thinking about it for a minute, a good example that I want to give to the members of the body. It may not make any difference, but we have been led to believe that unless we raise the interest rate substantially on credit that all the department stores are going to go out of business. Now let me give you a firsthand experience and one that I would be somewhat familiar with because it is Simon Meat Company. Simon Meat Company is not a department store, but we are in the business of selling a product. We do have to extend credit, and Senator DeCamp, I hope that you might understand how we somehow miraculously do this. Now we are required by law to pay our bills within seven days, cash within seven days, which I don't think is what Brandeis has to do, or Fenney's or Sears, etcetera, etcetera. We have to pay our bills within seven days, cash. Now we have cash accounts, we have weekly accounts and we have monthly accounts. At one time we attempted to charge them one and a half percent interest rates. They laughed at us. They said, you guys have got to be crazy, we ain't going to pay no interest...we will just pay what we owe you, if you are lucky. And that is the way we operate in the market place, Senator DeCamp. We do not charge any interest rates. Simon Meats has been in business for twenty-seven years. God willing we will be in business for twenty-seven more years. Now, how did we manage...how did we manage to stay in business without charging interest? It is amazing to me. Obviously we can't do it if these department stores can't operate on the interest that they are now. How can poor old Simon Meats possibly operate without charging any interest? Well, we must be cheating. We must be....maybe we are cheating on our taxes or something. We are ripping off the farmers, right. We are doing all these terrible things. The point is that somehow, somehow we are able to make ends meet. We are able to charge a fair price for our product and we are able to sell it all without the convenience of any sort of interest to the customer. I am not suggesting that Brandeis should start doing that, but when different senators get up on the floor and try to tell us that department stores do this merely as a convenience and are not making any money, I say that is hogwash. I think that one and a half percent is certainly reasonable, they are making a profit, and don't let anybody tell you otherwise.

SPEAKER MARVEL: The motion is the adoption of the Simon amendment to the Koch amendment. All those in favor vote aye, opposed no. We are voting on the Simon amendment to