

if you gave anybody in the state the right to have a certain interest rate, no matter what it was for apparently with the latest decisions, then the bank was entitled to that same privilege. So in the case of Nebraska, we allow the small loan industry to charge 24% on a very limited amount of money. First National said, look, you are allowing small loan companies in Nebraska to charge 24%, therefore, we are going to convert our credit cards over to 24% and make them retroactive.

SENATOR COPE: John, that is fine, thank you. I want a couple of minutes of my own. I think that is the problem. I think the bill or the amendment is a good amendment, the \$24, if, and the problem may be we can't do it, an 18% maximum. I think the people that use credit cards should pay for it and I think in the long run they are going to save money if you have a maximum of 18% but I certainly would be a little questioning about paying \$24 plus a possible 24% interest. The reason I support the amendment is simply this. When loan rates go down I am sure the rate on credit cards will follow, either in the price of the card each year or the interest rate. It will be highly competitive, the same as it was when credit cards started. I believe that that will follow. This is maximum, that is, unless we continue to have inflation. So, with a few more answers I certainly will support this amendment.

SPEAKER MARVEL: Senator Beutler.

SENATOR BEUTLER: Mr. Speaker, members of the Legislature, I just wanted to try to clarify a couple points. I had a couple of questions asked to me concerning aspects of this and I wanted to clarify a couple of things. First of all, with regard to raising the merchants' fee. It has been suggested that perhaps the merchants fee should be raised, but for myself, I would be opposed to doing that because it has the effect of essentially charging customers who pay cash for the credit card chargers. In other words, if the merchant raises his fee he raises the fee on all of the products in his store and he charges them the same whether you pay cash or whether you use your credit card. So raising the fee to him will cause him to raise the price of his product which will raise the price of the product to the cash customer as well as to the charge customer, so that in effect, the cash customer is picking up a part, of the charge. So I think it would be bad policy to suggest that that portion of the fee should be raised. Another question had to do with regard to whether there was any authority in the statutes presently to have a card charge under the law and the answer is that there is not. . Diner's card, some of these other cards that have charges for the card itself do so under the auspices of the law of