

May 13, 1981

LB 376

I spend a quite a bit of time in the car thinking to myself about this legislation, saying, "Johnson, what do you do this year? How do you handle it this year?" It was easier other years because we didn't have major federal changes and I have said to myself, "I have got to consider certain facts. The first fact, I have to make certain of is that entrepreneurial and on-going business credit be available. Banks have traditionally provided that function. Banks have traditionally been the source of our venture capital and traditionally have been the source of our business capital and I can't take any steps that undermine that condition" and I say, "It has got to be available locally and it has got to be available at a reasonable cost to the borrowers." We all know what is happening right now in the home loan industry with interest rates being where they are. It is causing that industry to wither and die on the vine and the question is, can the same occur in the business community by virtue of high cost of money. Then I ask myself, "Will the kind of banking legislation that we look at tend to draw your traditional saver into the banking institution, because we need to have people put their money across the counter for it to be saved because that money saved means money to invest in the future of our people and our state?" Then I ask myself, "I have got to support legislation", says I, "that will ensure widespread ownership of our financial institutions". In fact one of the things that has always been the most troubling to me about our bank structure is our bank structure has permitted chain banking so very wealthy individuals can own more than one bank, and the little person, the ordinary person, doesn't have a crack at it, and the best way for the ordinary person, frankly, to get a crack at the ownership of financial institutions is through shares in a corporation. So I say I want to make certain that our financial institutions that the wealth is fairly wide distributed, so that there is widespread ownership of the financial institutions. Those are some of the principal points that I have had in my own mind but I look over these compromise amendments and I say, "I don't see in these compromise amendments the answers to those questions". For example, 376 as initially drafted calls for two full service facilities in cities and villages.

PRESIDENT: Half a minute, Senator.

SENATOR V. JOHNSON: It goes in the committee amendment from two to three. The compromise takes it from three to four. But there has been no justification, frankly, for the two