

Nebraska law does permit chain banking at the present time. A chain bank of course is an individual or a group of individuals who own banks so long as they do not form a holding company. The concept of multibank holding company is not to buy the banks for cash as the individuals buy banks under a chain bank holding arrangement, but to simply transfer stock. It is the transfer of stock which makes the tremendous competitive advantage that the multibank holding companies have over the individuals, the chain banks or whatever. All the multibank holding companies do is simply transfer shares of stock and controlling shares of stock in the multibank holding company to the buyer or the seller rather than that sells his to the multibank holding company. The Internal Revenue Service pursuant to, I believe that it is Section 351, has suggested that it is not a taxable event. In other words, it is an exchange of little pieces of paper. It is considered to be tax free. The chain banks have to buy their banks with cash. You can understand the limitations of individuals buying banks after banks after banks, they are soon going to run out of money. The bank holding companies don't have that problem, and this is one of my concerns, that tremendous advantage that they will have. We may very well see the day when individuals will not be able to buy banks any more. The competition is too stiff, the stakes are too high. Of course multibank holding companies are corporations and they live in perpetuity. They don't end. Individuals go to the great hereafter. That stock must be disposed of in some way. I am also concerned because as this bill now stands, I firmly believe that this is the most liberal multibank holding company law, if it is passed, in the entire United States, the previous amendment spoke to it. Own up to 10% of the deposits of banks, savings and loans associations and building and loans. Now if my information is correct that represents about 16.4 billion dollars, if my mental arithmetic is correct that also represents about 1.64 billion dollars. Cogitate that for a moment. Isn't that a concentration of power. If this bill is advanced, today, we will have advanced a multibank bill further than any other bill like it has advanced in this legislature. We will have also advanced a bill which I believe now, as it stands, in its present form, is the most liberal in terms of conditions and parameters in the entire country. I think that it is a mistake. I think that it is a tragic mistake if this bill is advanced today. Why rush the bill with the ramifications that this bill has. Why pass it today? The Banking Committee has already asked for an interim study on the matter of bank holding companies. If we need it, let's do it.

SPEAKER MARVEL: You have 15 seconds.