

economic nationalists, or economic federalists? We become economic nationalists if we allow the federal government to set our policies with respect to interest, and that means we become economic nationalists if we decline to opt out of the federal system. We become economic federalists when we opt out of the federal system saying simply, we, in the State of Nebraska, are going to do with our interest rates what we think is just and appropriate for our consumer borrowers, for our agricultural borrowers, and for our business borrowers, and for our home borrowers. Now it strikes me that we need to be economic federalists. We need very simply to say as this state has traditionally said year in and year out that it is we in our state who will control as best we can the ultimate price that can be exacted for the lending of capital. So I would definitely recommend the retention of Section 10 of LB 623. Now when it comes to the rest of the sections, the ones that Senator Landis wishes to amend out of the committee amendment, those sections which say simply that whatever the rate of interest is for any kind of transaction occurring in this state, that rate of interest will be a rate of interest negotiated between the borrower and the lender. I am totally and absolutely sympathetic with permitting negotiated rates on those transactions where the level of sophistication between the borrower and the lender is essentially equal. And what kind of transactions are those? Those clearly are business transactions and they may well be some agricultural transactions. On the other hand, when I know that there are consumers, there are people who lack the sophistication in terms of being able to negotiate an appropriate rate of interest for their necessity of money, of capital, if you will, it seems to me that this state has an obligation to at least set some ceilings beyond which we will not permit our lenders to go. Given that policy of myself, I would recommend that we go ahead and adopt the Landis amendment. That then preserves for this state the policy of economic federalism, not nationalism. Secondly, I would think that we would then want to go and further amend the bill by saying, in some kinds of transactions there shall be usury ceilings, but for other transactions a negotiated rate shall apply.

SENATOR CLARK: You have one minute left.

SENATOR V. JOHNSON: Those transactions would be basic commercial and business transactions and some agricultural transactions that effectively are business transactions. But with respect to consumer transactions, I do