

Well, there is a mental disease called schizophrenia. It means having multiple personalities, and LB 623 in the green copy or the white copy is a schizophrenic bill, and my amendment is just simple mental health for LB 623. 623 right now says, the state will continue to exercise authority and we are going to exercise that authority by saying there are no interest rate maximums. You can't have it both ways. That really isn't a sensible policy. If the state wants the power to control interest rates, it should exercise that control. And LB 623 says, we will exercise that control and will do so by not exercising any control. The amendment to 623 says only one thing. It destroys that schizophrenic approach and says, we will continue with our present policy of regulating interest rates inside our borders. Let me respond to the argument that Senator Peterson raised as far as the cost of money. I acknowledge that he is right in lots of situations. I acknowledge that last year our interest rates were set at a rate that could not be...that could not justify a cost of money loan and that is why we were in the bad shape we were in. We raised our rates. We responded to it. The crisis is over. There are in LB 623 noncompetitive rates where the cost of money doesn't make a damn bit of difference, and let me give you an example for those who weren't listening the first time. In 1965 the prime rate was 6 percent. You could get a mortgage for 7 percent. You could buy on installment contracts at a low amount. Revolving credit went in at a statutory maximum of 18 percent and that is what was charged across this state. That is not a competitive rate. You don't see institutions saying, come to us, we will charge you 16 percent, or come to us, we will charge you 14 percent. You don't see that because there is no competition on revolving credit. There is no competition in the small loan industry for the most part. There is certainly no competition for credit unions. The cost of money is irrelevancy. The statutory maximum is what sets the rate there, and that is simply because the unlimited desire for money does not go checked by the hidden hand of Adam Smith's free market enterprise system, and the only hand that controls it is the state's hand of a statutory interest maximum.

SENATOR CLARK: You have one minute.

SENATOR LANDIS: I urge the body to accept this amendment. Now, let me also indicate I am willing to negotiate on those areas that we can all agree that the marketplace sets the rates. Perhaps their mortgages rates, perhaps their