ought to be able to compete with PCAs. It seems to me that
it would be a sad mistake for us to take that kind of
action on this legislative floor. For that reason I would
oppose the kill motion.

SENATOR CLARK: Senator Nichol.

SENATOR NICHOL: Mr. Chairman, members of the Legislature,
I don't usually get myself involved in banking bills but
I just want to say something briefly. It would be easy
here if we would just say to farmers and bankers, bankers,
you can only charge seven percent interest to farmers and
we would assume that they would do it. It is impossible.
Whatever the interest rate is and whatever the bank is
paying for its money, they have to charge a little more
than what they are paying or they can't keep their doors
open. I look back in the past when we would set limits
at nine percent, cry what we are doing to the consumer.
If we set the rate too lower, whatever it is, the bankers
cannot make loans or the lending institutions cannot make
loans. They have to make a profit. What that profit now
is variable. It varies from day to day as you well know.
I see nothing wrong with the bill and I oppose the kill
motion simply because we say you can't charge more than
a certain percent of interest doesn't make it so. The
bankers know what it is. The people borrowing money
know that it fluctuates. I think it is a good bill.

SENATOR CLARK: Senator Haberman.

SENATOR HABERMAN: Mr. President, members of the Legis-
lature, I arise to oppose the kill motion. A question of
Senator Burrows, please.

SENATOR CLARK: Senator Burrows.

SENATOR BURROWS: Certainly.

SENATOR HABERMAN: Did you make some reference to the Pro-
duction Credit Association or Federal Land Bank?

SENATOR BURROWS: Yes.

SENATOR HABERMAN: And what was your remarks?

SENATOR BURROWS: They are excluded and this situation leaves
an alternative financing situation between the bank with the
fixed interest rate and PCA with a variable rate. This
leaves a farmer a choice, and if you give them both the
variable rate, the farmer no longer, or the homeowner,
has a choice.