

March 3, 1982

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Nebraska. It will be a good law for the entire state and we ought to pass it and I definitely oppose the kill motion.

PRESIDENT: The Chair recognizes Senator Howard Peterson.

SENATOR H. PETERSON: Mr. Chairman and members of the Legislature, I think last year I stood on this floor and gave you many of the arguments in favor of multibank holding companies. I would say all of you should know if you don't know that the State of Illinois did pass a multibank bill last year, that it is working, and that all of the small banks have not disappeared in Illinois but it is a free choice situation and I would say the same thing won't happen in the State of Nebraska. We do need to recognize that there is competition across this state with savings and loans whether we like it or not. I think all of you know by now that Commercial Federal Savings, the largest saving and loan in the State of Nebraska, is in the process of becoming a stock company. Once they become a stock company I am just sure they are going to branch into many areas that they are not in now. They are in 41 towns in this state right now, and whether we like it or not, that competition is there. As Senator Schmit has said, Sears Roebuck is in many areas of this state and they have the wherewithal to do the things they want to do and they are going to be in competition. I am a little surprised at Bob Clark who wants to say we ought to raise the level for small loan companies and then oppose the proposition that will make funds available to this state. I just believe that everyone of us need to be concerned about having money available all over the State of Nebraska. We need to recognize that we are in tough times. I would predict there will be small banks in this Legislature next year just crying for us to pass this legislation because there will be banks who will be folding in this state. I don't know how many of you saw the Wall Street Journal yesterday. In the United States last year there were ten banks that failed. In the first two months of this year, there have been eight banks fail already and I think we need to recognize that is a fact of life. We are going to be facing this thing. The fed is really clamping down on agricultural loans. I can tell you that as a board member of a bank that the loan portfolio has been criticized in terms of farmers and I just want to tell you that if we don't make provisions we are going to be closing out a lot of farmers in this state. So I'd encourage this Legislature not to kill this bill but rather to advance it and pass it and make it possible for us to let banks in this state exist so that farmers can be served. It is vitally important to our whole economy.