

March 3, 1982

LB 626

SENATOR BARRETT: Thank you, Mr. President and members. I am delighted to know that the body followed my admonition to restrict debate. I was going to suggest to you that you take another look at the letter which was mailed by Mr. Bill Souba of David City, President of the Nebraska Independent Bankers Association, in which some very salient points were made. He suggested that Nebraska has been blessed with a unit banking system that has developed a strong correspondent banking relationship capable of serving all banking needs of individuals as well as corporations and I think this is an established fact. Our correspondent system is working well. He further suggested the legislation would cause a concentration of economic power in the large urban money centers and remove the control of credit from local areas. Most banking authorities I believe agree on this point. A number of surveys have been made. He suggested that there would be a reduction in farm lending activity. I think this has been established by most or by a majority of banking authorities including the Federal Reserve System. He cited several examples. A Congressional study also shows the same thing. Rather than to go into detail as I had planned, I would like to speak to his last point which is the fact that there is no demand by the consuming public or the majority of the banks in the state for any change on our present unit banking system. The only real demand seems to be by two or three large banks in the state for their own interests. I would suggest to you that there is not a consuming, burning interest on the part of people or banks for this type of legislation. I don't believe the public wants it. It was pretty well established in previous conversation that a majority of the banks don't want this type of legislation. I believe that 86% of them said that they didn't want it or were neutral on the position but I would specifically call your attention to the report which was passed out earlier this morning entitled Awareness and Attitudes, a special report by a Professional Research Consultant, Inc. Rather than go into any great deal of detail, I would ask you to turn your attention to page two, the main findings in which it was indicated that Nebraskans overwhelmingly oppose a law which would provide for the creation of multibank holding companies by a margin of nearly three and a half to one. The key finding in the statewide study of fifteen hundred random telephone interviews of adult Nebraska residents showed only one fourth of those sampled favored the multibank holding company concept, and after these same fifteen hundred people were given an explanation of the proposed legislation, only eighteen percent were in favor. Sixty-four percent said they wouldn't vote against such a law if given the opportunity to do so and eighteen percent said that they did not know how they would vote since they