

March 3, 1982

LB 626

SENATOR KAHLE: Mr. President and members, as Senator Barrett has said, we have had this bill ever since I have been in the Legislature. That is six years now and I think it was up before that. I have a lot of small towns in my district, nearly all of which have one or sometimes two banks. I really don't believe the community has had any trouble getting the money if they had the credit. I would like to talk a little bit about something that Senator Burrows mentioned. If you think the multibank holding company or the large banks are going to fish out all of the defunct farmers, I think you are going to have to think again. I don't believe that is going to happen. I think they are going to make them go broke faster. If those local banks cannot furnish the money or if FHA pulls in their horns or even the Federal Land Bank continues to raise their interest, we are going to have problems and this situation is not going to help that at all. In fact, the larger banks are going to care very little of what happens to that little old boy out there on that farm. The biggest problem we have, of course, for all of us is the interest rate. I don't believe we would help that any with this situation. I have often told my local bankers, I said while you guys were fighting with each other trying to figure out whether to have multibank holding companies or not, the S & Ls have moved into your community, took all the money, and sent it out of the state or sent it to the bigger cities. And now you have to go to the east to get your money at a higher rate of interest. I think we have been stupid in our small communities. We never kept our money at home and some of the best investments and the people that are the most frugal in their investments invest it at the local community level and it is sent away, the way the situation is now. I can't help that. I don't know whether multibank holding company will help it or not but again I repeat, if you think large banks are going to fish out those people that are in financial trouble with seventeen, eighteen percent interest, even if they had the money and would loan it would help anybody, I would like to know where it would be. So I agree with Senator Hefner, I think this is a poor time to rock the boat and I think we are already late in keeping our money at home and now our S & Ls are in big trouble and we don't know what to do about it. Now talk about Sears and Roebuck a little bit, I remember when Safeway came into these communities and we had a lot of fuss from the independent merchants because chain stores were coming in and they thought they were just some big monster that absolutely had all the money in the world and would just bowl over everybody and run them out of business. I don't know whether that happened or not. Some of the independent stores did survive but what happened? We found out the big giants aren't all that infallible. If you think the big