

March 29, 1969

LB 606

amendments to LB 606. All in favor vote aye, opposed nay. Record, please.

ASSISTANT CLERK: 26 ayes, 0 nays on the adoption of committee amendments, Mr. President.

SPEAKER BARRETT: The committee amendments are adopted. Anything further on the bill, Mr. Clerk?

ASSISTANT CLERK: Yes, Mr. President, Senator Landis had an amendment that appears on page 859 of the Journal.

SPEAKER BARRETT: Senator Landis.

SENATOR LANDIS: That's not an amendment to the committee amendment, is it, Mr. Clerk?

ASSISTANT CLERK: No.

SENATOR LANDIS: In that case, could I open on the bill itself and then take up the amendment after having explained the bill?

SPEAKER BARRETT: Certainly, proceed on the introduction of 606.

SENATOR LANDIS: Thank you, because there is a chance for confusion, I want to try to explain the rationale for the bill and you can understand what we're doing and then I can take up the committee...the other amendment. There is a growing trend in this country to reduce credit agreements to writing so that both parties know what their rights are and to know when the contract is created. This is consistent with a very old series of common law principles called the statute of frauds. The statute of frauds says certain kinds of contracts are very controversial and a lot is at stake, and to assist us in seeing to it that both parties know their interests they should be in writing. The four basic principles are the sale of goods that cost more than \$500, contracts that take longer than one year to carry out, interests in land, or promises to repay the debt of another. Those are the four elements of the statute of fraud. Now to each of those elements there are some exceptions. For example, if you're making, in the case of the sale of goods, a specially made good, that contract need not be in writing to enforceable. But there is, for the last several hundred years, this basic set of rules that's saying these kinds of agreements, these kinds of exchanges ought to be in writing. LB 606 says