

today. It is not easy for individuals to secure adequate financing in rural Nebraska. It requires huge amounts of capital, large amounts of collateral, and an almost super human amount of effort. A large part of that problem, of course, is not the bankers problem, it is a problem of the structure. We have undergone, in Nebraska agriculture in the last ten years, massive restructuring. We have seen price adjustments mostly downward. We have seen dramatic increases in cost. And I do not want to reopen the arguments of last week, but we have seen changes in the taxing structure which are also negative toward long-range financing of agriculture, and even short-term financing, all of those factors are in effect today cause...making it more difficult to finance agriculture. I have a high respect for many of those independent bankers. They are the type of banker that Senator Crosby described, who can still loan an individual or a business money on a note and a handshake and still do business. But today reality must be faced, and we would not have banks in many of our rural communities today were it not for the bank structure changes of the seventies and the eighties which led the way to what we have here today. And while it was probably nicer to do business with J.O. Peck and Paul Cush and Les Zuba face-to-face than it is to business with their successors who now represent the Omaha and Lincoln banks, nonetheless, it would have been most difficult for those establishments to continue to function in today's economy. So, today we have to, as Senator Crosby again said, live in the twenty-first century. There are going to be a lot of changes, some of them I don't like, many of them you do not like. But hopefully we will, in the long-run,...

PRESIDENT MOUL: One minute.

SENATOR SCHMIT: ...provide a better banking system for the state. I am concerned, as are others of you, about a report such as the one handed out by Senator Wehrbein, which indicated that capital can be drained from local communities and local states, which is even more serious. I do not know if the report is accurate or not. The recent experience at the House of Representatives had with running a bank probably challenges their credibility just a trifle. And I would suggest that maybe once they get that straightened around I would be more inclined to respect their reports. But I do want to say this, that as Senator Crosby has also said, notwithstanding all of the agreements, those agreements have a tendency to fall apart. And I would hope that some day we will be able to have a statewide