

February 2, 1976

PRESIDENT: Senator Lewis, Senator R. Lewis, would you want to try that on unanimous consent first.

SENATOR R. LEWIS: Mr. President, I would. I would like to ask unanimous consent or, better than that, if ... I might not have objections if I could direct some questions to Senator Schmit, as Chairman of the Ag. Committee. Senator Schmit, would you.... Mr. President, would it be permissible at this time for me....

PRESIDENT: Well the only thing before us is the motion to bracket, Senator. Now if you'd let Senator Dworak move to advance then you could discuss any aspect of it.

SENATOR R. LEWIS: OK, I'll yield to Senator Dworak.

PRESIDENT: Alright. Senator Dworak, will you please move to advance LB 544, Senator Dworak.

SENATOR DWORAK: Mr. President, I move the advancement of LB 544 to E & R for engrossment.

PRESIDENT: The Chair now recognizes Senator Lewis.

SENATOR R. LEWIS: Mr. President, members of the Legislature. If he would yield I would like to direct some questions to Senator Schmit. I have some ... maybe not misgivings about this bill, but there are some areas that I don't quite understand. Do you yield, Senator Schmit?

SENATOR SCHMIT: I yield, Mr. President.

SENATOR R. LEWIS: What, basically, is this particular piece of legislation going to do that the present statutory authority provides for?

SENATOR SCHMIT: Well, Senator Lewis, you've asked a good question. I explained it, I thought, to a certain extent several days ago. In 1969 this Legislature passed a livestock protective act. We felt that it provided the necessary authority to the Department of Agriculture to implement whatever was necessary in the area of bonding requirements, or financial responsibility requirements, for packers doing business directly with farmers. As you know, events in early 1975 seemed to indicate, by virtue of the fact that American Beef Packers went into bankruptcy cost the farmers and feeders in this state some \$21 million. So the Committee on Agriculture and Environment introduced LB 544 which provided for, what we felt, were stringent bonding requirements. Subsequent to that time, and under the 1969 act ... the provisions of the 1969 act, the Department of Agriculture adopted rules and regulations that were essentially those which were embodied in LB 544, but they did provide for additional safeguards. The question then, of course, that came to the minds of some individuals was as to whether or not the Department had the authority, under the '69 act, to adopt rules and regulations which would provide sufficient protection for the livestock seller. The question, of course, comes to mind secondly if they had this authority in 1975 why wasn't it used prior to that time.