

April 2, 1984

LB 1064

SENATOR CHRONISTER: Mr. Speaker and members, to those of you who have had fears struck in your heart by Senator Vickers, let me assure you that this amendment has been worked over by the stockgrowers and also by the Executive Director of the Nebraska Cattle Feeders, is that not right, Senator Lamb? Okay, now, nobody is trying to nail any cattle feeder to the wall, and when we come up to the example that Senator Beutler mentioned about a second banker entering the picture after the feed dealer has supplied feed and had a lien, why shouldn't that feed dealer come ahead? He has, in essence, lent money to the feeder also so shouldn't he be accommodated before the banker would come in a second time and look over the situation? Now we have a feeder that is going to feed cattle, and if he is on such shaky ground or it doesn't look good enough that he can feed the cattle and pay for the feed, then he really shouldn't be feeding those cattle. This is purely a protection for the man who is supplying feed and I see nothing wrong with that. Thank you.

SPEAKER NICHOL: Senator Beutler.

SENATOR BEUTLER: Mr. speaker, members of the Legislature, I was going to question Senator Lamb a little further as to whether the banking example was correct but Senator Chronister has apparently indicated that it is a correct example. I guess the only comment or the only thing to think about in that regard is what effect if any that kind of a set up would have on the ability of either a rancher or a feeder to borrow additional money. If you have one bank's first lien and then a second lien for feed, do you create a situation where the second bank may not lend further because of the prior lien, and if you are preventing the rancher or the feeder from obtaining money which is the basis for keeping his operation alive, that may not be good policy. On the other hand I suppose there is the possibility of taking the feed store owner into the negotiation for additional money and maybe that is the way it should be done. But, generally speaking, the policy of the law has been to favor the banker but not because he is the banker but because the consumer needs the money and anything that