

reinstate some kind of reasonable usury limitation in the hope that it will call attention at the national level to the problem which is facing us. Now since I had a bill of this nature a year ago, which was, frankly, killed similarly by the Banking Committee, a number of banks have gone broke in Nebraska, a number of PCAs have become insolvent. The entire farm credit system is in disarray and promises further disruption. I don't know what can really be done and I recognize better than anyone here the futility of Nebraska as an island in itself enacting a 9 percent usury limitation, but I would suggest that it would be much more advisable and much simpler for the federal government to subsidize the banks of this state than it would be to subsidize all of the borrowers. Only this morning I was told the way to handle this is for a federal subsidy. I believe sincerely that if Mr. Volcker were to want to do so, that he could roll back the cost of money and it would be the greatest single reduction of the federal debt and the federal deficit that he could achieve. The cost of money today has a \$200 billion interest figure on the national debt. If there was a determined effort made by the federal government to roll those costs back, they could achieve a \$100 billion deficit saving almost instantaneously. Now they say that can't happen for a variety of reasons. They say that it won't work, Schmit, your idea is crazy. Well, I will tell you something else that won't work, a continuation of 14, 15 and 16 percent interest rates. The banks that have closed are not going to be the last. It does absolutely no good for a bank to charge 14 and 15 percent if the customer eventually goes broke and the bank has to write it off and in so doing causes the demise of the bank. I know there are people today who say, well, Schmit is on his annual tirade against the bankers. Before Senator DeCamp was Chairman of Banking, before Senator DeCamp carried Banking bills, I carried them. I might say I carried them, John, with as much enthusiasm and alacrity as you did and most of them we passed. I helped to take the usury limit off. Now I am asking you to realistically take a look at reinstating some kind of usury limitation because if we do not do so, if we do not do so, it is inevitable that we will see a collapse of the entire economic structure here in the Middle West and eventually from coast to coast. And this week many of us are going to travel to Washington. We are going to meet with various high government officials. We are going to go back there with our hat in our hand and I suppose with bowed head...