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freeze, or something like that, if they are able to do?

SENATOR GOODRICH: No Senator Nore, as you will recall in my earlier statement, I said this is on a negotiated rate, but negotiated between the school district and the bank, consequently when they negotiate the rate they are not going to give anybody a casserole or a deep freeze or anything else, they are going to give the interest rate only.

SENATOR NORE: Now another question, just for information, can they invest in any bank in the state or the United States?

SENATOR GOODRICH: Any bank, did you say?

SENATOR NORE: Yes.

SENATOR GOODRICH: Yes, if it is approved by, as a depository by the county board or the school district.

SENATOR NORE: For instance probably in Arizona or Nevada you might have a bank that has their assets watered down in blue sky resorts etc., and they pay I think there are some areas where you can probably get by manipulation, you could probably get 12½%, I have a neighbor offer me securities in Arizona for 15% and he is getting a commission out of it, and I'm just wondering, I think probably I say again I think we had better leave good enough alone as it is, what's wrong with the banks making a little profit, we live in a profit system, who pays our taxes, the folks who make profit.

SENATOR GOODRICH: Senator Nore in response to your, I don't know whether that the question or what it is, but any way the response, the political realities of life will dictate that this money be deposited locally, in local banks, and I assure you that any bank, I don't care who they are, you can name any bank in the state of Nebraska, is not going to negotiate a rate on a certificate of deposit that is higher than what they can make a profit off of. They are going to turn around and even after they have negotiated the rate of 5½, 6, 6½, 7, they can go up to 10% if they want to, whatever rate they negotiate though, there still going to have room enough to make a profit on the lending of that money while they've got it in their possession, so the banks are going to make money on it.

SPEAKER: The Chair takes pleasure in recognizing Senator Murphy.

SENATOR MURPHY: I'm not sure I know how to make this thing work.

SPEAKER: You're on.

SENATOR MURPHY: You'll probably all be sorry I found out. Senator Goodrich, as I read that bill, there is nothing in this offer of securities to banks at a beneficial rate to keep the school board from the city of Grand Island transferring those funds to a bank in Omaha, for a fraction of a percent advantage and depriving the community of Grand Island, from the use of tax generated funds that would accrue to the overall business atmosphere of that community.

SENATOR GOODRICH: There is, do you want me to respond to that, I presume.

SENATOR MURPHY: If you would.

SENATOR GOODRICH: There is a provision that covers this, and that is that the depository that is approved by your local school board in Grand Island, if they want to approve a bank in Omaha, fine, but if they don't approve a bank in Omaha, that's your local