

May 1, 1973

SENATOR MURPHY: Just a moment. I wanted to get the right hat on because those plumbers are out after those bankers. The fact of the matter is, and I am sorry to rise to oppose Senator Schmit. I asked him personally to withdraw this bill because there has been taken this year on the Nebraska Bankers Association a poll, do they or do they not want this type of a bill. The vote among the bankers was that they did not. I think we should consider this particular phase. When the bill came before the committee, it is proposed, as Senator Schmit says, to serve the customer. Now serving the customer to me loses its significance, I mentioned it at the time of the hearing, when they are proposing that an established bank of some size such as Omaha National, a small \$400 million bank, is asked to be put in a position to drop a teller facility in along size of the Governor's most recent ribbon cutting ceremony in north Omaha and to establish there with the tremendous financial strength they have within one block competition for a newly-opened bank, a bank you might say a weak bank if you please. Take this further down into the cities that are anxious to expand. Grand Island, Norfolk, Fremont, this puts these people in a very fine position to increase the size of their bank at the expense of the community. If these banks are allowed to garner all their receipts, you will have no additional banks. Now maybe some of you like a one-bank town, I don't think so if you stop to consider it, this is a means to that end. Now I visited with the vice president who will be the president of the Independent Bankers Association this year, and he has promised me that he will put all the time necessary into working out a compromise that the Independent Bankers feel they can live with without being taken over by the larger banks. Now Senator Schmit says this is in no way a branch banking law. I would ask the clerk to read the first two words in the title of this bill.

CLERK: A bill for an act to amend... Which two words?

SENATOR MURPHY: A bill relating to branch banks I believe are the first two words of the title. Now whether it is in all honesty that intent, I don't know, but the fact that every small bank in my district and many outside wrote to me asking that this first step to branch banking not be allowed, I don't know. The handling of the bill was an education. Senator Frank Lewis commented that he was a freshman and when Senator Duis said he was a freshman 20 years ago, I figured if Frank went back that far he'd be in here on his tricycle, but being a freshman I had an experience with this bill. It came up in committee and having some experience with banking and feeling that I might be exerting an undue influence, I passed on the first two votes in committee on this bill, the first vote to postpone I passed, the second vote to advance I passed. When this bill stopped in committee, the real advocates suddenly came out of the woodwork. If you will look at the proponents who appeared for the bill, you find not one bank in Omaha listed. The banks are all fine upstanding country banks but when that bill stalled, who suddenly came down lobbying? A former Senator from Omaha who is an unregistered lobbyist by the way, the merchants of Omaha, I had a letter from a Rolls Royce dealer, and on \$400 a month you don't buy a Rolls Royce. However, he had been told dutifully by his banker to write to me and tell me that he thought the banks should be bigger and stronger. I would remind you in 1968 when money got very tight and the principal of correspondent banking in this state came to a screeching halt that the larger banks in Omaha who were advocating this expansion shut down on the country people just like a steel trap. I think we have something truly to be concerned about. I think the bankers should be allowed to work this out amongst themselves and that certainly the predominant number, the prevailing vote among the bankers in the State should be recognized. Now we are back and forth, in and out, with amendments that we don't really understand and I think we should be aware of our lack of full understanding of this