

May 4, 1973

SENATOR CARPENTER: --in this and many other cases.

SENATOR MURPHY: I would say the convenience and necessity interpreted much more closely, is that the Banking Department and they have some considerable years of experience in this sort of thing, is obliged to decide as they did at Eagle, Nebraska recently, among three applicants for a bank. One of the things that they have to decide on is not only personnel but whether or not that bank has a possibility of surviving in such a community. Now we are, in granting bank charters, dealing with the money that belongs to the public. If a bank fails, the public has been severely injured, handicapped and otherwise damaged. I don't think that this move should be made. The only people who would go into town not now holding bank charters would be people who could afford to operate such an institution at a loss. I think possibly this is what the Senator has in mind. That there are those who could sustain a loss over a period of years to establish a branch bank in the manner in which it is now happening. I think we are wandering very far afield from the intent of this bill and I would oppose the Carpenter amendment.

SENATOR CARPENTER: Well, I don't know why the Senator is always bringing in branch banks. I could read no branch banks in here and certainly the State Banking Department has the right to test the capitalization of any bank to the extent that they probably want to in order to protect those things which they have the responsibility to oversee. If I have some money, for example, or you and I go together to start a bank and I'd like to have you in with me if I did that, and we're willing to do that, of course, most of these banks, not all of them, are insured by the Federal Government and obviously over a period of time that's almost necessary. How can they lost anything? And I just don't see why anyone would object to this thing because we're not waiving anything, we're not waiving anything in the issuing of a bank charter except the use of convenience and necessity in order to preclude the issuing of a bank charter. In Eagle, Nebraska, which I know nothing about, if they could comply and they have the capital and the citizens in that area want to have a bank, why shouldn't they get it. If they went broke or lost their own money and that's about all the money they're going to lose of their money, the State Banking Department has inspectors and they have auditors, they go regularly at any time they want to, I presume they keep their finger on the financial condition of every bank in this State and if they have the authority to do it, how can they go broke? This is strictly an element of prior domain, paying the status quo and keep the banking in the family so to speak, to keep everybody out of it except those who have herit--inherited the right generally in order to operate banks and I can understand Senator Murphy's position. If I was in a like position, I'd take the same position--but I'm not. This only does one thing. It says every, every -- in this State is entitled to one bank charter if they can comply with all the requirements the State Banking Laws as they now or will exist. I see nothing wrong with it.

PRESIDENT: Senator Carstens, did you wish to--

SENATOR CARPENTER: Let me say one further thing--

PRESIDENT: Go ahead, Senator Carpenter.

SENATOR CARPENTER: --I'll guarantee you one thing, that as long as I live personally, I'll guarantee, on my word, I'll never ask for a bank charter either in my name or the name