

May 17, 1973

(Start of Belt #2)

service to customers, and that is what we should be concerned with. All of us in here are businessmen, farmers, teachers, lawyers, professional people, all of us know that in our industry, our success depends on the amount of service we provide to customers. If we do not provide services to customers, eventually someone comes in and fills that need. That has happened in the banking profession, because in some areas, banks have refused and have absolutely not taken care of the credit needs of their communities. Other credit institutions have come into use and come into place and therefore, the banks have in some cases, lost some of their financial power. I would not, I would not hope that we would, with the relegate banks to second class degree of business. I would hope that we would accept the idea that is embodied in LB 312 and pass it over the Governors veto, with all due respect for his consideration and his objections and let it become law. In his final paragraph, he states that there has been intensive lobby pressure on the bill, both pro and con. I would suggest that perhaps the most lobby pressure that was exerted, was exerted against the Governor, because he certainly is in a position of making the decision which determines the direction in which banking shall go in Nebraska for the next several years. If this veto is allowed to stand, we will set back the banking industry and the progress in the banking industry another 10 years. This objection has been offered and offered repeatedly, that by next, by next January, the bankers will get together and come into this legislature, with a compromise bill. I suggest to this body, and I think you will agree with me, that there was never any hint of compromise by the opponents of this bill until the bill reached the Governor's office. I would suggest also, that if the individuals who are sincerely interested in compromise, had wanted to compromise, the issue would have been resolved long ago. This is a legislative matter. It should be decided by the legislature. The responsibility rests with us. The final responsibility for determination of whether or not a facility will ever be built, rests with the department of banking. We can not under no circumstances charter a new institution or allow a new facility to be built. All we can do is to pass the necessary laws, which will allow those facilities if the department of banking determines that there is a need. So with that statement, I would like to reserve the right to close. I will answer any question you might have but again I would urge you to support me, and over ride the Governor's veto of LB 312.

PRESIDENT: Chair recognizes Senator Fred Carstens, then Senator Chambers.

SENATOR CARSTENS: Mr. President, members of the legislature, I want to support this move to over ride this veto. I believe the veto was wholly unjustified in the light of what has taken place in the last few weeks. Most of you have read about the trials and a, tribulations of the Elm Creek Bank. Its closing and the obtaining of a national bank charter within 2 days by a group from Omaha and I want to call to your attention that this puts the light to the story that this is a struggle between the little banks or the independent banks and the big banks. The First National Bank in Omaha, has been the prime champion of the opposition to this extended teller bill and it is this same group, now added the Elm Creek Bank to its list of trophies. It did it in the midst of the consideration of LB 312, by the legislature. It was in almost arrogant defiance of everything we were trying to do here to show us, that the small banks can be put out of business at the slightest pretext and if they are as the Elmwood State Bank was closed, the First National of Omaha, group already stood by with money, with an approved charter, National bank