

April 11, 1979

LB 123

CLERK: Mr. President, LB 123 was introduced by Senator Elroy Hefner of the 19th. (Read title to LB 123.) The bill was read on January 9 of this year. It was referred to the Banking, Commerce and Insurance Committee. The bill was advanced to General File. There are committee amendments pending by Senator DeCamp's Banking Committee.

SPEAKER MARVEL: Senator Hefner.

SENATOR HEFNER: Mr. President, I move for the adoption of the committee amendments and with the adoption of these amendments it becomes the bill and what it does, it rephrases section 1 of this bill. It adds the language to prohibit direct or indirect foreign ownership or acquisition of Nebraska bank stock. Also added is the language which would allow an estate or trust domiciled in the United States in which the beneficiaries are United States citizens to own or acquire Nebraska bank stock. Very simply, what this amendment does or this bill, is to prevent foreign ownership of bank stock here in Nebraska directly or indirectly and according to the research that I have done on this, there isn't too much of a problem yet in the United States but I believe that an ounce of prevention is worth a pound of cure. What better way would it be for aliens or say like the Far East countries or the Arabs to indirectly take over some of our farmers and some of our businessmen or in order to do this, by buying controlling interest in a Nebraska bank and then foreclosing. I am sure with the cheap dollars in their hands that they will be looking for something to buy. I believe that the Nebraska banks have been doing a good job and they are sensitive to the needs of the citizens in the State of Nebraska. Nebraskans are much better qualified to assess their community needs. Foreign interest would tend to siphon money from the Nebraska economy. I believe that we cannot afford to tamper, meddle with a system that is working in a top and efficient manner such as a banking industry is today. What this says is that any foreigner or corporation not registered in Nebraska who already own bank stock would have to sell it by 1983. My greatest fear is that foreign investors who want to own American farmland or Nebraska farmland could buy a bank and then foreclose on loans to the farmers. This bill would protect our farmland and our bankers or our banking industry from the backdoor approach. This bill and this amendment has been supported by the Nebraska Banking Association. I urge for the adoption of this amendment.

SPEAKER MARVEL: Senator Rumery.