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LB 390

SENATOR DeCAMP: Multi-bank I think as we will demonstrate, would offer a better structural system for banking in the state.

SENATOR NICHOL: Thank you, Senator DeCamp.

PRESIDENT: The Chair recognizes Senator Wesely.

SENATOR WESELY: Thank you, Mr. Speaker, members of the Legislature, I wasn't going to speak on this bill and I am only going to take one minute to say this. I had intended to support the increase in the usury rate because I think as Senator Cope and Senator Murphy pointed out, that we have a problem that this bill addresses and that it probably is a good step to take in terms of our financial status and health in the State of Nebraska but Senator Schmit was right on target when he started to talk about the problem that we have here on the floor when somebody gets up and uses an argument that, oh, we need this increase in usury rate but we don't need it right away. It will happen sometime and we can't predict that it is going to probably come up and we are going to be ready for it and then, bingo, we add an emergency clause and I just think that is...I'm not going to take it. I am not that gullible to sit here and approve an emergency clause when the argument has been all along that we don't really need it but maybe we will and we want to be ready for it. So I am not going to support the bill now. I am going to oppose it down the line, not because I don't think we need an increase in usury rate but I am not going to stand here and take that sort of double talk. Thank you very much.

PRESIDENT: The Chair recognizes Senator Johnson.

SENATOR JOHNSON: Mr. President and members of the Legislature, one of the remarks that Senator Burrows made with respect to one of his amendments really came home to me when he said that he was confident that this body would always increase a usury rate if it felt that the supply of credit was about to be cut off by virtue of rising interest rate. Now in my opinion there is one real value in keeping usury rates down and particularly so in an inflationary period and that value simply is to cut off the supply of credit. If the supply of credit is cut off in a given industry, that will tend to decelerate the inflationary process that we are presently going through and it is for that reason I have been particularly troubled about