

April 26, 1979

LB 69

PRESIDENT: Motion carried. The committee amendments are adopted. Now we will go to the bill. Senator DeCamp.

SENATOR DeCAMP: This is the multibank holding bill. This legislation or variations of it have been before the Legislature before and as everybody knows there is more than passing interest in the legislation from the various members of the banking profession. The bill represents a major structure change in banking. At the present time individuals can go and buy banks and we have in this state the chain banking system. So I as an individual, let's say I am a Mr. Dinsdale or a Mr. Lauritzen or whoever. I go out and I buy a bank, a million, two million, three million dollars, whatever it costs, and I buy another one. Now I can't set up one company to own all these. I have just got to keep buying them as an individual. What about the situation where there is 10,000 individuals and they want to buy a bank or more than one bank. It is inconvenient and difficult for them to do this because we have a limitation on bank holding companies having more than one bank in it. This legislation would change that and it would say you could have a multibank holding company. In other words, this group now if they owned five or six banks could put them all under one holding company. What are the arguments against it? Sounds simple, inoffensive, innocuous. Some of the arguments against it are, well, really, it is a plot to allow one company or one banking or just a limited number of banks to go around and buy up all the banks and you may hear testimony here or information that this has occurred in other places. In fact, we have in this legislation an absolute limit. I think the limit is a maximum of 12%. So if you are talking about, let's say, a system like NBC or ONB or any of the banks, the 12% would be the maximum with all their groups, their banks in Hastings and Fremont and Grand Island, wherever, the maximum they could every reach. Now, what is the purpose of the bill then? The federal people have indicated that the real competition to the banking system and those bankers in the rotunda and in the back of the room and so on and so forth know who went to the Hawaii convention, for example, of American bankers that it was pointed out to you by every top official from the comptroller of the currency right down the line that your real problem, your real competition, real threat to banking today are the S & Ls that are spreading like mad. Nebraska is one of only five states that doesn't have some form of multibank holding company, branching, something like this. I offer the legislation because I believe it will help the public in Nebraska to have more banking services available. I think it will provide keen competition to the S & Ls. Remember

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