

April 26, 1979

LB 69

CLERK: Mr. President. Senator Lewis moves to amend: Read Lewis amendment offered on page 1677, Legislative Journal.

SENATOR LEWIS: Mr. President, Senator Johnson by his eloquent speech persuaded me that we need to worry about concentration of power in terms of financing. What I tried to say before, and maybe didn't say it clearly enough, that this bill is an industry fight and the fight goes somewhere along these lines, that most banks now are selling for, some have sold for more than this, but most of them are about twice book right now. The opponents of LB 69 say, well, this is an unfair advantage for a bank holding company because they will exchange stock in the holding company for the acquisition of banks. Now the proponents say that is a disadvantage to them because they are cash buying. What I am saying now is that the way to take this whole thing out and put it in the correct perspective is anybody that wants to put a bank anywhere, if he has the financial soundness of it, since we are all so much in favor of the free enterprise system, he can do that and that will certainly diversify the money. Now I don't know how anybody can argue with that. I have heard it said here a hundred times that they are doing a fine job in most of the banks and I think they are. Competition is the key to a fine job. Competition is probably the key to the interest rates so I think it would do this. First of all, it would be like the liquor license that we put limitations on now and you buy a lot of blue sky. This would eliminate the blue sky but do what the consumer is most interested in and the consumer is most interested in the fact that he is in a bank that has guaranteed his money soundness and so forth and certainly the Director ought to do it on that basis but this would eliminate the constant squabbles that go on on the basis of proving whether the bank is doing a good job or whether there is a need assessment or anything. If you have got two million dollars and you want to buy a bank in Bellevue and that is what it takes to capitalize it and guarantee it, you have got it. You have got it. This could be attractive for a lot of people and I think this would end the discussion and the argument on LB 69. Just move it across that way. I think that is an excellent amendment, Mr. President, and I would urge its adoption.

SENATOR NICHOL: There are no other lights on so I guess we are ready to vote on the Lewis amendment. All those in favor vote aye, opposed nay. Will the Clerk please read the Lewis amendment?