

March 5, 1980

LB 276

SENATOR MARVEL: Your motion at the moment is the advancement....

SENATOR DeCAMP: Advancement of the bill.

SPEAKER MARVEL: ....of the bill. So we are speaking to that motion.

SENATOR DeCAMP: Are there other speakers?

SPEAKER MARVEL: Senator Schmit.

SENATOR SCHMIT: Mr. President, members of the Legislature, I just want to repeat what I have said earlier. I think it is important...there is one thing that I did not touch upon in my original arguments, the fallacy of an arbitrary ceiling on interest rates, and that is that it could well become a floor...it can also become a floor. There are those financial institutions which will use it as a crutch, and I can cite you an example of an individual who said, we wouldn't know what to charge if there wasn't a usury rate. In other words, they do not want to compete in the marketplace, which is what the rest of us do. The ceiling does not...is not a ceiling, it is actually a floor. Now there are many fine financial institutions which do not use it that way, but there are some which are not so credible, and again I want to point out that those who are least able to protect themselves are usually the ones who are victimized in this manner. Two and a half, three months ago I said we were going to 20 to 25 percent inflation. Today we have a rate of inflation that exceeds that. I would suggest that if we adopt this 16 percent rate and the \$25,000 maximum that you will be back here before too long and trying to remove the entire limit. It is unfortunate but with the...given the present fiscal policies of the federal government, as long as you pour gasoline on the fire you are going to build pressure under the pressure cooker, and that is what we are doing now. Senator Decamp is trying to relieve the pressure just a bit and he will do it for a little while but eventually we will have to come back again unless the entire fiscal policy of the United States turns around.

SPEAKER MARVEL: The motion is the advancement of 276 to E & R for Review. All those in favor vote aye....

SENATOR DeCAMP: I want to close. I worked on it.

SPEAKER MARVEL: Okay. Go ahead. The Chair recognizes Senator DeCamp to close.

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