

I think quite frankly and I lay it on the line to you now, maybe before the end of the session we may be in here to change the sixteen to seventeen or eighteen or nineteen percent, I don't know, but you can't even get some of the financing for this spring farming season restocking of inventories done unless you at least pass this bill now. It has been expedited. I hope we will continue to expedite it. I hope we will put it into final passage Thursday and I have to believe the Governor, Charles Thone, of this state will sign it the moment it hits his desk. I have to believe that and that we can keep the flow of money available to Nebraskans. For the record, there is something between \$250,000,000 and \$400,000,000 flowed out of this state, flowed into funds that won't go into farming and agriculture and business just within the last couple of months because of the high interest rates elsewhere. Don't tally and delay and play any longer. I urge you to reject this amendment.

SPEAKER MARVEL: Senator Schmit.

SENATOR SCHMIT: Mr. President, members of the Legislature, I also join Senator DeCamp in asking that you reject the Newell amendment. He has given you a number of reasons why it should be rejected. I want to go back and refresh your memory just a bit. If you will recall that when we began to discuss the usury rate the prime rate in this area was 15.75%. At the present time it is 18% and there is every indication that it will reach 20%. It seems a little ridiculous for us to be talking about a usury rate of 16% on loans \$25,000 and under when the prime is already at 18% and it is ridiculous in fact, for us to talk about limiting certain financial institutions to 16% when others can charge 19%. I spent the weekend visiting with bankers and savings and loan people in my community. All of them have told me what Senator DeCamp has pointed out to you and that it is already happening. People are not foolish. They soon learn to shuffle funds from those areas, those institutions which can pay less to those which can pay more. Farmers, businessmen, professional people, everyone, homeowners, all of us who need funds are going to have to pay the going rate. I would like to see the usury rate removed entirely. I think it is an illusion. I think, in fact, it becomes a floor rather than a ceiling in some instances. I believe that it protects the inefficient and the lender who does not enter the money market aggressively but the bill as proposed is probably the best we can do. To follow the Newell amendment would be to place one more artificial limit, one more price control if you please, upon the money market system to the detriment of the very people Senator Newell is trying to help.