

It would mean in effect, that very few homes could be financed. Now I really don't know how you can afford to pay 16% to finance a \$50,000 home but that should be the individual responsibility of the borrower and the lender to make that decision rather than the responsibility of this legislative body. I would just like to point out also, Senator Newell always expresses concern for the wage earner, the downtrodden, the individual who doesn't have anything, the poor. I want to point out to Senator Newell that when the businessman cannot secure financing that he is going to lay people off. When the car dealer cannot sell automobiles he is going to lay people off. If the savings and loans cannot finance homes there will be people that will be laid off in the construction industry. Those people will have to find work elsewhere, hopefully. I really would like to believe that we may have reached some kind of a peak both with inflationary rates and with interest rates. There is some evidence that the supply of fuel has begun to be sufficient and that the price there may even drop off somewhat. If so, hopefully the interest rates and inflation rate will drop with it but in the meantime there is every indication that this economy in Nebraska will suffer irrevocable damage if we do not allow the system to function in the manner in which it must function. Now it is all very good for Senator Newell to appear to be the savior of the little guy because there are people who do not need to borrow money but there are people who need to borrow capital and when they have to borrow it they have to have the going rate and once you interrupt that flow of materials you find yourself in a very difficult position to restart it again. Once a recession deepens into a depression, again, Senator Newell, the people you are trying to protect will be the first to be hit and they will be hit the hardest. None of us like the high interest rates. All of us wish they were less. All of us will be criticized for having raised the usury rate. We have been criticized in the past by people who do not understand the necessity for it. There comes a time and I am the first to point it out, when high cost of money in itself can become inflationary and it is a very real problem but it is one that we cannot deal with at this level. The federal government has a responsibility in this area and we have a responsibility in ours.

SPEAKER MARVEL: You have thirty seconds.

SENATOR SCHMIT: I would hope that you would reject the Newell amendment, that we would get along with the business of the Legislature as we must and hopefully that at some point in time in the next few months the demand for money and the rate of inflation will decrease accordingly.