

March 10, 1980

LB 276

SENATOR KELLY: Yes, Mr. Speaker, I would use the Burrows amendment to make my few remarks. First of all, I heard some quotations from Scripture regarding interest and I would like, for the record and for those who would be interested, to look at just exactly what the Scriptures are and what those reference to interest in Leviticus is about and I would read from the new American Bible for the record, would be, Leviticus, 35 to 38, and tell what I think that says. "When one of your fellow countrymen is reduced to poverty and unable to hold out beside you, extend to him the privileges of an alien or a tenant so that he may continue to live with you. Do not exact interest from your countryman either in money or in kind but out of fear of God, let him live with you. You are to lend him neither money at interest nor food at a profit. I, the Lord, am your God who brought you out of the land of Egypt to give you the land to Canaan and to be your God." I read that as the basis for the charity system that the whole western hemisphere has in place including the State of Nebraska in A.D.C. and welfare and Medicaid and the whole business is that those who can not fend for themselves in the normal economic situation are to be excused from that situation and you are not to put them under slavery nor to exact interest from them, nor to have a markup on the food that you would give them, nor have them give you the food back. It is the basis of charity and is not a tenet of the economic system. Interest of itself is a natural product of the cost of money and the inflation rate and the total thereof will set the interest rate and the interest rate becomes the result of inflation and of itself not cause of inflation. The cause of inflation is the credit extended, not the rate at which it is extended. An example of interest rates, in 1934 in the State of Nebraska our financial institutions, namely banks, were not paying interest on savings accounts. They were charging rent to the customer to leave their money in the bank. The inflation rate being a deflation rate with the cost of money less the deflation. The cost of money was less than zero and it showed up because the banks were charging their customers to leave their monies there. We, in Nebraska, at this time are living in a panic age and I submit to you that when citizens of the State of Nebraska are willing to sleep on the sidewalk in the cold, below freezing temperatures to borrow money at ten and three quarters percent for a thirty year period, we are in unusual conditions. Ten and three quarters percent compounds to a double of the amount every six point six years. Wake up, Nebraska. This is serious and let's quit playing games with these interest bills and either take the usury off or pass a sensible usury ceiling that we can live with in this state and we must do it now and we should quit