

March 11, 1980

LB 308

you want to close on your amendment?

SENATOR KOCH: Thank you, Mr. Speaker. Very briefly. I am rather stunned by this body's action. Senator Simon offered an amendment which I thought was probably appropriate....21 percent on the first 500, 18 percent on that amount over 500. Don't tell me they can't do business under those conditions. When they actually encourage charge accounts, they actually notify you that you have a fund available to you to charge some more. This is done in a trade and we sit here and reject it and we say they are not making money. My good friend, Senator Powers, maintains that it costs them. I suggest they have inefficient charge account then and the department in charge of it. I don't care if they are rather small accounts. Senator Cope mentions if it's a million dollar account, it is much easier to handle than several hundred small ones. Certainly....but the point is that you can't tell me that they are not going to make money on 21 percent interest and 18 percent interest even in this day and age of the high interest rate. I would remind you that a credit is good business for any retailer....establishing credit. It is not a convenience. It is there because the business makes profit. They are in the marketplace to make profit and rightfully so. And contrary to what you say, having charge accounts and revolving funds is not a losing endeavor. If it is losing, then they are losing across the board and they are probably going to pursue bankruptcy because it is probably poor management and lack of customers, and particularly we are talking about large firms when we talk about the difficulty they have in getting money. I don't think that is quite accurate. They are corporations and they borrow money at the prime rate interest. That is what they borrow at and I know a little bit about how corporates borrow. We get the best interest rate on the market available as a corporation. That is different than an individual, and I think it is high time this body showed some empathy and sensitivity to certain numbers of people in our society. I'm trying to be fair to the business world as well, but I think we ought to be fair with those who are the consumers and those who purchase. And it is obvious that if Senator Simon's amendment didn't pass, then this amendment has little chance. But at least I made the effort. I ask for the adoption of the amendment.

SPEAKER MARVEL: The motion is the adoption of the Koch amendment to LB 308. All those in favor vote aye, opposed vote no. Have you all voted? Senator Simon, your light is

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