

In the contiguous states. The third thing the amendment does is it clarifies a small provision of this bill to indicate that in looking at whether or not an individual owns stock in a multibank holding company that you only look at the stock that that individual owns in a bank in the state or in a multibank holding company in the state and that is a fairly minor clarifying amendment. Now my own journey on the legislation is pretty much as follows. When I came down here in 1979 I was an opponent of multibank holding company legislation and I was an opponent primarily because I tended to decry a piece of legislation that I felt would ultimately lead to concentration of economic wealth and power. I continued my opposition in 1980 and I continued my opposition in 1981. But, during the course of this legislative session, I might, I became involved in what I would call the great awakening. Which as you may recall, was an expression used in the 1790's in our own country to describe a religious experience that a lot of folk were having. What happened to me was this: When I came down here in 1979, this body faced a series of bills that dealt with small loan lending limits, that dealt with credit card lending limits, that dealt with a variety of usury transactions. At that time it was relatively easy for us to set lending ceilings because at that time the rate of interest had not begun to raise astronomically. But, by 1982, if you may think back earlier in this legislative session it became impossible, it became impossible for us to fashion responsible usury legislation. One reason it became impossible for us to do it was because we could see what was happening to the market rates of interest. We could also see what had happened in the federal government. The federal government in effect taking over all state usury laws but allowing states to opt out if they wanted to do so. The economic times have surely changed dramatically from 1979 to 1982. What we now see happening in 1982 is a very high cost of money to borrowers, we also see happening in 1982 the tremendous rise over the last seven years of the money markets. The unregulated, the unregulated market for deposits. What is happening quite simply is that people with money, investors are conscientiously making decisions to put their money in the unregulated funds. So there has been a tremendous movement of capital away from the regulated institutions whether they be banks or savings or loans or what have you into the unregulated sector. Now that unregulated sector has the ability to turn around and take its money that it takes from our investors and put it back into a variety of loan production offices across the United States. So we really have by coming in by way of a back door a significant form of interstate banking. It struck me during the course of this legislative session, I was suddenly hit by this fact, that what we see occurring on the scene in the financial