

are having to compete with those foreign nations and large investors in the area of interest for the capital we need. I don't know whether this idea can work or not, but it seems to me that the State of Nebraska said, look, we're going to do something that's different. We're going to do something that's going to change the system that maybe it might be like that little resolution. When we started calling those other states and suggesting the idea to them they said, you know, that's not a bad idea. We think we will join you. At last count I think we got 16 of them. What would happen if Nebraska would do this and other states would pick up on it and do the same thing? I think that somebody has got to take the first step. I'm perfectly willing to take that first step. I urge the adoption of LB 614. Thank you, Mr. President.

PRESIDENT: The Clerk has an amendment on the desk.

ASSISTANT CLERK: Mr. President, Senator Harris would move to amend the bill.

PRESIDENT: What is the amendment.

ASSISTANT CLERK: (Read Harris amendment as found on page 671 of the Legislative Journal.)

PRESIDENT: Senator Harris.

SENATOR HARRIS: This amendment would simply, as they say, lower the rate from 9 percent to 7 percent. I want to clear up some misconceptions that I think are on the floor of this Legislature and are possibly in the State of Nebraska and are certainly in Washington and that is that there is no historical relationship between an inflation rate and the interest rate. There is an historical relationship. The rate of real return on a dollar investment should have some value but it should not have a 10 percent value. There is an historic 3-6-3 relationship in the banking industry. You borrow the money at 3 percent, you loan it out at 6 percent and you go home at three o'clock. Now those were the old days in the banking business. Obviously we don't have that privilege right now, but we can look to that historic relationship and say that the interest rate should not be in excess of 7 percent because inflation is running at around 4 percent and that's why I submit this amendment. Members of the Legislature, I would like for you to look at the land