

that I made. And that is why this bill bothers me. We are talking about banks, but by the same token we are talking about the morality of what is right and what is wrong. But some of the questions that I had, you mentioned something about the Kopf whatever, I presume would that be subsection 4 of Section 2 on page 2 where you define financial institutions?

SENATOR V. JOHNSON: Yes, I think you are correct, Senator Higgins. I believe you are right. I am not sure what you are (interruption).

SENATOR HIGGINS: I will read it. "Financial institution shall mean any bank, building and loan association, cooperative credit association, industrial loan and investment company, investment company, investment trust, mortgage bank, sales finance company, savings and loan association, trust company, and any other institution considered to be a financial institution under 12 U.S.C 548." As an attorney, under 12 U.S.C. 548, Senator Johnson, would that include Sears and Roebuck Company, the financial dealings that they have and would it include Citicorp?

SENATOR V. JOHNSON: Senator Higgins, yes, you are reading from the original green copy version and you are absolutely correct, that would have included Sears and Roebuck and Citicorp. The Kopf amendment is in the bill book. It is a Standing Committee Amendment and there the definition is "Financial institution shall mean any bank, building and loan association, cooperative credit association, industrial loan and investment company, savings and loan association, or trust company."

SENATOR HIGGINS: Okay. And one other question, what was that that you meant when you said they pay on their net income? Is that what you are saying now they pay?

SENATOR V. JOHNSON: Actually at this time we try for the banks to pay on net income, but our law has not been perfect. In fact it is pretty bad. So we are trying to resurrect the law. We are building on existing law to make certain that banks in effect are paying essentially on net income.

SENATOR HIGGINS: The same as you and I would after our