

SENATOR WEHRBEIN: In essence, is this a first step toward more statewide branching probably, would you say in time? I mean, maybe that's a leading question.

SENATOR SCHMIT: I think we took the first step in probably 1973. I didn't admit it at that time, but that was probably when we took the first small, tiny step and this really I believe, Senator Wehrbein, and I have discussed it many times with my local bankers and other individuals and there isn't any doubt, as has been indicated by Senator Landis, that because of the S & L legislation that we have, in effect, statewide branching today. It's just that we have denied certain financial institutions, some of them our strongest and some of them our most aggressive, the same ability to expand and to branch that we have allowed the S & Ls and I have a lot of faith in the S & Ls. But on a scale I would have to say that from the standpoint of agricultural people, we rely much more upon the banking structure for our credit needs than we do upon the S & Ls. And so since we have given the S & Ls virtual statewide branch banking privileges, it is, I think, fair that we give this limited amount of branching to the good financial institutions which we have discussed here today.

SENATOR WEHRBEIN: Okay, thank you. I guess I'm still skeptical and I may ask Senator Landis, I will ask Senator Landis in a minute. I hear about your observation of where this leads us into the future. I do understand the competition, the banks are failing and...or not failing, but banks are needing, they need to get into the field. I am skeptical that it best serves the agricultural, particularly the agriculture community in Nebraska in this same light. I understand that banks have to remain competitive, that they are counseling competition for expansion. My big concern is that bigness is not necessarily better. I am not convinced that big banks necessarily serve small communities better than small banks do and that is my increasing concern and I feel even stronger about that at this point than I did a year or two or three years ago as I visually observe and personally observe and closely watch what is going on around me. I'd like Senator Landis's comments about how you see this in terms of being another step towards statewide branch banking and if you have time and care to, observe as to how it may affect agricultural operations particularly modest sized agricultural operations. I will comment on another time on that distinction, but I'd like your viewpoint, Senator Landis.