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LB 454, 408, 628, 353,  
LR 216, 217, 218

SPEAKER MARVEL: Senator Carsten has closed, we will now vote on the advancement of the bill. All those in favor of advancing the bill vote aye, opposed vote no.

CLERK: 30 ayes, 6 nays on the motion to advance the bill Mr. President.

SPEAKER MARVEL: The bill is advanced. Clerk has some items on the desk before. . .and after that we will attempt to try to move some bills.

CLERK: Mr. President, Senator DeCamp would like to print amendments to LB 408 in the Journal. (See pages 571-572).

Mr. President, Senator Howard Peterson would like to print amendments to 628, Senator Fowler to 267 and Senator Nichol to 353. (See pages 572-74).

I have a report of registered lobbyists for January 29th through February 4th. That will be inserted in the Journal. (Page 574).

Committee on Government, Military and Veterans Affairs give notice of cancellation and resetting of public hearings.

Mr. President, I have three new resolutions, LR 216 offered by Senator Cullan, (Read LR 216). That will be laid over. LR 217 by Senator Koch, (Read LR 217). LR 218 by Senator Peterson and Senator Hefner (Read LR 218). That too will be laid over Mr. President.

SPEAKER MARVEL: Okay, I would like to give you a list of bills and then we will proceed to attempt to implement. 402, 525, 255, 255A, 435, 589, 115, 115A, 440, 314, 131, 287, 649, 571, 598, 646. Senator Beutler, your light is on.

SENATOR BEUTLER: Mr. Speaker, I think I would like to make a comment on this procedure. I don't know if others operate the same way I do but, when I come in each day I normally look at the ones on the top of the list first on the assumption that we will be dealing with those and in that manner I can prepare for the day. When we skip around like this and we go down to the bottom of a list it seems like I am often caught unprepared and the result of that, I think, is that I end up occasionally on Final Reading suggesting amendments to bills and I'm sure that others are doing this. I'm not sure in the long run, Mr. Speaker, whether there is anything

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SENATOR NICHOL: Okay, were you asking for a Call of the House?

SENATOR KOCH: No, just a record vote.

SENATOR NICHOL: Okay.

SENATOR KOCH: I was hoping to get 33 at least.

CLERK: (Read the record vote as found on page 609 of the Legislative Journal). 34 ayes, 0 nays, Mr. President, on adoption of the resolution.

SENATOR NICHOL: We will move on to LR 218.

CLERK: Mr. President, LR 218 offered by Senator Howard Peterson and Senator Hefner, found on page 577 of the Journal. (Read LR 218).

SENATOR NICHOL: Senator Haberman, are you going to speak to this motion? Senator Howard Peterson.

SENATOR H. PETERSON: Mr. Speaker and members of the Legislature, last week and I see on the agenda today and unfortunately we may not even get to it, is the question of what should happen on interest rates, and as Senator Don Wesely addressed that subject, I rose and said that we really needed to address the subject but that trying to do it by legislation in the manner that we were trying to do it here wouldn't do any good, and I mean exactly what I said. I believe it is important for us to understand the federal reserve system and most of us don't, and it is too lengthy a discussion to try to discuss it, all of you at this moment, because it is a very complicated system, except to say that we have established in this country an independent bank that runs the finances of this country, that we have people serving on that board appointed by the President of the United States, and that really the board or that bank runs the whole financial system of this country and for that matter pretty largely the financial system of the world. And I just think it is awfully important for us to understand that there is legislation before the Congress to do away with that system, to bring that system back under the Congress as it should be and that is the subject of the resolution is to bring the federal reserve, call it another name if you may want to but that probably is what would happen. We would have a bank established by the Congress of the United States rather than an independent bank as we now have it, and we would finally get some control on this

whole matter of interest and so forth. The second part of the resolution has to do with going back to the gold standard. I happen to be one that believes that our paper money isn't worth the paper it is written on, and in reality we don't have any money in this country any longer since we did away with the gold standard in the early part of the seventies, and I think it is time for us to come back to a gold standard or, if you please, a silver standard, or even as Martin Kahle said the other day, a corn standard. It doesn't make any difference to me what we put as the commodity on which we build the money but we need something to tie the money back to other than just a piece of paper and that is our problem as I see it at the present time. I don't intend for us to take much time on this resolution. I would hope that you might see fit to support it, but certainly if there is going to be any long debate like we had with Mr. Chambers a moment ago, I would just say let's pass it by. At the moment I would just ask your consideration of it and I would ask Senator Hefner to have his input at this time.

SENATOR NICHOL: Before we do that, Senator Hoagland has a very special guest and he is very proud of her. She is under the south balcony. I want you to pay close attention because she is Nebraska Junior Miss, Lisa Ann Walker, and she is from Central High School in Omaha, and she was chosen from 160 contestants from 13 regions in Nebraska, and in June she is going to be going down to the National Conference at Mobile, Alabama and I am sure we all wish her well. Welcome to the Legislature, Lisa. Senator Hefner, would you like to follow that?

SENATOR HEFNER: Yes, Mr. President, I would like to follow that. Mr. President and members of the body, now I would like to have you listen to me, Senator Haberman, or Haberperson. What this resolution does is call our attention to the Federal Reserve Board and I like to call it our fourth branch of government because they are powerful. I don't think that we have very much control over it. It is so powerful that Congress and the President of the United States doesn't have too much control over it. Sure the President can jawbone the board but it does very little good. The Federal Reserve Board keeps raising our interest rates and, of course, they blame it onto the Congress for not balancing the federal budget. And, of course, when we follow this policy, the rich get richer in the United States. But to those people, those people like businesses, farmers, industries that have to

borrow a lot of money are really taking it in the shins. Many of them are having a hard time surviving, and, personally, I think the way that we could control inflation would be to increase the down payment on those loans. Also, I think we could shorten the time that these customers would have to pay it in. And I think this would certainly help everybody concerned. What this resolution would do is point out some of these things and a copy would be sent to the President of the United States and also to the Nebraska delegation. And so this is why I would say, let's support this resolution.

SENATOR NICHOL: Senator Wesely. We will go over to Senator Chambers.....here he is. You are next, Senator Chambers. Excuse me, Senator Wesely, the Clerk says we have a couple amendments on it. Sorry.

CLERK: Mr. President, the first amendment I have is from Senator Hoagland. I believe copies have been distributed, Mr. President.

SENATOR HOAGLAND: Mr. President and Speaker, I have shown Senator Peterson a copy of this amendment and have distributed a copy to each of you along with an article that appeared in this Sunday's New York Times which came around about two hours ago. In that article, let me call it to your attention again, the headline indicates 1983 plan would make U.S. debt 1 trillion, 260 million dollars. 1983 plan would make U.S. debt 1 trillion, 260 billion dollars. Now what my amendment does is it essentially changes the Peterson-Hefner resolution to call on the President and Congress to work together to achieve a balanced budget by 1984. The Federal Reserve System as Senator Peterson and Hefner's resolution indicates has been in place since before 1920. We have had double digit inflation and we have had significant budget deficits only in the last 15 years beginning basically with the Nixon administration as far as the double digit inflation is concerned. Through many, many years of the existence of the Federal Reserve System we have had a very healthy economy. We have had an economy that survived World War I, an economy that survived World War II. We had years of unequalled prosperity in the 1950s. It was only the Vietnam War and the commitment we made there and difficulties in managing our economy in the 1970s and now the early 1980s that have led to these astronomical deficits and these very difficult economic times. Where now this year we are looking at a deficit in the coming federal fiscal year of approximately 100 billion dollars, we are looking at unemployment at 9 percent, and

interest rates at 18 percent. Now it seems to me it is pretty tough to make a cogent argument that this is all the fault and the responsibility of the Federal Reserve System and we should completely abolish that. If we want to talk about the nation's economy today on the floor of the Nebraska Legislature and it is not my practice to do that because we really cannot effect it significantly, but if that is the agenda for the discussion today, why don't we talk about what really matters, which is it is an enormous deficit we are facing at the federal level and the projected national debt of 1 trillion, 260 billion dollars that we are going to be facing about 12 months from now if the proposal from the Reagan administration is adopted by the Congress. Now again if we are going to spend time talking about national economic problems, let's talk about the real crux of the difficulties we have got right now, unemployment at 9 percent, interest rates at 18 percent and an enormous galloping federal deficit. And let's have this Legislature go on record for something that might make a difference, that is working together to achieve a balanced budget by 1984. That, to me, is an exceedingly important economic goal for this country. I would like this Legislature to go on record supporting that goal. It is something that is going to realistically address the economic problems of 1982, not a return to the gold standard, not an abolition of Federal Reserve System that has been in existence for over 75 years. So, colleagues, I would ask that you adopt this amendment. I have other reservations about the resolution that is before us which I will address at a subsequent time. Thank you.

SENATOR NICHOL: We are now on the Hoagland amendment. Senator Chambers, did you wish to speak to the Hoagland amendment? Senator DeCamp.

SENATOR DeCAMP: Mr. President, I would ask a couple of questions first. Does anybody have any objection to just referring the amendment and the resolution and everything to a committee for a hearing or whatever? Does anybody object? I would ask....if not, I would ask unanimous consent to refer the amendment, the resolution to a committee, like that.

SENATOR NICHOL: To the Executive Board.

SENATOR DeCAMP: Or to the Executive Board, wherever, yes. That would be fine.

SENATOR NICHOL: Is there any objection to referring

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this bill, this resolution to the Executive Board for referral for a hearing?

SENATOR DeCAMP: Don't wait too long.

SENATOR NICHOL: Okay, seeing none, that will be the action taken.

SENATOR DeCAMP: Good.

SENATOR NICHOL: We will move on to General File, LB 623. Senator DeCamp. We are on 623 to eliminate the maximum interest rate. Mr. Clerk.

CLERK: LB 623. We considered it yesterday, Mr. President. I believe we have pending an amendment offered by Senator Kilgarin.

SENATOR NICHOL: Senator Kilgarin.

SENATOR KILGARIN: Yes. I would ask unanimous consent to withdraw that amendment.

SENATOR NICHOL: Any objections? If not, it is withdrawn.

CLERK: Mr. President, in that event I have a motion to indefinitely postpone offered by Senator Landis. That would lay the bill over unless the introducer agrees to take it up at this time, Mr. President.

SENATOR NICHOL: Senator Landis.

SENATOR LANDIS: Mr. Speaker and members of the Legislature, some very intensive discussions have been going on with all interested parties since we last discussed LB 623, and my objections to the bill have been completely satisfied. You will find that in the event we get to talk about an amendment that Senator DeCamp will offer, that the bill will be narrowed tremendously, that portions of it will be sent back to the Banking Committee for a hearing, portions of it will be dropped and only the preemption theory, the exercising of state authority to control interest rates and a limited number of interest rates will be covered by that amendment. Therefore, I would move or ask to withdraw my kill motion to LB 623.

SENATOR NICHOL: Is there any objection to the withdrawal of the kill motion? If not, it is withdrawn.

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LB 264, 309, 347, 403, 418, 542  
563-66, 572, 579, 642, 659, 677  
703, 705, 718, 719, 722, 724,  
764, 774, 778, 779, 797, 852,  
879, 606, 32, 229, 490, 492

SPEAKER MARVEL PRESIDING

RABBI BISMAN: Prayer offered.

SPEAKER MARVEL: Item #2, roll call. Please record your presence. Record your presence. Pat, do you want to record.

CLERK: There is a quorum present, Mr. President.

SPEAKER MARVEL: Do you have anything under #3?

CLERK: Mr. President, I have several items. First of all I have a reference report referring LR 218 to the Banking Committee for public hearing.

Mr. President, a communication from the Governor addressed to the Clerk. (Read communication re: 264, 309, 347, 403, 418, 563, 564, 565, 566 and 572 as found on page 613 of the Legislative Journal.)

A second communication. (Read re. LB 542.) And a third, Mr. President, from the Governor addressed to the Clerk. (Read re. 32, 229, 490 and 492. See pages 613-614 of the Legislative Journal.)

Mr. President, your committee on Education whose chairman is Senator Koch reports LB 642 advanced to General File; LB 774 advanced to General File; LB 797 advanced to General File with amendments. Those are signed by Senator Koch.

Your committee on Public Works whose chairman is Senator Kremer offers a corrected statement to LB 852. (See pages 614-615 of the Legislative Journal.)

Mr. President, your committee on Government, Military and Veterans Affairs whose chairman is Senator Kahle reports LB 879 advance to General File with committee amendments attached. That is signed by Senator Kahle. (See page 615 of the Legislative Journal.)

Mr. President, your committee on Enrollment and Review respectfully reports we have carefully examined and reviewed LB 606 and recommend that same be placed on Select File; 579 Select File; 703 Select File with amendments; 705 Select File; 718 Select File; 719 Select File; 724 Select File; 677 Select File; 722 Select File with amendments; 659 Select File; 764 Select File with amendments and 778 Select File with amendments and 779 Select File with amendments, all signed by Senator Kilgarin as Chair. (See pages 615-616 of the Legislative Journal.)

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LB 300, 775, 776, 826,  
951, 952, 961, 126

SENATOR CLARK: A Call of the House has been requested. All those in favor of a Call vote aye, opposed vote nay. Record the vote.

CLERK: 13 ayes, 0 nays, Mr. President, to go under Call.

SENATOR CLARK: The House is under Call. All unauthorized personnel will leave the floor. All senators will be in their seats according to our rules and please check in. We have three excused. We are looking for sixteen. Will everyone that is sitting in their seats please check in. Senator Cope, would you please check in. Senator Schmit, Senator Newell, Senator Stoney. Senator Sieck, would you push your button, please. Senator Goodrich. We're going to look for Senator Stoney, Senator Schmit. We got to Schmit, now if we can get to Stoney. Senator Newell. We will tell you what we are going to vote on before we vote. Roll call vote, yes. Would all senators remain in their seats, please, so we can have a check. We will not start the roll call until all senators are in their seats. Senator Wagner, would you get in your seat, please. Can you find Senator Higgins? Do you want to start the roll call? The Clerk will call the roll. If we can keep it quiet so we can hear the response it will really help up here.

CLERK: (Read roll call vote as found on pages 621-622 of the Legislative Journal.) 26 ayes, 18 nays, Mr. President.

SENATOR CLARK: The motion passed. The amendment is passed. Do you have anything further on the bill? The Clerk would like to read some things in first.

CLERK: Mr. President, a special order announcement from the Speaker.

SENATOR CLARK: The Call is raised.

CLERK: Mr. President, Senator Fowler would like to print amendments to LB 218. Senator Fowler moves to place LB 300 on General File pursuant to Rule 3, Section 18(b). That will be laid over. (See page 622 of the Legislative Journal.)

Your committee on Banking, Commerce and Insurance advances 775 to General File; 776 to General File; 826 to General File; 951 to General File; 952 General File; 961 General File, all signed by Senator DeCamp as Chair.

Mr. President, the next amendment I have is from Senators Sieck, Lowell Johnson and Beutler.

SENATOR CLARK: Senator Sieck.