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Unlikely coalition, sensible compromise

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Just when we were about to give up on any degree of cooperation in government, our faith has been restored by a Democratic state treasurer, two Republican lawmakers and a group of bankers.

Who would have thought?

Yet newly elected State Treasurer Clint Zweifel of St. Louis County has worked patiently and cautiously with Republican Rep. Tim Flook of Liberty and Republican Sen. David Pearce of Warrensburg as well as the Missouri Bankers Association to reform Missouri's Linked Deposit Program and the interest rate the state collects on general time deposits in community banks.

That interest rate has been capped to match the U.S. Treasury yield, once a respectable number but more recently as low as 0.2 percent. The bankers philosophically agreed to raise the cap so the deposits can earn a competitive rate of return but wanted the change spread over five years so the community banks would have time to absorb the blow. Mr. Zweifel agreed.

The change would gain the state an additional \$10 million in revenue and potentially could nearly double the amount of deposits, currently at \$530 million.

It's the proverbial win-win as the taxpayers gain and the banks gain.

The same theory held for the bankers' support of the treasurer's proposal to increase the pool of applicants eligible to receive loans through Missouri's Linked Deposit Program, adding alternative energy projects and local governments.

There are far bigger issues facing Missouri lawmakers and the executive branch, revealing major divides between Republicans and Democrats and rural and urban Missourians. We don't pretend this change in the deposit process is an omen for Missouri's future. Realistically, the Legislature still has to approve these measures so there's still a better-than-even chance someone will get his/her nose out of joint and the entire agreement will blow up.

But this is an unlikely coalition built around sensible compromise. Maybe it's replicable.

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