

still believe the bill has merit. I am realistic enough to recognize the bill cannot pass. It is kind of interesting that since the time the bill has been introduced interest rates have come down a bit. But more interesting is the fact that we perhaps have the greatest spread between interest paid on CDs and interest charged by banks that we've had in my memory. Six and 7 percent are not uncommon. I think that is going to deserve a look at by the Legislature at some future time. I'm sure the Chairman of the Banking Committee may want to look into that this summer. Anyway the specific amendment which I want to add to this bill, and the reason I want to return the bill is to add this amendment, is to perhaps correct a problem which exists as a result of another bill which was passed by this Legislature which I introduced a number of years ago. The bill required the State Investment Officer to invest up to \$500,000 of Nebraska surplus funds in each Nebraska bank that so chose to have that money. It was a good bill. At the time that we introduced the bill there was a shortage of capital in Nebraska and it brought back to Nebraska millions of dollars of capital that was formerly invested outside the state. At the time we did not require that the banks pledge any securities or collateral for those deposits. The recent problems that have engulfed many banks have resulted in the FDIC taking a very defiant attitude about paying the State of Nebraska the full \$500,000 of money deposited in two of the institutions that have failed in this state. In other words, they have not lived up to their guarantee, as they indicated at one time they would, to cover all of the deposits in failed institutions. That is another matter, and this Legislature has voted to sue the FDIC for the recovery of those funds and I think they should. But in order to protect the deposits of the State of Nebraska this amendment has been prepared by myself, Senator Johnson and a number of other legislators. It would require the pledging of government securities, collateral, bonds, et cetera, to the extent of 110 percent of the deposits of the State of Nebraska. In other words, we will have protection for the deposits of the state in excess of that \$100,000 that is covered by the FDIC. I have another amendment which I will explain briefly now because after this bill...after this amendment is adopted, and I'm sure it will be, we will want to return the bill again for a second amendment that will have a June 1, 1986 enactment date. The reason for that is that some of these banks have invested these funds for a period of 12 months. Therefore, it would cause difficulties