

real blunt, FirstTier particularly, the flexibility to still merge with a number of institutions, particularly a number of smaller ones. Are they going to have to? I kind of think they might be. Remember, most smaller banks in the state have stock loans at either NBC, First National of Lincoln, or Omaha National. Why do you think Omaha National took over Blair? Why do you think... a hundred million institution... why do you think Omaha National took over the failed one in Grand Island, another \$100 million? Do you think it was benevolence, or they thought it was a good deal? They didn't have a choice, to be real honest with you. You see they had multimillion dollar loans on the stocks of those banks, so they were put in the position of having, so to speak, to take them over, or take even bigger losses. Well, all the larger banks are in that position, to a significant degree. Those bank stock loans are pretty scary things, in some cases. So the 12 percent would allow them enough growth room, if you want to use that term, to do it. I think if you brought it down to ten, which I know is going to be proposed, you've defeated the primary purpose of the bill. The primary purpose, in my opinion, is strengthening the overall fabric of our financial systems. That can be done by allowing, encouraging, or whatever, forcing almost FirstTier and some of the bigger institutions to take over some of these. That is why I'd like to see it not go below 12 percent, because you've still got to have some room for them to do it. You don't want to do it, if you can avoid it, under the failed bank bill. Under the failed bank bill those limits don't even apply. For example, if they take over Blair, because it was failed, or one of the others, then the \$100 million doesn't count against them. I want it to count against them, but I want them to have the incentive to take it over before it is failed, so you don't go through this problem. That is really the primary purpose of the bill, so I'll support the amendment. I would encourage you, at least, not to go below that.

SPEAKER NICHOL: Senator Hefner, did you wish to speak to this amendment? Okay. Senator Vard Johnson, to the amendment to the amendment.

SENATOR V. JOHNSON: Mr. Speaker, members of the body, I'm going to support the amendment. I think this whole issue is a really tricky issue because it is kind of coming on us a little like a whirlwind, unlike previous banking issues,