

morning is from Senator Hannibal. This is his 39th birthday again. Congratulations, Senator Hannibal. And we have a group in the north balcony from Sherman, Howard and Greeley County, I believe it is a County Extension Group, 57 members visiting with us this morning. We are happy that you drove all the way to Lincoln to see the Legislature in session and you are most welcome. We would like to welcome you. Those are guests of Senator Carson Rogers. Proceed, Senator DeCamp.

SENATOR DECAMP: Mr. President, I have three more items, and as I say, each of these is really quite important and so I do want to get them in the record at least so you know what you are voting on. The next amendment deals with under what circumstances a bank may declare and pay a dividend and it limits it significantly from what apparently was in existence for some time, again, in this state and almost every other state. As conditions get tight and abuses show up, we learn some things. And so it would provide, for example, that they can't be declaring dividends, I repeat, until all bad debts are charged off. Had this been in effect in this state and a lot of other states, but particularly this state, it is highly unlikely that the State Securities situation could have paid out multimillions in dividends that then went into the holding company and on and on and on. But this would provide then, as I say, it would limit significantly when dividends could be declared and paid out. When people get scared sometimes, maybe they want to do whatever they can to, so to speak, get as much out of the institution before it folds as they can for their own personal benefit and, of course, the method to do that is declaring and paying dividends. Well, if you know that you are in trouble and your institution is going down, maybe the inclination is to let the institution go down in a year or two years hence and to make sure you get hundreds of thousands or in the case of maybe, in my opinion, State Securities, multimillions out that would not have otherwise been able to be taken out and would have been available for the benefit, of course, of the depositors whose money it was. So that takes care of that issue. Okay, the next proposal allows the department to subject industrial loan and investment companies to the same capital requirements as those which are required for both state and national banks and, of course, we are talking about 5.5 percent for primary and, of course, 6 percent under the federal rules and now the state rules for total capitalization. It would impose