

type of lender. FHA today is not that type of lender. It may well be that the State of Nebraska should not get involved. It may well be that some other source of credit might have to be developed. But I believe that there is sufficient reason for us to review this program and determine if whether or not we should place it on the ballot and allow the voters to make a choice. I can tell you very frankly I have mixed feelings myself. It is not the type of institution which I readily endorse as a solution to the financial problems that face us here in this state but I have visited with hundreds of individuals, farmers, businessmen, homeowners, who find themselves in difficulty and have no other way to go. Let me tell you also a little bit of the story about the collateral versus cash flow situation. A number of individuals have come to me this year and have told me that notwithstanding the fact that their operation did cash flow this year, that upon reviewing the new farm program, the bankers have determined there is no way the operation can cash flow next year and, therefore, they are not going to fund that operation. It is an interesting concept, no risk. No risk wants to be assumed by the lending institution. It is kind of ironic that five or six years ago those same institutions were in the forefront, they were encouraging farmers to expand, they were encouraging businessmen to meet the needs of their customers, and now today they have taken the opposite position which leaves most of those individuals without any recourse. The alternative to providing some additional line of credit will be a continued deterioration of the financial condition of this state, a continued deterioration in land values, and I predict that the next thing that will follow is a sharp decline in the value of housing. In most of the small towns and first class cities in the State of Nebraska, there is a multitude of homes for sale. I believe I saw in the Fremont newspaper where not a single building permit was issued last year for a new home. I don't think we need to have any more graphic explanation of what has happened to the value of the homes in those communities when you realize that not a single new home was built. You can go from one community to the next and find repetition of that situation. I think that when we talk about the creation of a state bank we recognize that for most of us the idea is somewhat repugnant. It smacks of socialism. It smacks of competition with free enterprise, all of those things. The facts are I have carried many bills for the banks on this floor. The facts are that banks are supposed to provide