

Now please listen because I want to clear up something. The liquidity problem is probably better solved in this new legislation than it is under the existing system. Senator Mills suggested that a couple of years ago the Legislature had to come into special session because of a liquidity problem, cash flow problem. You all remember the special session. It has nothing whatsoever to do with this, nothing whatsoever to do with this. That was a separate matter, a separate matter of not having enough income from the income and sales tax. That was that matter. These are other funds. These are short term funds of the state from various places. That situation would not have been changed. So what have we done to insure liquidity? We have given the investment officer the discretion, the business judgment, like Senator Dworak wants, to determine how much he does need to keep just right there cash to use instantly, and good grief, we have to expect he has that ability to make that judgment and then we have given him the additional, in the bill, in the bill, we have given him the additional protection of staggering his investment dates. You see the way he is doing it now, the way he thinks he has to, is to invest on the first of the month and then he has to ride through for thirty days, minimum of 30 days. Not that way at all under the new legislation. Read it. We are allowing him to go day by day by day. He can have one million come due this day, ten million come due the next day or have it equally come due every day for 30 days. His business judgment in managing these funds can give him this flexibility. So liquidity, we have actually handled it better than the existing system. We have handled it better. He does now, in this money he is investing, he does have to ride a full 30 days. We are making him ride one day, one day is all. Okay. Senator Newell and Senator Clark both raised what I felt was the most legitimate objection or criticism of the legislation and they said, hey, look, there is a possibility, isn't there, there is a possibility that we aren't going to be getting as much income as if we invested in Mr. Heller or whatever. What did I do? I gave you the amendment and I said the banks must pay exactly as much, so there won't be a penny's difference. Who determines how much? The investment council themselves. So they are going to be getting as much income. Senator Dworak said we got no business being involved in this anyway and we ought to turn all our money over to the investment council. The only answer I have to that is that is wrong, in my opinion. You, as legislators, have an obligation to be involved in any two or three hundred million dollar matter in funds of the state. Senator Cullan had raised the question of S & Ls and the interest rate. As I say, we solved that with the amendment. Okay, so what does the bill do? Let's just take a hypothetical. We have got \$10,000 right here. We can put it one of two places. We can take the money out to Mr. Heller out East or CIT out East and give it to him and get 6.5% and then Mr. CIT loans it to buy some motor home out in New Jersey at 30% to some poor sucker there that is willing to pay the 30% or 18%. That is it. That is what happens to your state money collected here. Or we can take that identical \$10,000, now we have put it over in a Nebraska lending institution. We get 6.5%. We get just as much income. What about security? Are we as secured? We have zero security in our money out with Mr. CIT. That is right. There is no pledging, no collateral, no security. It is funny that Donnie and those fellows didn't mention that to