

and put options. Elsewhere in this bill there is what is called the "prudent man rule", and the argument can be made that the prudent man rule would regulate the writing of call options and put options anyway, but I think that the more likely statutory interpretation because the ability to write call and put options is explicitly stated, is that the ability to write call and put options would be in addition or an ability to act beyond the prudent man rule. So the bottom line of what I am telling you with regard to the bill as you have it in front of you now, as you would vote on it today without amendment is that you would be voting into law in our conservative State of Nebraska probably the most liberal public investment law on the books in the country, and I think that that deserves a little more public debate today than we have had heretofore. This bill, as you remember on General File, was passed on General File on Senator DeCamp's promise that there would be some minimal discussion on Select File and there was, in fact, some very minimal discussion on Select File, and now here we are in Final Reading with a major policy decision in front of us, and I hope you will consider this bill again very seriously. Thank you.

PRESIDENT: The Chair recognizes Senator Fowler.

SENATOR FOWLER: Mr. President, I would oppose Senator Beutler's motion to return for this amendment. I had distributed to you a letter from our State Investment Officer indicating why he felt that this bill would be significant, a significant improvement in terms of the investment practices of the state. The substitution of the language about that investments would be as a person of prudence would invest rather than the specific itemized list we have will give it more discretion and should provide a better rate of return on overall investments. Now in visiting with the Investment Officer this morning, Senator Beutler and I, the question of this call option came up. The Investment Officer indicated that probably the language should have said, "covered call options" rather than just all call options because there can be, as Senator Beutler said, highly speculative investment. That is something that I would be glad to introduce as a legislative change next year if there is a concern that our current Investment Officer or future Investment Officers might be overly speculative in the investment. I do not think it is as big a fear as Senator Beutler indicates. Certainly I do not think it would be a fear over the next six months between the time this bill comes into effect in the next session