

May 29, 1981

LB 460

well remember what our value was, and that was when I was beginning to be concerned about what was going to happen. Since that time we have, according to the people that wanted the information on these funds, we have lost about 75 million. In other words, what we bought for 270 million, hard earned dollars, I can walk out this door, go down town and if you give me 197 million, actually it's even less than that now, \$197 million of today's cash which isn't worth as much as those dollars were back then, I can buy everything we own, I can buy it for \$75 million less. Now that's quite a hunk of change. If somebody came in here with a \$75 million bill, how about a \$70 million one.....you know how much heat that generates and so on and so forth. Well, here we literally lost, and you can say it's on paper and so on and so forth, but I can go out and physically buy the assets that we own that we paid \$270 million for, for \$190 million. The Veterans Aid Fund that they think they have got \$11 million in, I can buy that fund. I can buy what is in it, the assets, for \$7 million today. Now how much of this would have been able to be prevented had we passed this bill a couple of years ago? I don't know. I am sure many, many...well, I am sure tens of millions. Now there are arguments that there were errors made elsewhere, even since that time in some of their investing policies. Overall I am suggesting that it is time to try to give some flexibility to these Investment Officers and this Investment Council, or next year when I propose this, I will say now I can buy everything that we could have bought last year for \$197 million, I can buy it for \$150 million or something. I don't want to do that. So I suggest we pass the legislation. The problem that Senator Beutler alleges is not even existent, could not come into play under the prudent man rule, and so I would really ask Senator Beutler, I think it would be a good idea to withdraw the amendment, help us get the bill passed. The Banking Committee is going to make a study of all investments this summer, practices, the whole thing. What you are talking about is one of the things we will be really looking into, and I would hope that you could participate as actively in that entire thing, maybe even more so than somewhat, and if we got some ideas in January we could.....no, that isn't a "trust me" one, we could add or make changes, but at this time I would like to get the bill passed.

PRESIDENT: One minute.

SENATOR DeCAMP: I think the saying by the Investment Officer was which I really wasn't going to quote, but I