

PRESIDENT: We will move on to LR 5, please.

CLERK: Mr. President, LR 5 offered by Senator Schmit and Senator Chambers. It's found on page 171 of the Journal. (Read LR 5.)

PRESIDENT: Senator Schmit, are you going to start this?

SENATOR SCHMIT: Mr. President and members, this resolution is a follow-up resolution to the one which was adopted during the special session of the Legislature. At that time, that resolution was very narrow in scope and general in its outline. This resolution delineates and defines the nature and the scope of the problem and further outlines the direction in which the committee expects to proceed. It also names the members of the committee, names myself as Chairperson and Senator Ernest Chambers as the Vice-Chairman. It also appropriates \$100,000 for the work of the committee. When we adopted this resolution, or the previous resolution during the special session, none of us were aware of the scope or the magnitude of the problems that have since developed with the Franklin Credit Union. There has been one hearing held by the Executive Board, behind closed doors, which developed information which was startling to most of us and which, of course, we feel very strongly deserves to be investigated further. Senator Chambers and myself have each, and I know others of you have also, been apprised of certain information relative to the activities of various individuals who were involved in the Franklin Credit Union, state agencies, various offices and other associated areas of government which causes us some concern. The committee, in my opinion, faces a monumental task. It is one which I believe we have a responsibility to pursue. It is an area which I am sure, and I say this here for the record, would not have been pursued as diligently had not this committee been created. I recognize and appreciate and am very appreciative of the fact that Congressman Bereuter has called for an investigation by a special committee of the House and that Senator Jim Exon has called for an investigation by the Senate Banking Committee. I believe that all those investigations are in order. Senator Chambers has very laboriously and very thoroughly and very painstakingly put together a series of articles which outline some of the history that has taken place since the credit union failed and, of course, we are in the process also of trying to determine some of the problems that led up to its failure. I have asked five other members to serve as members of this committee, along with