

and it, frankly, was my feeling early on that the interest and concern for the depositors, while it was certainly there, there was other aspects of the whole situation at that time that seemed to overshadow the problems that was created by the state for the depositors, primarily who were looking to some culprit to blame and penalize. And the emphasis was the wrong place in a sense, not that that shouldn't have been done, but the first concern it seems to me ought to have been the depositors at that time. I look at this as a little different than some perhaps because the fault certainly did lie in not having the type of regulation that we would expect or that those who had invested in those firms could expect. When you think back also, all of the laws that we enacted since that happened to provide more adequate supervision, we also have to accept the responsibility it seems to me that the state, the Legislature, prior to 1983 simply had not placed into law the kinds of regulations, the kind of supervision that we obviously should have had. And if that was not true we would not have seen all the legislation enacted since Commonwealth went down for more adequate supervision. So it seems to me that there is more than a simple legal issue that usually has been stressed. It was a simple fact that the state had failed to provide the kind of protection that ought to have been there in the law itself, obviously in the supervision, which basically was discretionary, but we, nevertheless, have not provided the tools even for discretionary action and that was a failure of the state as a whole that ought to have been recognized and addressed as it should have been. The whole thing, I recall when this whole concept started actually was the session before 1977. The initial type of a guaranty program was set up that, as I recall, only covered co-ops, credit unions and they were very small. It seems to me, and I may be in error on the numbers, but I don't think any of them ran more than 3 or \$4 million total assets. So you could have a guaranty program that was set up for very small institutions, a number of small institutions and perhaps the kind of coverage was adequate. But then come '77 we expanded that, and then we started with not much additional security backing the Guaranty Fund, we expanded it to include institutions that were at a level of 30 and \$40 million and bigger, and obviously that fund was not adequate.

SPEAKER BARRETT: One minute.

SENATOR WARNER: I remember that '77 vote, as most of you will experience or probably have experienced if you've been here a