

possible for our in-state financial institutions to purchase those failing S & Ls. That is conjecture on my part, but the only thinking I have at this point is that that would make some sense in combining these two issues. Of course, how far do you take that issue and how much do you open up that limitation, but I think there are complications when you provide this exemption for failing S & Ls, that I wonder how they work together with the other policy issues we need to evaluate, and I know that I have mentioned to Senator Schmit this concern privately, and I'd be interested in what his reaction would be, as well as Senator Landis's, but that would be my interest is, if we go with just this section, what are the implications down the road, and is there an exemption that carries on, or is it a one-time exemption allowing that purchase, and then once over that limit, that would cease the possibility of that bank holding company from purchasing any other institutions other than failing S & Ls?

PRESIDENT: Thank you. Senator Schmit, please. I don't see him. Senator Landis, you are next, would you like to go?

SENATOR LANDIS: Well, actually I don't have difficulty with sections two, three and four. I will renew my light and I will come back on for section one. I await an explanation of what the necessity of this first part of the bill is about on the floor. I will tell you this. No bank holding company is closer than \$400 million away from the cap. That is how far they are away, 400 million bucks. This year was one of the timed increases increasing the cap. I believe it came in at 10, I think it is now 12, and there were two timed-in increases, as I recall. One of those is this year. Now I have heard and can recall the argument that in the event you take in two, three, and four a failed S & L, buy it, its base deposits don't count against the Bank Holding Company Act, but should it grow, the growth would count against the bank holding company deposit cap. I think that is true. That certainly is a fair statement of the law, and a second thing that I have heard is, well, you know, we are in a national marketplace, our bank holding companies are peewees. If you don't allow them to grow and prosper and strengthen and get larger, they will get sucked up by somebody else. The policy of this state has been limited growth so that there is no major player in this state that controls the lifeblood of financial wealth, now that has been our policy. When we passed the Bank Holding Company Act years ago, that was part of our policy. If we are going to eschew that policy, fair