

PRESIDENT: Okay. Now, on the advancement of the bill. Senator Schmit, please.

SENATOR SCHMIT: Mr. President and members, I just want to go on record, because I believe it's important that the body recognizes that Congress has said there's a problem with the S & L industry, and so therefore we are going to solve the problem by requiring certain actions be taken and education be taken, the creation of the appraisal boards, et cetera, et cetera. Ladies and gentlemen, the problem with the S & Ls is not going to be resolved by passage of this bill in order to keep the federal government happy. I do not disagree with the passage of the bill. As has been indicated, Nebraska has been ahead of the rest of the nation in this area. But the problems...the problems within the savings and loan industry are real, they are deep, and their problems are of long standing, and their problems are going to be with us for a long time. And we are going to continue to see billions, upon billions of dollars, taxpayer dollars, poured into an industry that is basically not managed well at this time. There are a number of problems that have been caused by government. I'm not going to go into that at the present time, but I want to point out that October 6, 1979, the deregulation of the cost of money by Mr. Volker and President Carter precipitated many problems for the savings and loans which then caused them to recognize that they were in trouble, so they got into new businesses for which they were not properly equipped. And they became participants in many of the ventures where there had formerly only been lenders. They were not equipped for that, they were not trained for that, and as a result we find ourself in the situation we are in today. I would predict that we're going to see losses far in excess of those which have been outlined by the administration and by the Congress, because we have not yet today resolved the problems that face the savings and loan industry. Furthermore, the problems in other parts of the country are far more excessive than they are in Nebraska. But what it means is that Nebraska citizens are going to continue to pay out a substantial portion of our income to bail out ill-advised and ill-managed savings and loans in other parts of the country. And failure to recognize that the industry is basically sick is going to cause us to spend many dollars over the next few years that ought not be expended. Somebody says, what can you do about it. Well, ladies and gentlemen, the gentleman who was placed in charge of the industry reconstruction program walked away from it, because he said it