

that none of that money would ever be used for farm loans. What is of more concern to me is that if certain language in this bill were to be allowed to go unchallenged that it might be possible for the first \$100 million of those bonds, that are supposed to come due in November of '93, to be rolled over, or in other words for the insurance company to delay the repayment. My concern is this, the Nebraska Investment Finance Authority put their stamp of approval on these bonds. They were sold to investors, some within the state, some without the state. Some Nebraska banks bought the bonds. Those bonds, for all practical purposes, have been written down. The comptroller of currency has required all national banks who own NIFA bonds, the agriculture issue, to set up bond reserves for 50 percent of the value, and to reduce the value to 30 cents on the best bonds, and so, at the very best today, those bonds have 30 cents on the dollar value. The proceeds of bond sales that were invested with First Executive Life, in turn those bond sales, the money was used to buy junk bonds from Mr. Miliken of Drexel, Burnham. We know where Mr. Miliken is now, he is confined in a federal facility as a result of that type of activity. It's my belief that if the insurance company is required to pay off those bonds in 1993, as they are presently due, that the insurance company can probably come up with the money, because in 1996 they have a billion six hundred and fifty million dollars of similar issue bonds that are also due. The insurance company, of course, will make every effort to pay off the 100 million, if we hold their feet to the fire, because if they don't do so, it may very well trigger a series of events that could be very, very unfortunate for the insurance company, whereas if they pay them off in 1993, when they're due, they've bought at least three years more time. The...First Executive showed a profit last quarter, and would now like to renegotiate some form of bond restructuring program, extend the maturities and perhaps lower the interest rates. I do not think that Nebraska bondholders ought to be involved in that, or be subjected to that. We do not know the status of the lawsuit against NIFA right now that is in a New Orleans court. The bondholders are suing First Executive and NIFA, they're represented by a Minneapolis law firm. And I'm sure that that is an expensive law firm. I do not know how NIFA can really afford that kind of a lawsuit. I'm not sure why they don't settle the suit and try to stop what must be a very expensive lawsuit. There's a bondholders committee which represents \$1.8 billion worth of bonds, which First Executive also invested in junk bonds, and they hope to recover a percentage of that total. It wasn't all bad, I guess, some of the money did come