

protection for the \$100 million of bonds that will come due in 1993. Not to do so will allow, in my opinion, First Executive Life to continue to function as they have in the past until eventually the institution is perhaps closed or, as we know already, has been taken over by the Insurance Department of the State of California, and is now in serious problems. I know there are those here who are more knowledgeable than I about this kind of transaction, but I believe it is important for this Legislature, who established NIFA, and I was one of the principals in that process, to acknowledge that we have, in effect, set up a lending agency. We have provided individuals with authority to lend hundreds of millions of dollars of money, and we do not provide oversight. I am going to have some more to say about that later on, but I was here when this body created the NDIGC, supposedly to protect the depositors of Commonwealth, State Securities, and other industrial banks. We found out then, to our sorrow and to the sadness of many depositors, that the system didn't work the way the Legislature intended. Now we have NIFA. We have since that time had the failure of Franklin. We now are faced, only yesterday, with the knowledge that another entity, which this state has some responsibility for, has found that some...is, at least, suffering from allegations that a substantial amount of their funds have been embezzled and it is now the subject of a complaint by law enforcement. At the same time, even after Commonwealth was closed, and even after a tort claim was settled by the State of Nebraska because of the liability to Commonwealth depositors prior to closing, we find that a receiver for Commonwealth, Mr. Kent Johnson, has pleaded guilty to embezzlement of more than 1,300,000. The question I ask is this, at what point does the credibility of the citizens of this state become so strained that they do not believe anything that happens that is done by this Legislature? Someone has said that we do not have any responsibility to supervise the receivers of Commonwealth. If not us, then who is responsible? We created the situation. We allowed it to develop. We allowed it to deteriorate, and now we are faced with further erosion of assets, not perhaps only by the actual embezzlement, but by the actions of those receivers and so we, today, have to explain that, and the individuals who had deposited money in that institution are the losers. My point is this, it has been argued that the State of Nebraska won't lose any money if the bonds are worthless, that very few Nebraskans bought those bonds, and, therefore, apparently, we shouldn't be concerned; that the state has no liability, and, therefore, we should not