

# Editorial

## Bank failure: State lets citizens down

The state of Nebraska has let its citizens down.

A law passed by the Legislature in 1977 led many people to believe their deposits were safe at Nebraska's 33 industrial loan and investment companies. Now, depositors at what was the state's largest such institution, Commonwealth Savings Co. of Lincoln, are wondering if they ever will see their savings again.

While commercial institutions are federally insured, many industrial banks are not. In order to reduce the risk of opening accounts at such banks, the 1977 Legislature created the Nebraska Depository Institution Guarantee Corp. The NDIGC, in turn, promised to protect individual depositors up to \$30,000.

But while customers were made well aware that deposits were guaranteed, few knew it would be several years before the NDIGC had sufficient reserves to back its promises.

The Legislature took a step in the right direction when it created the NDIGC, but it was wrong in making Nebraskans believe their deposits were completely safe in industrial banks.

Commonwealth's customers were left with little more than a false sense of security. After the bank was declared insolvent Tuesday, many who had deposited their life's savings there were left wondering what they were going to live on.

At this point, no one knows for sure what is going to happen. If the state can find a buyer for the institution, customers will receive their deposits in full and with relative speed.

But it is unlikely that anyone is going to purchase a bank in Commonwealth's condition. In that case, the state will have to go through the long process of liquidating the corporation's assets and depositors stand the chance of losing a large portion of their savings.

State Banking Director Paul Amen is urging people to be patient, but being patient doesn't help pay the rent or the utility bills.

Instead of calling for patience on the part of Commonwealth's customers, Amen and other state officials involved should be taking steps to see that this never happens again in Nebraska.

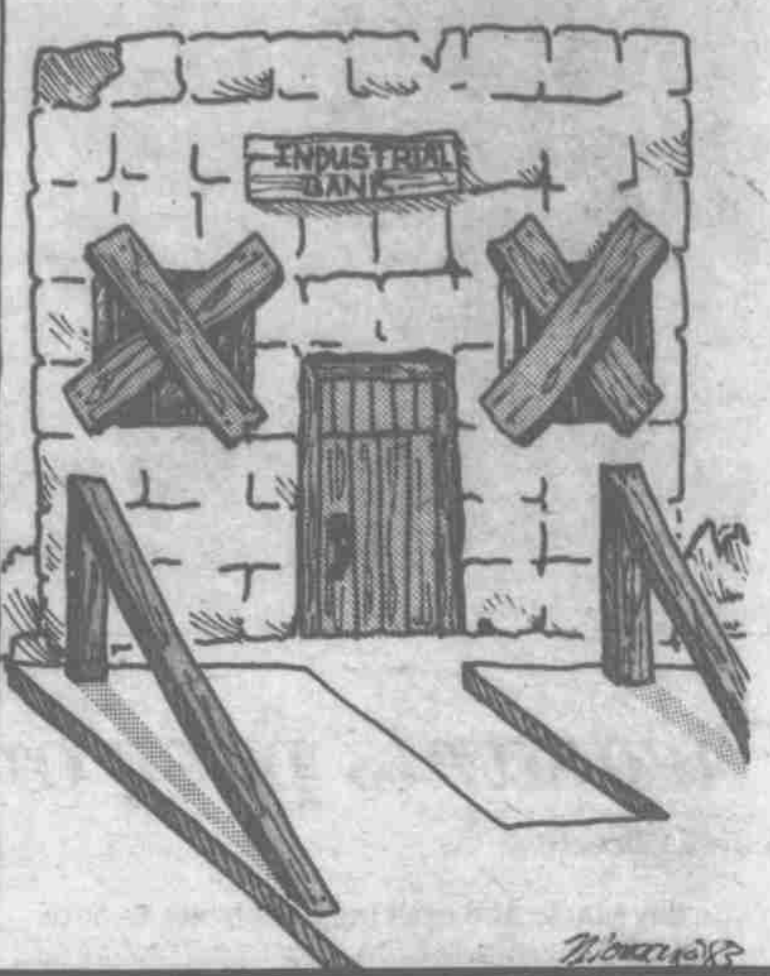
The banking issue should be high on the Legislature's agenda when it convenes in January. At the very least, it should require industrial banks to warn their customers of the risks involved with NDIGC protection.

Better yet, the Legislature should implement Gov. Kerrey's recommendation that would require all depository institutions in the state to be federally insured.

Nebraskans should not have to face the unknown and unnecessary risks they faced with the Commonwealth Savings Corp. State government officials must act now to prevent similar incidents from happening in the future.



A FALSE SENSE  
OF SECURITY?



## Jackson bid bold but wonderful

Jesse Jackson is running for president: for once, good news.

After the strange and illegal invasion of Grenada, after a summer and fall in which the installation of a new cluster of missiles in Western Europe became certain, there is at least an indication that we may not be in for four more years of American politics as a Western shootout. Although it's unlikely Jackson will win the Democratic nomination, his candidacy may force the needs of blacks and other minority

Pena winning a run-off in Denver. It may take a presidential campaign, however, for the new consciousness of vigor and political energy among many black activists to find its focus, as NAACP head Benjamin Hooks has suggested.

Many black establishment leaders have expressed oppositions to Jackson's candidacy, including Walter Fauntroy, a non-voting delegate to the House of Representatives, and Coretta Scott King, widow of the greatest figure in the civil rights movement, saying his race cannot succeed and might harm the eventual Democratic nominee.

This seems to me, however, the discomfort of leaders who have lost touch with the people they think they are working for. Jackson is a maverick to them, his rhetoric — though sometimes extremely effective — is embarrassing but most importantly, he appeals to a lot of people they never could. Many black leaders have already moderated their demands, lowered their expectations, and settled quite comfortably with Walter Mondale.

Although Jackson's slogans are cliched and too boldy strident, maybe they should listen to him talk: "If you run, you might lose. If you don't run, you're guaranteed to lose."



Eric  
Peterson

groups to be addressed. It may be the most exciting part of the coming presidential election.

What Jackson proposes is to bring large numbers of blacks, women, Hispanics and other disaffected people together in a "Rainbow Coalition" who have until now seen little reason to be politically involved. Although there are troubling elements of self-aggrandizement in Jackson's approach to politics, he does have a good opportunity to form and further a movement of political involvement by people who have been shut out of the system.

As a demonstration of what his "Rainbow Coalition" means in real terms, Jackson said he will "try" to select a female running mate if nominated. He also has welcomed Hispanic people into his campaign, offering to make Arnold Torres, executive national director of United Latin American Citizens, his deputy campaign manager.

The election of Harold Washington as mayor of Chicago was the first of several minority victories in big cities during the past year, with Wilson Goode winning his election in Philadelphia and Federico

## Editorial Policy

Unsigned editorials represent official policy of the fall 1983 Daily Nebraskan. They are written by this semester's editor in chief, Larry Sparks.

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*'This is the time to decide and to act'*

## Nov. 12 day of hope for worldwide peace

In the history of every nation there comes a time when choices must be made that define the character of that nation to the rest of the world and to history. Although few realize it, such a time is fast approaching in the United States.

The German people faced such choices 50 years ago. Beset by inflation, unemployment and the oppressive Versailles Treaty, the Germans put into power the nationalistic, militaristic right rather than the peaceful, internationalist left.



Krishna Madan

This conscious choice was strengthened by an unconscious one when most of the German nation passively let the Nazis suspend democratic rights and processes after the Reichstag fire in 1934. Although few Germans realized it at the time, these choices were the first steps toward World War II and the Holocaust.

In the United States today, we also suffer from high unemployment and diminishing real income.

Even though we may accept the excuses the government makes for this, the situation nevertheless creates a resentment that must find an outlet.

The government helps to direct this resentment by creating scapegoats such as Cuba and Nicaragua. The result is that rather than directing our concern toward the real problem, i.e. creating a more fulfilling society at home, we let the warmongers in the government mold our concern into an aggressive attitude of supporting military adventures abroad.

However, stomping on the Grenadians and Cubans will not make us happy, much less will it solve our problems. Our problems will only be solved when we identify them correctly and put energy into dealing with them rather than in creating problems for people in Grenada, Nicaragua and Cuba.

Conservatives who read this will react with skepticism. That is understandable. I only ask that you keep an open mind for your own sake as well as for the sake of the people in Central America and the Caribbean.

This is a time to decide and to act. The American people soon will have to decide whether to let the government have its way in Central America and the Caribbean or whether to force it to reverse its

policy. Local and national groups are mobilizing to make Nov. 12 a day of commitment to peace and justice both for Central Americans and for people in the United States.

The varying activities on Nov. 12 will stress the need to create better societies both in the United States and in Central America and the Caribbean. One theme will be U.S. non-interference in the efforts of Central American and Caribbean people to create a better life for themselves.

This is a time that will not only create our national identity but also our personal identity. If your conscience calls for it, you should participate in the demonstrations. If you don't have that level of consciousness, participate at a level that suits you.

However, be honest with yourself to make sure that you are doing all that is possible given your level of awareness and commitment. Also remember that your awareness and commitment are things that can be developed and increased.

Every action you make or every thought you think defines your character and influences the world. This is an awesome power that you wield all the time, whether you realize it or not. The time has come to use this power consciously and to use it justly.