

April 3, 1979

LB 14

CLERK: I have nothing further on the bill, Mr. President.

PRESIDENT: All right. Now discussion of the bill itself, I will start down this line again with Senator Burrows speaking to the bill itself.

SENATOR BURROWS: To the bill itself. Mr. Chairman, members of the body, I think we should do some serious thinking before we put another tax on agriculture, and if you call it a checkoff, that is kind of a roundabout name for another tax. It is tax pure and simple if it is voted by the growers to go on them where everyone pays it, there is no rebate provision allowing a person to get out of it. It is a closed shop for the bean growers on a very questionable program where everyone contributes whether they like it or not or even think it has...if they don't think it has a chance in the world of helping them. I think that the University has generally supported these for a very good reason. These checkoff programs become another tax source for the University of Nebraska to bypass the Legislature. When they have got a program out there they want research money for in a certain commodity, they can skip around and double up, bypass the Legislature when they go to these commodity checkoff groups for tax funds coming out of the group to come back and support that specific commodity in a checkoff. So we have pretty good support here. About fifteen years ago I asked Dr. Leo Lucas a question that I think is real centered to this issue. How do you prevent in a checkoff program from that consumer the retailer, the eventual retailer, out there from spending an equal amount less in his promotion funds for that product because basically the retailer of beans, the retailer of any of these farm commodities spends a great deal on promotion of the farm commodities and he is in a position to reduce his promotion funds at the other end of this giant chain of processing industry by an equal amount of this checkoff, equal amount to this checkoff or tax that is imposed on the farmer. It is a panacea. It is a company union set up to feed farmers the idea that they are really getting at the problem where we have got large corporations retailing buying from large processors buying from the farmers that are always in a position to dominate pricing. It is a substitute for collective bargaining for agriculture, to feed the farmers a bunch of pabulum thinking they are taking care of their farm problems by paying a tax that cannot work at the political system, cannot get involved and elect people that want higher price supports in agriculture to actually take care of the farm problem. It substitutes for collective bargaining where the farmers would get together and demand