

the state's profits but also the fact that the large pension funds in buying up the lands of Nebraska will stimulate tenant farming. Farmsteads, private farmsteads, privately managed and owned and operated will cease and the lands will be purchased and turned over to tenant farmers. How soon we forget. When I was a youngster growing up on a farm in South Dakota, our farmsteads were completely circled by the farm soil bank which stopped small family owned farms from expanding, and one of the reasons that I find myself in an urban situation is precisely because of that problem. I am not against corporate farming, but certainly for small farms that would like to incorporate and expand, they are going to be prevented from doing so if pension funds enter the State of Nebraska. There is a distinction here too. When these lands are purchased, they are purchased on the basis of speculation. Their profits are earned on rising real estate values, and when they come in and buy acreages far over the present market value, it has an impact on farmers who wish to purchase land for themselves because that sets the tone for the price of those future lands to be bought. They are not interested in production value. They are interested simply in speculation value, and that is a big difference. I am also worried too when outside forces, and believe me when you total the amount of dollars that can be involved in the purchase of land into the state, it not only affects our economy but it also affects our political process. I would like to have you consider these items and I urge you to support LB 9. Thank you.

SPEAKER MARVEL: Senator Schmit, do you wish the floor before we close?

SENATOR SCHMIT: Mr. President and members of the Legislature, I want to be serious about this because I am serious about it. I believe that there is a threat. There is a very determined effort on the part of certain individuals to invest in real estate. We have had, you know, just in the last few weeks a scare about the Exxon Corporation coming to Nebraska and buying 600 quarters of land or something of that nature and there was a lot of concern, and it was a legitimate concern. There is a very real threat to the ability of land to feed the people of this nation and the world if it is not managed properly. Senator Cope says that the rates of return today are such that, of course, no one is going to invest in farmland unless they can get a better rate of return than the 19 and 20 percent they can get today on the money market certificates, etcetera, etcetera. The facts