

because here we have a tax that the people in the City of Omaha voted for last year and approved it overwhelmingly. It is quite unusual, in my opinion, for taxpayers actually to vote in favor of a tax but our taxpayers in our city did vote. They said simply, "Look! We are prepared to pay a one and a half percent sales tax to finance the City of Omaha". Now I say that when you get to a situation like that where the citizenry itself says we are prepared to have this kind of a tax that we would be very foolish in not allowing the citizenry that kind of a tax. I am perfectly prepared to vote for LB 40 without another vote of the people because I rely on the kind of vote the people did last year. However, our Revenue Committee felt that the better part of discretion was to require another city-wide election on the half-cent sales tax continued authorization, and if that passed, then, of course, the half-cent sales tax would be permanently in place, at least until such time as the Legislature in its wisdom saw fit to make a change. Now a lot of people speak about the lack of wisdom in imposing a sales tax at all for cities claiming we encroach on the state sales tax base and claiming that as Senator Chambers says that a sales tax essentially is unjust and the like. The truth of the matter is that in our country today, in our country today, we are taxing investment, we are taxing savings and we are doing that through a high income tax rate but we are not taxing consumption. If I look at western European nations and if I look at Japan, which have a far more favorable productivity rate than this country, a far more favorable growth rate than this country, I will discover that in those countries they impose a ten to fifteen percent value added tax which is a sales tax and that kind of a value added tax in the end has had the effect of taxing consumption and causing people to save their money before they buy goods. It has had an effect on the credit industry dramatically. It has promoted savings and it has tended to inhibit consumption. Now I think that this Legislature is very wise, is very wise, in having a state sales tax and in allowing a local option sales tax because those kinds of taxes get at one of the roots of our problem, overconsumption and underinvestments, and to the extent that we make consumption a little more difficult through a sales tax to finance government, I think the better off we are in the 1980s and in the kind of economic condition that we presently face. So in my opinion it is good policy. It is a wise policy for the Legislature to allow cities and school districts, if necessary, Senator Sieck and Senator Vickers, to finance themselves through a sales tax because a sales tax just happens to be dealing in one of those issues that is very important to the economic well-being of our society and of our country. Now one reason