

wealthy persons who are not paying taxes to the federal government is expanding and expanding. That means in turn that those of us in the middle class and those of us in the lower middle class are going to pick up more and more of the taxes. Let me just read you a couple of paragraphs from one analysis of this situation. It says, "Unfortunately tax free bonds cost the federal government more than they save the state. For all types of tax free bonds, 1.9 billion in federal tax revenue was foregone in 1977. 85% of that was in tax savings, the people with greater than \$50,000 annual income. Small example now. On a \$10,000 beginning farmer loan at 8%, assuming tax free status lowers bond rates from 10 to 8%, which is reasonable, the borrower saves \$200 the first year but the person saves taxes, the 50% bracket investor saves \$400, saves twice as much. The benefit of the loans to the farmers is not as great as the benefit to 50% tax bracket investors. Now you may say, well it is the Nebraska farmer and it is everybody in the country on the other hand that pays the federal taxes but we save something for the Nebraska farmer. But, don't forget in Pennsylvania they can do these kind of bonds for the ammunitions maker and in Connecticut they can do it for the rifle manufacturer. That helps them. But the people who pay the federal taxes are people back here in Nebraska and we lose in the long run, everybody loses. We would save ourselves a whole bunch of trouble if we would just continue to rely on the private enterprise system of allowing supply and demand and prices to tell us what is a good credit, what is not a good credit, when money should be loaned and when it should not be loaned. I find it of great irony that this legislature which is dominated by republicans is taking us right down the road to government interference in area after area when presumably we all have still confidence in the private enterprise system. I hate to get to talking about things like socialism and the road to socialism and all of that, but there are two ways you can go to socialism. You can nationalize an industry and everything happens at once or you can go to socialism by picking out those little rights of ownership one after another through certain types of government interference, government regulation and government financing. You can start creating a dependency upon government financing. Once that dependency is created I think you will see that it is very, very hard to ween anybody from that dependency. Once it is created the government will have strings to go along with it. This little thing or that little thing that you can't do with your property any more and the situation just becomes worse and worse and worse. Let me remind you again that the methods, the price we pay