

the taxpayer. This is one of those bills where the taxpayer should be down here complaining but it is one of these occasions where the taxpayer has nobody representing him. Let's talk for a minute about the bill itself. We already have in law our Industrial Development Act and it says that for manufacturing and industrial purposes, for those two purposes, manufacturing and industrial, we can issue tax exempt bonds to help out private enterprise. It doesn't say anything about blighted or substandard areas. For those two purposes it doesn't really matter what kind of an area we are talking about, you can issue the bonds, and the rationale is basically, the justification is that every other state in the union has this kind of provision and that to stay competitive with the other states we, too, must offer the same kind of tax exempt financing. Otherwise industrial or manufacturing enterprises may, for example, go from Omaha to Council Bluffs. That is the justification for allowing the credit of the city and the county to be used to give a tax break to business enterprises. That is the justification for interfering in the private enterprise system. Now what are we doing with this amendment? With this amendment we are going to talk about all enterprises, all enterprises, not just manufacturing and industrial, and what we are going to include are things like office buildings, grocery stores, hardware stores, any kind of enterprise so long as it is built in a blighted or substandard area. Now what has happened in Iowa and what you are going to find happening here is that the big boys, the big businessmen who can afford to pay the bond lawyers \$10,000 to issue the bonds and who can afford to pay the bond brokers another \$20 or \$30 thousand and can issue several hundred thousand dollars worth of bonds, that's what it takes for an industrial development bond to be worthwhile. They are going to come in and they are going to build their big chain grocery store and they are going to build it right next to your friendly grocer and the big boy is going to have the advantage of the tax exempt financing which is an interest point difference of two or three percent and the little businessman is not going to have that advantage and I can tell you and I think you can see clearly what is going to happen. Now remember that in the first place the objective of the Industrial Development Bond Act was to keep us competitive with other states but if you are talking about commercial enterprise or office buildings those things are going to be built in Nebraska regardless of anybody else's Industrial Development Bond Act because they have to deal in Nebraska. The office space is for rent here. The grocery store has to sell here. It is a mistake to extend this kind of provision to enterprises that will be here regardless of the nature of the law in surrounding states. So in a sense when you extend it to these kinds of enterprises it becomes simply a straight subsidization of