

1976 we set it at from not less than two but no more than 3 percent and I understand that at that time, which was before I was in the Legislature, we had quite a cash flow problem as well. So I think the way to deal with cash flow problems is to increase the revenues to cover the monies that we need, and at the same time where we can try to cut back on some expenditures if possible. That is the solution to the problem, not adjusting the reserve requirement that has worked so well and which I think is a good policy, a policy which says we don't go into the red, a policy that says we try to anticipate our obligations and meet those obligations without having the sort of problems that we are having this year. Unfortunately, that is the case anyway. That we don't have too much, that we don't have too little in our reserve by having a 7% maximum which was a cause of concern just a couple of years ago in the good old days when we talked about having too much money in our Treasury rather than too little. That has changed but, nevertheless, at that time we didn't increase the reserve from 7% to a higher figure because we had too much money, we adjusted. Similarly we should not now decrease the minimum that we have in our reserve. We should just adjust our revenue question and deal with it in that manner. So I would urge your support for the Beutler amendment, the Beutler motion to kill this bill.

SENATOR CLARK: Senator Kahle.

SENATOR KAHLE: Mr. President, members, most everything has been said that I need to say but I do favor the kill motion and I think in these times we need to plan for larger reserves in order to keep up with the changing economy. I think it is foolish to change now after it has gone through the good years and when we get in the bad years we want to cut down on our reserves when we really need them. And you all know what shape the state is in right now with its ability to pay its bills, at least its refunds. I kind of hate to say this because I think it will be construed as being political, and maybe it is, but we have Reaganomics which none of us are sure are going to work. We have Thononomics which we had last fall and didn't work and I guess we have got to the place now where we have Thonecomics that wasn't so sericus.

SENATOR CLARK: Senator Vickers. Is Senator Vickers in the room?

SENATOR VICKERS: Mr. President and members, I rise to support Senator Beutler in his kill motion for many of the same