

we could argue in fact that there is no need for any reserve at all. If we run low, we simply borrow and I think that is the type of fiscal thinking that we are leaning towards and it is one that I think we should oppose.

SENATOR CLARK: That is all the speakers I have that have spoken the first time. Senator Burrows, do you want to speak a second time?

SENATOR BURROWS: Yes, Mr. Chairman, members of the Legislature, I would like to remind the body that this is not a new record on reserves for me, that historically this has been my position that the state should keep adequate reserves because of its guesstimate in the area of taxation, that we are projecting against future revenues that are not sound. The local subdivisions have historically kept 5% reserves and they have a totally different situation. I even question the merits of this because they have the abilities to issue warrants in times of shortages at lower rates than what they are receiving on the calculated due property tax bills. It is a totally different situation and in this state we are operating it absolutely in reverse. They really don't need that 5% reserve when they can borrow money at a lower rate than the due bill is going to bring them in. They don't need 5% but the state system is operating on a projected guesstimate, and when you had a stable economy for about ten or eleven years, you could have drawn a ruler across the page, picked up inflation, and we hit within 1 or 2% all the time on projections. But the last four or five months have brought all reality out on this. We have a very unstable collection system. It is obvious, anybody that looks at it, the situation has changed. And at this time it would be the most irresponsible action we could do to reduce those reserves when it appears the present Governor is unwilling to meet the State Board unless he has to to adjust the rates to meet the obligations of the state. When we give him more room, it appears that he is going to move down and bleed that Treasury drier and drier. I certainly urge the body to indefinitely postpone this bill because I feel it would be from simple business management one of the most irresponsible actions this state could take. Thank you.

SENATOR CLARK: Before I call on Senator Beutler to close, I would like to announce guests of Senator Cope, his brother, Paul Cope, wife, Eileen, and niece, Jerry Weldon, and children, Josh and Christine, all from North Platte, and his sister, Betty Ayres from Lincoln is also here. Will you stand and be recognized please? Welcome to the Legislature. Senator Beutler, would you like to close?