

instance, and that five percent. It is not five percent, it is ten percent because half of the year is gone and you're going to deduct the five percent for the entire year. It may not be much money but the trend is exactly in the wrong direction in my estimation and one of the introducers said that it wouldn't raise property tax. Well, I served on county government long enough to know that if you have a deficit in one year you put it on the next. I am not sure how it is going to work with the seven percent lid. There is really no place to go with it, but we are breaking a promise we made, especially with subdivisions of government. Now state agencies where we may have some control and the Governor may have some control, I can see where we can juggle these funds but we start juggling the funds that we pay out to the subdivisions of government we are breaking a promise that we made to them and we had a solution to take care of this without hurting too much which was turned down but this certainly is not acceptable. Thank you.

SENATOR CLARK: Senator Schmit.

SENATOR SCHMIT: Mr. President, members of the Legislature, I would have to oppose the amendment. I believe that we are going to see, as I had said earlier, some terrific adjustments in all areas of spending in the next year or two. I guess the thing that concerns me most of all is that we continually hear persons refer to the \$25 million reduction in the budget but no one has touched upon why we have a \$25 million shortfall. Mr. Leuenberger I believe was quoted in the press as saying the reason for it was because the withholding tax from employed persons was down. He said it was not due to lower livestock and grain prices. Well, I suggest that the reason that withholding tax from employed persons is down is because they have been laid off in places like Sperry-New Holland and Behlen and Goodyear and many other places who produce the items that we need in a society that is making money. The facts are that we have taken a really major drop, more than a billion dollars in the value of commodities, more than a quarter of a billion dollars in the value of livestock, and that is why the \$25 million is short. In fact I am amazed that we are not short more. A tax cut of one percent or two percent or a tax increase of one or two percent doesn't mean anything to a man who has lost his job. Ask the people who were laid off at Goodyear how they feel about whether we have a one percent increase or a ten percent increase if you don't have a job. I think that is the thing we need to look at. I think that one of the things, one of the good things about this session, if there is anything good about it, is that