

November 11, 1982

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SENATOR HOWARD PETERSON: I guess my concern, it would just seem to me that as an average taxpayer out here I might say that the State of Nebraska is trying to put this into effect at an earlier period than is absolutely necessary before we really know that the 10% is going to go into effect, and that is the question in my mind.

SENATOR WARNER: Let me ask...one other comment, when you look at the Chase, the thing that Mr. Leuenberger distributed to your committee the other day, as you know, you will recall that Chase is more optimistic because they are assuming when you read the narratives that Congress will perhaps make some change in the provisions that are going to take effect in July 1. The DRI, Data Resource Inc., I understand assumes that Congress will make no change and that the President would veto any change or at least any substantive change. And that is the prime reason including the fact that the DRI is more conservative anyway, but in addition to that, they assume no change in the federal act, and you know, whose guess that is I don't know. They both, by the way, presume that the federal reserve is going to return to a similar money policy that existed in midsummer before...primarily because of the 150 to 200 billion now estimated federal deficit and that interest rates will start to go back up in February or March or sooner.

SENATOR HOWARD PETERSON: I noted that and I just would want to comment here that it appears to me that even though the interest rates stay where they are or drop even more than they, I think the national economy is ready to turn around and I think it has started to turn around, but I think as far as Nebraska is concerned, we will likely lag that national economy at least a year and a half and possibly two years. I think we need to as a Legislature recognize that.

SENATOR WARNER: Senator Peterson, as you again recall, I believe the more optimistic projections by Mr. Leuenberger presumed a 3% growth figure from November on on the more optimistic side, the more pessimistic side is a flat growth. I think nationally, I think everything in here indicates they expect some growth. I don't think as much as 3% but obviously with agriculture's predicament in Nebraska, I would agree that we are going to lag. We always lag behind but I think our problem is more severe than the one nationally unless you get in the states with excessive high unemployment such as Michigan and those areas.

SENATOR HOWARD PETERSON: And I don't want to be too pessimistic because I think it is bad but by the same token I would like to get into the record that my own personal opinion is that we are going to find we are going to be \$150 million short when July 1 comes around.

SENATOR LAMB: Senator Warner, would you care to close on your amendment?

SENATOR WARNER: Mr. President, I would move the adoption of the amendment, and wanted this additional comment, that as we are discussing other things, if any

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