

get tax credits if you made \$20 million of investment and didn't add any jobs. As a matter of fact, you could lose jobs and still get the tax credits. The flaw in that bill became readily apparent a few years ago with Mutual of Omaha when it was discovered that they were receiving tax credits at the same time that they were eliminating 1,100 jobs from our state. And I passed around a newspaper saying, with a headline, Mutual of Omaha plans to cut jobs, tax credit defended despite job cutbacks. You might take a look at that if you get a chance to read it. And also there is another thing I have distributed and the headlines, I think, tell the story. It says, Tax Chief says jobs, not revenues are the measure of success of LB 775. Then the headline, I think it was a month later, it says, firms seek incentives but don't add jobs, tax commissioner surprised. There were a lot of surprises. The Mutual of Omaha situation brought the biggest surprise I think when people discovered that, and taxpayers and people that...your constituents discovered that you had passed a bill on the theory that it was going to create jobs and the fact of the matter is that some companies, Mutual of Omaha at that time, were eliminating as many as 1,100 jobs and still receiving tax credits for the process. I introduced this bill in the 1988 legislative session. I introduced it in the Revenue Committee and it was not advanced out of committee. I was told in committee that this was an isolated instance, that this was not going to occur very often and that, in fact, the bill was still in good form and the theory the bill was good. But then something interesting happened last year, and that was the announcement that the Union Pacific Railroad Company in Omaha was transferring 810 jobs out of their Omaha shops and that most of these jobs were going to Arkansas because they have shops down there. And I was interested, if you look at this indication with the Mutual of Omaha headline, there's a little paragraph I'd like to read about Union Pacific use. This was Senator Johnson who was former Chair of the Revenue Committee who said, Senator Johnson noted that Union Pacific also has applied for tax incentives for capital improvements. He said railroad officials assured him that even though the company is reorganizing and reducing its number of jobs systemwide, the number of UP jobs in Nebraska will remain constant or perhaps grow a bit. Well that, as I recall, was made in approximately the fall of 1987. If you look further in the handouts you'll see some headlines that say, UP closing to cost Omaha 800 jobs, and this was around, in the summer of 1988 it's dated. In fact, what Senator Johnson was assuring us would not happen, actually