

did happen. In fact, Union Pacific did transfer 810 jobs out of state and yet they are receiving tax credits under LB 775. My reason for introducing this bill again in the 1989 legislative session is to try to correct this problem. It seems to me if the theory of the bill is to create jobs, then we should not have provisions that will allow corporations to take advantage of the tax credits at the time they are reducing their overall number of employees in the State of Nebraska. Now I have to be fair to Mutual of Omaha and the Union Pacific to a degree. My understanding is that Mutual of Omaha laid off those 1,100 people as kindly and gently as possible, that many of the layoffs were people that retired and they just didn't rehire people or people that moved out of...would quit their job, resign, they would not rehire people to replace them. And my understanding also is that they have since that time of the layoff, the layoff of these employees over a period of time, that now Mutual of Omaha has increased their employment and I don't know if they have increased it to the 1,100 number but they have made strides to hire additional employees and also with the Union Pacific. I can see their legitimate business reasons of saying we have a business to run, we need to make a profit. One of the ideas of making a profit is, would be run an efficient and cost effective organization, we have newer shops down in Arkansas and we should therefore relocate our employees in Arkansas. The shops in Omaha were older shops, they could consolidate, they could increase their profits, they could make it a more efficient operation and I don't fault them for that. What I do fault is the Legislature's strict, almost a dedication, to LB 775 like it is some kind of sacrosanct act that no one can change. I think the time to start that change is today. I think the time to start looking at the unintended consequences of 775 is at hand. I think the real question is not whether or not Union Pacific or Mutual of Omaha should make these business decisions, I think they have every right to. I think that is exactly how the free market and the free enterprise system should work. I am disappointed that the jobs are eliminated but I have to understand their situation as well, but that's not the real question. The real question is, should we, as a state, as a matter of policy be providing tax credits...

SPEAKER BARRETT: One minute.

SENATOR MCFARLAND: ...to these companies who are eliminating jobs in Nebraska if the whole intent of LB 775 was to create