

would do the same for their surrounding towns and what you have to recognize in retail, for instance, is that you could allow for a competition, just as an example, where the larger town would prevail over the smaller town but this would also apply to other types of economic development is then you would suck in the retail business from those smaller towns and the larger town as you develop that critical mass that gets people into a retail establishment or a mall or a shopping center or something along those lines and I just use that as an analogy of why I see this as not as beneficial to the smaller towns as some people would believe that it is. In addition, again, I emphasize that analysis of economic development on what is the best way to go constantly finds that the tax breaks, tax incentive route that we keep following here in this state is not the best alternative, that other investments are more effective than economic development, better return for investment and that we constantly keep emphasizing the tax issue when there are other issues in economic development that go without attention. The competition that I talked about, again, we saw Lincoln trying to take ConAgra from Omaha and I know the Omaha senators were upset about that. You can anticipate many more types of activities like that if you pass LR 21CA. (sic) There is so much to get into and I've already expressed a lot of those concerns. I simply once again would object to advancement of the resolution and suggest there are many more problems with this legislation than we seem to recognize.

PRESIDENT: Thank you. Senator Schmit, please, followed by Senator Schellpeper.

SENATOR SCHMIT: Well, Mr. President and members, I have been, as I told Senator Warner, on both sides of this issue and I'm not sure at this point which side I am today. There are compelling arguments both pro and con and in the usual political manner, I guess I'm going to try to argue a little bit on both sides of the issue and then ask for some more explanations. I'm concerned, first of all, about the ability of those entities who use tax money to lobby this Legislature for the expenditure of additional tax money and I am always amazed at how easily we are influenced and how easily this body will sway from one side to the other. I'm going to give a little specific example. A number of years ago, many years ago I started a program called Gasohol Development that evolved into what is now called the Ethanol Authority, and a number of persons worked long and hard to bring an ethanol industry to this state. A year or two ago a