

to determine matters of policy and to appropriate public funds, and it is for the Legislature to decide, in the first instance, what is and what is not a public purpose. And the absence of public purpose must be so clear as to be immediately perceptible to the reasonable mind. A public purpose has, for its objective, the promotion of the public health, safety, morals, security, prosperity, contentment, and the general welfare of all inhabitants. And when we are talking about using the ethanol blended fuel, we are talking here about our environment, and I guess I would consider that to be for the public welfare. You have a letter, which I have had passed around, which came to us from the Omaha Tribe of Nebraska, and it is my understanding they would be interested in coming up with an ethanol plant at some time down the line, and that could be a means of income for those people there in that tribe, and they remind us, I would like to have you look at that letter going down where it talks about tax credit certificates. "The credit referred to in the Constitution, obviously refers to a state guarantee which could be utilized in the manner of obtaining loans or issuing bonds." According to their general counsel, under the interpretation of the Attorney General's office, if tax credits are suspect, then so too would be welfare payments and grants to individual researchers. And then they go on to say what I have already mentioned to you that the state does have the right and the ability to promote the general good of the citizens of the State of Nebraska. And if cleaner burning fuel is the objective and is the outcome of that, then also that is the economic and the health and welfare benefits for the people. The Legislature has already found encouragement in the promotion of ethanol to be a public purpose. We have already done that. We are doing it right now. Section 66-1302 of the Ethanol Authority Development Act provides in part, and this is what I am going to read to you now is a quote from that act.

PRESIDENT: One minute.

SENATOR SMITH: "The Legislature finds that Nebraska should immediately develop a program to process, promote, market, and distribute products derived from grain or from ethanol or ethanol components, coproducts and by-products to provide for (1) expanded use of Nebraska agricultural products, (2) efficient and less polluting energy sources and reserves, which will make Nebraska more independent energywise and which will retain Nebraska dollars in the Nebraska economy to achieve a pyramid effect, thereby generating additional jobs and tax