

and industrial property for purposes of Nebraska State Law could include inventories, could include inventories. Why is that important? Because if you work through the ratios in the main amendment and you do not include inventories, or you do include inventories, you get radically different results in the valuation of railroad property, pure and simple. The amendment is an attempt, the main amendment offered to you is an attempt to force us to value railroad property at a lower valuation because we do not tax inventories, pure and simple. I do not want to tax inventories in the State of Nebraska. I don't believe it is good tax or economic policy. I don't want to be forced to tax inventories by the railroads. I don't believe the railroads are going to be discriminated against if we do not tax inventories. Now I said that I don't believe that the railroads are going to be discriminated against if we don't tax inventories and that's an important consideration for you this morning as we take up the consideration of the main amendment and this amendment because the 4-R Act has really two different sets of provisions. One, it has sections which would prohibit the State of Nebraska or any other state from levying against railroad property at higher rates than we levied against any other property. In other words, you can't have a discriminatory levy. If you levy against all other property in the State of Nebraska at \$1 per hundred, for example, you could not levy against railroad property at \$2 per hundred, for example, if those weren't based on the local levies applicable to all other property. Nor could you value all other property in the State of Nebraska at 50 percent of its value and tax railroad property at 100 percent of its value. Those two kinds of discrimination are clearly prohibited by the 4-R Act. The other section in the 4-R Act that is important, and it was important in the State of Nebraska in the trailer-train case that began leading us to the crisis that we've experienced for the last couple of years is subsection (d), and you find that on page 2. And very simply it says the imposition of any other tax which results in discriminatory treatment of a common carrier by railroad subject to this part. Now, some people have said that that section doesn't apply to property taxes because the preceding sections are the ones that really deal with property taxes and it does say any other tax. So you might read it and you might think that it isn't applicable. Well, it is because the courts have said that it is. So we can't discriminate, whatever that word means, in any way against the railroads and the taxation of their property, whether its real or personal. And I don't want to discriminate against the railroads. That