

assume the responsibility and only of the custody of the raw and the finished product to insure people who lend money that the stuff is there. I think the Tax Commissioner properly should in his judgment supervise and audit to see that they get paid for these products. Now what the bill does, for the Senators who may not understand it, it says in a broad general principle that under these conditions as long as the material, either in the finished or the raw form moves out of the State of Nebraska, then it is not subject to taxation in the State, just that simple. Now why do we have to do that because Colorado does it I recall, and many other states and obviously, because the State being what it is, we can only consume and buy a small part of the total production of the Lord's Corporation which, I presume, everybody wants to locate in this State and this is one of the vehicles to make them do it, not make them, to ask them to do it.

SENATOR BURBACH: Well, Senator Carpenter is absolutely correct in the explanation of this bill. Back in 1959 session the cold storage people in this town, a Mr. Behn, he was opposing Senator Carpenter at that time about some of the Carpenter--statements Senator Carpenter was making and that was these, all these items should be taxed because the law said it did. Senator John Aufenkamp, Senator Carpenter and Mr. Behn and I were here until after 6:00 o'clock one evening and it was a very rough meeting. The next morning Senator Carpenter introduced on the floor of the Legislature a constitutional amendment which was voted upon by the people in 1960 and his statements at that time were, if we can't collect it, it's out of the state and he was talking about Great Western Sugar and many, many other firms and it was re--highly important that something be done either to drive them from the state or keep anything from coming into the state on January 1, that the pe--and, that the people have a right to make that decision. They made a decision in the affirmative. In 1961 we done, we passed legislation, we done what we thought was necessary but in 65 we had to make a correction and now in 73 another correction because of the wordage used in 1965 did not substantiate the fact that people were keeping items in their own and refusing to accept other merchandise. This is a vehicle for this. Now at the public hearing and I have been very close, I have been contacted many, many times by industry, but Senator Carpenter, no one requested that they be given the opportunity to write a warehouse receipt to themselves for this collateral and I would presume that Mr. Peters was not contacted by anyone in this area and neither was I for this and so I suppose if this body wishes to extend that right to the storers of their own commodity under 534, then we should have an amendment, consider it, possibly next Tuesday and then make a determination whether it can be done, whether it should be done or what the thinking of this body is. I want to, as well as Senator Carpenter who has worked on this and he and I have been in the middle of this thing since 1959, we want to come up with the best law possible and I can tell you quite frankly, we thought we had it here, but Senator Carpenter does raise a question about certain privileges and that is executing a warehouse receipt, taking it to the bank for that collateral. It was the assumption of our committee and I'm sure it was of Mr. Peters that if it was anywhere--after Mr. Green told us, that no one had applied in the Public Warehousing Law for a collateral receipt, a warehouse receipt. In the grain business it is used very extensively but I was amazed that it was not used under the Public Warehousing Law and I'm sure that's the reason we did not give it any further consideration under the Private Warehousing Law.

SPEAKER: Gentlemen, we do have some others who would like to speak.