

May 23, 1973

I'll have to verify this with the Clerk, somebody might have mentioned that but I don't believe there was any official action by the body. Is that correct, Mr. Clerk? The Clerk said he had a written motion to that effect but we never got to it, therefore, there was no official action taken by the body. Senator Duis.

SENATOR DUIS: Nope. I just was--

SPEAKER: Alright. Senator Nore.

SENATOR NORE: Mr. President and fellow Members. You probably all realize that we're talking about a socialistic setup. The co-op I have supported but they've gotten to the point now where they're getting so big they've forgotten the farmer. Take the GTA and headquarters at Minneapolis. We've been told many, many times that they've gotten so big they've completely forgotten the farmer. Now if you want to know how co-ops work and social system works, go to Russia where they're rationing potatoes now. Now I asked a high level co-operative official if they ever intended to go into the farming business, he said sure, and when we get into, when the co-ops in the farming business and take over farming, you will be rationed, probably one or two potatoes a day because there won't, will not be an incentive to produce any more than that. That's what's wrong in Russia and I, I, I sell my grain to co-ops, that's all that's left but I find out that the board members, if you're on the board of a co-op, you're in pretty good shape. They get the special attention but in most cases the co-op manager is interested in, in, in, in making a little money to increase his salary and to me it's, I try to look around for an independent if I want a good price for my corn because there's no incentive for a co-op manager to go out and look for business because if he does and things don't go right, well then the board gets on him so I could talk about this for two or three hours but basically it's, there's nothing more important to American business than profits. If you have no profits, we, how we going to support our schools and our towns and our churches and etc., so I think we should all pay income taxes. I don't mind paying income tax, don't mind paying sales tax, but let's all pay it and there's no such thing as a fair tax, remember that.

SPEAKER: Senator Stahmer.

SENATOR STAHMER: Mr. President, I wonder if Senator Burbach would yield to a question or two as Chairman of the Revenue Committee?

SENATOR BURBACH: Senator Stahmer, certainly I'll yield. Can I answer the question that Senator Carpenter asked me before. I have that question now and then I'll answer your question.

SENATOR STAHMER: Certainly, fine.

SENATOR BURBACH: Senator Carpenter, in a few instances, in certain cases, co-ops pay some Federal Income tax through their corporations. That's through a formula and I don't know how to explain that formula but in the case of Nebraska, they use a patronage refund, the dividends on the stock and the per unit retained. These are totaled together, subtracted from the Federal and then you have the Nebraska tax on co-op, incorporated co-ops and that tax is 3.75.

SENATOR CARPENTER: Well now, as I understand it, they are allowed to deduct from their State income tax all their