

the budget or there is going to be a tax increase, and I would suggest that the recommendations of a 1 percent income tax increase may not be sufficient to meet the needs that have been outlined thus far. I am sure that there are those here who have other ideas but, pardon me, Mr. President, if Senator DeCamp would like to take his retinue out in the hallway, I would appreciate it. It seems a little bit difficult...

SENATOR CARSTEN: (Gavel.)

SENATOR SCHMIT: I am sure that is true, John, I am sure that is true but I have never been able to compete with Senator DeCamp for an audience yet, and at this late date, I doubt that I can, but I would just suggest that perhaps when the time comes to raise the money, then they will be gathering around someone other than Senator DeCamp, and it may not be quite so easy then to raise those funds. I think we ought to be realistic folks. All joking aside, we are in a serious financial situation, and if anyone thinks that they can go back to their legislative districts and justify a 3 percent salary increase or an increase in the personal services budget given the present state of the economy, then you represent a different part of the state than I do. I would suggest that all of us know that we have loyal hardworking state employees. We all recognize also that most businesses are in the same kind of a financial position that many of us are in individually, and that most of those businesses would be pleased to retain the same kind of earning capacity they had a year ago. I do not know of very many businesses that granted raises. I do not know of any...in fact I know of some labor unions that have negotiated decreases. I think you are going to see some more of that. I would suggest that unless we do something realistic that we are going to find ourselves in a difficult spot a year from now because of what we have done now. I am going to say also that what we do here sets the pattern for every other subdivision of government. Once the State of Nebraska adopts the policy for a 3 percent raise, we have sent the message to the cities, to the counties, to the schools, to the Natural Resource Districts, that all is well in Nebraskaland and we are very able to take care of this. All we have to do is a slight adjustment in the tax rates. Well, let me tell you, ladies and gentlemen, business cannot do that. Agriculture can't do that. Many professional people can't do that. They have no automatic method of adjustment and so, therefore, I think we ought to take a look at this. It is not just \$11.5 million of state funds that we are spending here, we are committing indirectly the expenditure of additional millions