

that date, fortuitously, this bill goes into effect, and you will see increases, not only in the sales tax, but also in the day-by-day telephone bill which each and every one of you in your businesses, in your homes, will be forced to pay, far in excess, ladies and gentlemen, of that which you have been promised. Senator DeCamp, sincerely I believe, says rates will come down. Ladies and gentlemen, long ago, long ago in the discussions I held with the industry, all of the facade toward the lowering of rates was abandoned and there was a general stampede toward the concept that rates would increase. Senator DeCamp speaks about actual cost, but let me tell you, to build, the cost of the line out to Senator Lamb's ranch costs far more than it does to build it in the metropolitan or urban areas. If actual costs are to be a factor, then all other factors in this bill can go by the wayside because if the company is entitled to recover actual cost, is it possible, I believe so, for that cost to increase ten times? Twenty-five times? Fifty times? I am appalled, I am appalled at what will happen to the poor, the handicapped, the old who cannot afford the service. I am going to make some predictions. I predict that, first of all, if this bill passes, the Public Service Commission will not grant any further wage increases...

PRESIDENT: One minute.

SENATOR SCHMIT: ...any further rate increases. They are not foolish. They are elected people. They are not neophytes. They are going to delay those rate increases until the first of the year. When those rate increases go into effect, the PSC in response to constituent clamor will say the Legislature did it to you. The Legislature raised your telephone rates, not us guys. We are the good guys. I think we know what will happen. I do not believe...we know what kind of a difficulty we had to establish sales tax rates, income tax rates on this floor. Let me tell you, when we begin to establish the telephone rates for the dozens of myriad of companies in all areas of services, ladies and gentlemen, the fun is just going to begin.

PRESIDENT: Your time is expiring.

SENATOR SCHMIT: Thank you, Mr. President.

PRESIDENT: Senator Higgins. You released your time to Senator Johnson, yes...I mean Senator Schmit. Senator Vard Johnson.

SENATOR V. JOHNSON: Mr. Speaker, members of the Legislature, it