

January 6, 1982

LB 563 - 584

Any discussion? All those in favor then of Senator Clark's motion will vote aye, opposed nay. Have you all voted? Record the vote.

CLERK: 44 ayes, 0 nays to cease nominations, Mr. President.

PRESIDENT: The motion carries and Senator Barrett...Senator Bill Barrett, would you like to say a few words. You are elected unanimously, congratulations, and say a few words. The Chair recognizes Chairman Barrett.

SENATOR BARRETT: Thank you, Mr. President and members, I simply wanted to thank the body for the vote of confidence placed in me today. I will certainly attempt to represent the office and this body with integrity and a certain amount of dignity. Thank you very much.

PRESIDENT: Thank you, Senator Barrett. We are now ready for agenda item #9, introduction of new bills. Yes, proceed, Mr. Clerk, reading of new bills.

CLERK: Mr. President, new bills, LB 563 offered by Senator Lamb as Chairman of the Exec Board. (Read title for the first time). LB 564 offered by Senator Lamb as Chairman of the Executive Board. (Read title for the first time). LB 565 offered by Senator Lamb as Chairman of the Executive Board. (Read by title for the first time). LB 566 offered by Senator Lamb as Chairman of the Executive Board. (Read title for the first time). LB 567 offered by Senator Haberman. (Read title for the first time). LB 568 by Senator Haberman. (Read title for the first time). LB 569 offered by Senator Haberman. (Read title for the first time). LB 570 offered by Senator Haberman. (Read title for the first time). LB 571 offered by Senator Clark. (Read title for the first time). LB 572 offered by the Education Committee and signed by its members. (Read title for the first time). LB 573 offered by Senator Clark. (Read title for the first time). LB 574 offered by Senator Koch. (Read title for the first time). LB 575 offered by Senator Rumery. (Read title for the first time). LB 576 offered by Senators Koch and Wesely. (Read title for the first time). LB 577 by Senator Koch. (Read title for the first time). LB 578 offered by Senator Koch. (Read title for the first time). LB 579 offered by Senator Koch. (Read title for the first time). LB 580 offered by Senator Koch. (Read title for the first time). LB 581 offered by Senator Koch. (Read title for the first time). LB 582 offered by Senator Kilgarin. (Read title for the first time). LB 583 offered by Senator Warner. (Read title for the first time). LB 584 offered by Senator Warner. (Read

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LB 375, 571

PRESIDENT: All right, Senator Kremer.

SENATOR KREMER: Mr. Chairman, members, I move that Section 2 be advanced to E & R.

PRESIDENT: The motion is to adopt Section 2. Any further discussion? All those in favor of adopting Section 2 will vote aye, opposed nay. Record the vote.

CLERK: 31 ayes, 2 nays, Mr. President, on adoption of Section 2.

PRESIDENT: Motion carries. Section 2 is adopted. Senator Lamb wishes the Chair to announce that the Reference Committee will meet under the North balcony immediately.

CLERK: Mr. President, while we are waiting, your committee on Appropriations gives notice of hearing for January 27.

Mr. President, I have a report of registered lobbyists for the week of January 15 through January 19. That will be inserted in the Journal. (See page 378.)

Mr. President, your committee on Judiciary reports LB 571 to General File.

Mr. President, Judiciary gives notice of hearing...cancellation of hearing for February 3 and that is signed by Senator Nichol as Chair.

PRESIDENT: We are ready then, Mr. Clerk, to consider Section 3 of LB 375.

CLERK: Mr. President, I have several amendments to Section 3. I believe the first I have is from Senator Vickers and he asks unanimous consent to withdraw that.

PRESIDENT: All right, Senator Vickers is withdrawing the first amendment. It is withdrawn, Senator Vickers. Go ahead.

CLERK: Mr. President, the next amendment I have is from Senator Beutler. Senator Beutler would move to amend Request #2505 by adding the words "proposed management" after the word "the" in line 4, page 6; and by adding the words "livestock and pasture" after the word "crop" in line 5, page 6, and by adding the words "proposed management" after the word "the" in line 5 on page 6.

PRESIDENT: The Chair recognizes Senator Beutler,

design standards than other highway classifications." The rule that was eventually adopted by the Board of Classifications and Standards turned solely on traffic patterns. Traffic patterns were the applicable standards used for scenic recreation roads, and we said that our legislation specifically said, you weren't to look at traffic patterns, you were to look at esthetic qualities. And so we said, your rules don't conform. Okay, so I ask you at this time to advance this bill, again not to discuss the policy behind LB 873 but more importantly to establish the continued legislative oversight of the rule making power in the Executive and to ensure that what our intent is will be fully and faithfully carried out. Thank you.

SENATOR CLARK: Senator Johnson was closing. The question before the House is 649 to E & R. All those in favor vote aye, opposed vote nay. Record the vote.

CLERK: 30 ayes, 2 nays, Mr. President, on the motion to advance the bill.

SENATOR CLARK: The bill is advanced to E & R. The next bill is LB 571.

CLERK: Mr. President, while we are waiting, I have an explanation of vote from Senator Richard Peterson.

Mr. President, Senator Landis would like to print amendments to LB 208 in the Journal.

Mr. President, hearing notice from the Revenue Committee and that is signed by Senator Carsten.

Senator Remmers has amendments to LB 208, Mr. President. (See pages 512 and 513 of the Legislative Journal.)

Mr. President, LB 571 introduced by Senator Clark. (Read title). The bill was read on January 6 of this year, referred to the Judiciary Committee for public hearing. The bill was advanced to General File, Mr. President.

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: Senator Clark.

SENATOR CLARK: Mr. President and members of the Legislature, I introduced this bill for the Oil and Gas Commission. What would happen in the law today is that it is unclear if corporations that are aliens such as Canadian corporations could

own oil and gas leases. This has nothing to do with owning the land, only the oil and gas leases. This will clarify the fact that they can do this. They can own them for ten years or as long as they produce oil or any hydrocarbons. The real reason we want this bill is that we need those foreign corporations to bring their money in to explore for oil and gas in Nebraska. We cannot afford to lose this. Many times they get some of this foreign corporation money in here. The corporations themselves don't actually do it but the local people do it but they get the foreign money in here and that is why we want the bill and I would move that it be advanced to E & R.

SPEAKER MARVEL: Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, I would like to ask Senator Clark a question. Senator Clark, is there any restriction on which country would be able to utilize this bill?

SENATOR CLARK: No.

SENATOR CHAMBERS: Thank you. Members of the Legislature, I didn't vote when the bill came up for a vote during the committee because I hadn't heard the bill but I have no objection to it and in line with my having contacted Libya to try to get assistance that I can't get here, I may be able to work something out like Senator DeCamp is doing with one of those Caribbean countries about handling corn and bringing alcohol back. Maybe I can get Colonel Kaddafi to do a little exploring for oil and gases here. They do have the money.

SPEAKER MARVEL: Senator Burrows.

SENATOR BURROWS: Mr. Chairman, members of the body, I would like to raise one question. Does this allow Russia to come in?

SENATOR CLARK: Allow any foreign corporation, yes. I doubt very much Russia is going to come in here but it would allow that, yes.

SENATOR BURROWS: Wouldn't it be wise to put some limitations in the bill as we introduce it? I really question allowing any foreign corporation with the unfriendly relationships we have with certain nations of the world that we open it up wide.

SENATOR CLARK: We have never yet had that problem, Senator Burrows. The only one we've had have been three Canadian corporations.

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SENATOR BURROWS: Now if a foreign corporation that might not be too friendly to the United States would come in and drill this oil, have we not given up Nebraska oil to that foreign corporation?

SENATOR CLARK: Not that I would know of.

SENATOR BURROWS: What prevents that foreign corporation from shipping it out of the United States after they own the lease and own the oil?

SENATOR CLARK: I really wouldn't know the answer to that question.

SENATOR BURROWS: I would ask the body to look at this and maybe amend this bill so that if we allow foreign capital through other nations that we restrict what corporations and what nations that would be compatible to what U.S. policy is. Thank you.

SPEAKER MARVEL: Senator Chambers.

SENATOR CHAMBERS: Senator Clark, very briefly could you explain how a lease occurs? For example, I couldn't just come in and tell you, give me a lease and you have to give it to me, can I?

SENATOR CLARK: No one is going to give you a lease in the first place. You have to buy the lease. You have to lease the ground from an individual that owns the minerals under the ground. This is usually done by leasing people and they put together a corporation that leases the ground because many times one person cannot lease it. It is too expensive to lease. So they get foreign corporations or any other corporations to come in and help in the production of that particular well.

SENATOR CHAMBERS: And I will support the bill by the way if that wasn't clear the last time.

SPEAKER MARVEL: Senator Vickers.

SENATOR VICKERS: Mr. President, members, I'm a little bit concerned about this bill. It seems to me that perhaps we are talking out of both sides of our mouth. This Legislature and many people in this state have gone on record in the past as being concerned about foreign ownership of land and yet we're opening the door wide open here it seems to me to foreign ownership of leases for our natural resources in this state. It also, if you will read the entire bill, it allows them to acquire and own real estate as may be necessary for such activities, tank farms and so forth along with their

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operation. Now I haven't had a chance to examine this proposal enough. I don't exactly know how serious the need for this is but I thought in southwestern Nebraska we were having quite a number of new oil wells being explored, being brought in and I was a little surprised to find out that we needed to allow foreign corporations and aliens and undoubtedly the Oil and Gas Commission must feel that way. But I question the wisdom of allowing foreign corporations to come in and compete with some of our own local people, Nebraskans, that are out there in the business of trying to develop our natural resources in this state, buying up the leases as they may. Some of the small farms out in my district in the McCook area are doing this right now and are having a competed course with the national firms, corporations that we have here in the United States. Now we are going to say they have to compete with everybody in the whole world and I'm not sure that that's a good policy for this Legislature to take. I think at this point in time I'm going to have to vote against this bill until I have a chance to study the need for it a little bit more than I have at this point in time.

SPEAKER MARVEL: Senator Clark.

SENATOR CLARK: Do you want me to close? I have just found out that oil in the United States cannot leave the United States. That is a federal regulation. Already this is happening of course in Colorado and Wyoming that foreign corporations can own the land there because of their laws. It is unclear in Nebraska whether this can happen or not. What this does is to clarify it. I don't think that you're going to find any Oil and Gas Commission is going to put any law in that is going to take anything out of Nebraska but they are extremely interested in getting additional money out there for wildcat wells. Probably 98% of the oil in Nebraska is produced in my district and we are interested in getting this foreign investment, therefore, I would suggest that you put this bill to E & R. Thank you.

SPEAKER MARVEL: The motion is to advance the bill to E & R. All those in favor of the motion vote aye, opposed vote no. Have you all voted? Record.

CLERK: 25 ayes, 2 nays, Mr. President, on the motion to advance the bill.

SPEAKER MARVEL: The motion is carried. The bill is advanced. The Clerk has an item on the desk.

CLERK: Mr. President, a new resolution, LR 213 by Senator Landis and Hoagland. (Read LR 213 as found on pages 513-514 of the Legislative Journal.) Mr. President, that will

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All Senators that are in their seats, please check in. Will you all check in or shall I call out the names? Senator Sieck, Senator Kremer. All right, they are all here. Do you want a roll call vote? The Clerk will call the roll. They are all here.

CLERK: (Roll call vote taken. See page 545, Legislative Journal.) 27 ayes, 20 nays, Mr. President.

SENATOR CLARK: The motion lost. The next motion is to place #758 on General File notwithstanding the action of the committee. Senator Fowler. The Clerk would like to read in and the Call is raised.

CLERK: Mr. President, your committee on Revenue whose Chairman is Senator Carsten instructs me to report LB 819 advanced to General File with the committee amendments attached. That is signed by Senator Carsten as Chair. (See page 546 of the Journal).

Mr. President, Banking, Commerce and Insurance gives notice of cancellation of hearing. Signed by Senator DeCamp.

Mr. President, Senator Wesely would like to withdraw LB 237. That will be laid over.

Senator Vickers would like to print amendments to LB 230 in the Legislative Journal. (See pages 546 and 547 of the Journal). Senator Kahle to print amendments to LB 703 in the Legislative Journal. (See pages 547 and 548 of the Journal). Senator Schmit to print amendments to LB 421 in the Journal. (See page 549 of the Journal).

Mr. President, new A bill, 590A by Senator Kilgarin. (Read title).

Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 255A and recommend that same be placed on Select File; 440 Select File with amendments; 314 Select File with amendments; 131 Select File with amendments; 287 Select File with amendments; 649 Select File; 571 Select File; 598 Select File and 646 Select File. Those are all signed by Senator Kilgarin as Chair. (See pages 549 through 552 of the Legislative Journal).

Mr. President, Senator Fowler moves that LB 758 be placed on General File notwithstanding the actions of the Appropriations Committee.

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Mr. President, Senator Burrows would like to print amendments to LB 571 in the Journal. (See page 581 of the Legislative Journal.)

SPEAKER MARVEL: Okay, before we call on Senator Goodrich I want to thank the Legislature for their patience and their cooperation and I know that before the session is over we will have solved whatever problems we have left. Senator Goodrich.

SENATOR GOODRICH: Mr. Speaker, you did mean 9:00 a.m., didn't you, not 9:30 a.m. on Monday morning?

SPEAKER MARVEL: I said nine-thirty.

SENATOR GOODRICH: Okay. Mr. Speaker, I move we adjourn until Monday, February 8, 9:30 a.m.

SPEAKER MARVEL: All in favor of that motion say aye, opposed no. We are adjourned until 9:30 a.m. February 8.

Edited by Arleen McCrory.
Arleen McCrory

February 17, 1982

LB 358, 547, 571, 595, 626, 634

CLERK: Mr. President, an announcement from the Speaker regarding LB 547 being moved from Passed Over to General File.

Senator Koch would like to be excused Thursday morning.

Senator Clark would like to print amendments to LB 571; Senator DeCamp amendments to LB 358. (See pages 722-723 of the Legislative Journal.)

Your committee on Banking, Commerce and Insurance whose chairman is Senator DeCamp instructs me to report LB 626 advance to General File and LB 595 indefinitely postponed, both signed by Senator DeCamp.

Mr. President, LB 634 was a bill introduced by Senator Newell. (Read title.) The bill was read on January 6 of this year. It was referred to the Constitutional Revision and Recreation Committee for public hearing. The bill was advanced to General File, Mr. President. There are committee amendments pending by the Constitutional Revision and Recreation Committee.

SENATOR LAMB PRESIDING

SENATOR LAMB: Senator Labeledz, do you wish to handle the committee amendments?

SENATOR LABEDZ: Thank you, Mr. President. LB 634 was introduced by Senator Dave Newell and the committee amendments are just correcting some language. The insertion of "use by" was for grammatical clarity, the words, "or financing" were added so that property and blighted areas could benefit from the federal income tax exemption on bonds without the requirement that the municipal corporation own the property. If there is further explanation of the bill I'm sure Senator Newell will be able to do it. I move for the advancement of the committee amendments on LB 634.

SENATOR LAMB: The motion is to adopt the committee amendments. All those in favor vote aye, those opposed vote no.

CLERK: Senator Lamb voting yes. 28 ayes, 0 nays, Mr. President, on adoption of committee amendments.

SENATOR LAMB: The committee amendments are adopted. Senator Newell, do you care to explain the bill?

SENATOR NEWELL: Mr. President, members of the Legislature, LB 634 is a constitutional amendment which would authorize the bonds, tax exempt bonds for the financing of business

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LB 126, 421, 431, 571, 578,
652, 658, 773, 804, 855, 941

PRESIDENT LEUDTKE PRESIDING

PRESIDENT: Prayer this morning by the Reverend T. Daniel Casey, Pastor of Central Church of the Nazarene, of Omaha. That happens to be Senator Pirsch's Pastor.

REVEREND CASEY: Prayer offered.

PRESIDENT: Roll call. Senator Beutler and Senator Pirsch, do you want give us your lights? Senator Pirsch, do you want to....Senator Pirsch. Record the vote.

CLERK: There is a quorum present, Mr. President.

PRESIDENT: Quorum being present, are there any corrections to the Journal?

CLERK: I have no corrections, Mr. President.

PRESIDENT: Any other messages, reports or announcements?

CLERK: Mr. President, your Committee on Enrollment and Review respectfully reports they have carefully examined and re-engrossed LB 431 and find the same correctly engrossed. That is signed by Senator Kilgarin.

Your Committee on Banking, Commerce and Insurance whose Chairman is Senator DeCamp to whom was referred LB 941 instructs me to report the same back to the Legislature with the recommendation it be advanced to General File; 658 indefinitely postponed; 804 indefinitely postpone; and 855 indefinitely postponed. All signed by Senator DeCamp.

Mr. President, I have a series of Attorney General's Opinions. The first is to Senator Beutler regarding LB 126, one to Senator Vickers regarding LB 571, one to Senator Cullan on LB 421, one to Senator Howard Peterson regarding LB 652, and one to Senator Koch regarding LB 578. (See pages 735-743 of the Legislative Journal.)

Mr. President, Senator Newell would move to place LB 773 on General File notwithstanding the action of the Constitutional Revision and Recreation Committee. That will be laid over.

Mr. President, I have a report to the Legislature from the Little Blue Natural Resource Districts regarding payment of attorney fees. (See page 744 of the Journal.)

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Senator Hefner that I would not attempt to piggyback anything on the present bill for the benefit of Columbus. I did sort of get an agreement from them that they would listen to me at a later date if Columbus found themselves in a similar problem, and I also discussed that with other persons who represent other tracks in the state. I know that there are people in Columbus who have perhaps some interest in the Dworak amendment but I am going to have to say frankly at this time that because of my commitment to Senator Hefner and to Senator VonMinden and because the people that I spoke to in Columbus did not request the type of amendment which Senator Dworak has requested, that I will not support Senator Dworak's amendment.

SENATOR HEFNER: Thank you, Senator Schmit. Could I ask the Clerk how long Senator Dworak is excused for?

ASSISTANT CLERK: He is excused until he arrives, Senator.

SENATOR HEFNER: Okay, Mr. Speaker, I believe that we went ahead with a previous bill this morning on 378 even though there were several Senators that were not here, and so I would like to ask the Clerk, is there any other amendments that we could start on?

ASSISTANT CLERK: I have one other amendment on the bill.

SENATOR HEFNER: Mr. Speaker, could we go ahead with that amendment and maybe Senator Dworak will be here by that time? If we don't get to this bill today, I am a little concerned that the Atokad racetrack will not be racing this year because they start their season in April, and they very definitely need to know if they are going to get some relief and if they are not, they are going to have to make other plans. Therefore, I would respectfully ask the Speaker to go ahead with this bill at this time.

SPEAKER MARVEL: The Chair has been informed that Senator Dworak will be here shortly before....shortly after lunch. If there is no objection, then we will lay the bill over until that time, shortly after lunch. Okay, the next item of business is LB 631. I am sorry, 571.

ASSISTANT CLERK: Mr. President, I have no E & R amendments. I do have an amendment from Senator Burrows. That amendment is found on page 581 of the Journal.

SPEAKER MARVEL: Senator Burrows.

SENATOR BURROWS: Mr. Chairman and members of the body, this

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is on page 581 of the Journal. I wish you would look at the amendment. It simply restricts the foreign corporations and alien owners to those that are from countries that would have reciprocal agreements with the United States that would allow U. S. corporations to explore oil as we are allowing them to in the bill. I think it is fair and reasonable. I understand Senator Clark does not feel it is necessary or want this amendment, but I think it is essential that if we pass this bill allowing foreign alien investment to come in and explore our oil that we restrict it to those countries such as Canada that allow us similar rights. I think there are nations in this world that we have less than friendly terms and that our state with very simple terminology should restrict the drilling of oil and exploring of oil to those countries that allow our corporations similar rights. I would urge the body to adopt this amendment and then after this amendment I could support the bill. Thank you.

SPEAKER MARVEL: The Chair recognizes Senator Clark.

SENATOR CLARK: I discussed the amendment with Senator Burrows. I really don't know that it is necessary and I really don't think it will hurt the bill either, Senator Burrows. So as far as I am concerned you can go ahead and put it on. I don't really think it means anything. I am not sure what countries would not allow us to explore for oil in their countries as we do now. The only thing they do is just nationalize after we do it, and we don't do that in this country but it is fine with me if you want to put it on. I don't think it hurts the bill at all.

SPEAKER MARVEL: The Chair recognizes Senator....Senator Wesely, do you wish to be recognized?

SENATOR WESELY: Yes. Mr. Speaker and members of the Legislature, I support the Burrows amendment. Having been involved in legislation last year on "Buy American" products I am very concerned about this legislation in its form right now. What I learned from "Buy American" legislation last year is that we are always willing to have free trade and open marketplace as far as people coming into America, but, boy, when Americans try to go out and try and sell products in some of these areas there is the tariffs and hidden barriers that are there in Japan and elsewhere in this world that, you know, they are the ones that are talking about all the opportunities they want to have in this country. So we found out pretty quickly that it wasn't really the free and open market that most of us would call for and it seems to me only fair that we have a reciprocal

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agreement which is what Senator Burrows is talking about that if we are going to allow them to come in here and buy up our oil and gas and I am not sure I want to allow that in any form, shouldn't we also have the right if in these other countries to go there and similarly develop their resources. I think that if Senator Clark doesn't see any problem, then there shouldn't be any problem getting this amendment to the bill, but at least we ought to do this much because I am concerned about the reciprocal nature. Americans have a trade deficit. We are in deep trouble economically around the world just because we haven't been competitive and haven't really been going after the markets like we should, and we have allowed different people, Japan and elsewhere to come in here and take hold of various markets at the same time and driving out American producers, and TVs, stereos and cars are already hurting and all this because of the fact that we give them advantages that we don't have. Perhaps the bill in its present form, 571, gives advantages to foreign corporations and aliens that we don't have in their countries. That isn't fair. That isn't right, and I think that Senator Burrows is trying to address that and certainly we need this amendment to the bill.

SPEAKER MARVEL: The Chair recognizes Senator Fowler.

SENATOR FOWLER: A question of Senator Burrows.

SPEAKER MARVEL: Senator Burrows, do you yield?

SENATOR BURROWS: Certainly.

SENATOR FOWLER: Senator Burrows, is it your contention that the bill as presently written would let any foreign country, friendly or not, be able to purchase leases and acquire oil property in the United States?

SENATOR BURROWS: That is my contention that as drafted originally the bill is slightly too much open and would allow any country whether friendly or not to explore oil in the United States.

SENATOR FOWLER: Are there any sort of federal laws or federal trade limitations or federal security, national security acts that in any way would affect the ability of us at the state level to open or control this? I guess is there any federal law that you are aware of or maybe Senator Clark would know of any federal laws that limit the ability as far as trading with the United States and

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being involved in commerce with the United States.

SENATOR BURROWS: I don't know the specifics of federal laws affecting this except for one thing that a federal treaty becomes supreme law of the United States and this would fit under agreements with other nations where they might have treaties allowing us would define right with any provisions that would come down this route. There might be problems and contradiction of federal treaty if we went contradictory to this route, but I am sure this would be within federal treaty since it is on a reciprocal basis and would be held up.

SENATOR FOWLER: Okay, so is your amendment printed anywhere, or handed out?

SENATOR BURROWS: The amendment is printed on page 581 of the Journal.

SENATOR FOWLER: Okay, and it essentially says that there has to be a mutual agreement, right?

SENATOR BURROWS: Right. It says for the purposes of this section approved foreign corporation or alien shall mean any corporation incorporated in or alien as citizen of any foreign country which allows corporations incorporated in the United States rights similar to those granted under this section.

SENATOR FOWLER: Do you know...I guess the specific situation is Canada, does Canada or any of the Canadian provinces have any limitations on the ability of U. S. corporations to explore their natural resources?

SENATOR BURROWS: I don't know specifics on this. It might be Senator Clark does.

SENATOR FOWLER: I guess I would ask Senator Clark. Do you know if Canada is allowing us....okay, well, I think it is a reasonable amendment. I think it is only fair that if we are sharing natural resources that are such a high value including national security value, that it be reciprocal, and for that I think Senator Burrows has an amendment that may make this bill certainly more palatable and I would support it.

SPEAKER MARVEL: Senator Burrows, do you wish to close on your amendment?

SENATOR BURROWS: Yes. It would provide for....this

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amendment provides for countries, alien countries to explore oil, those with reciprocal agreements or those that treat the United States under similar circumstances the same. It is brief. It does draw some basic guidelines to the bill and I can support the bill with the attachment of this amendment. I think it is important that we at state level provide some guidelines to give protection to our natural resources and especially to those countries that are friendly to us. Thank you.

SPEAKER MARVEL: The motion is the adoption of the Burrows amendment. All those in favor of that motion vote aye, opposed vote no. Have you all voted? Have you all voted? Record.

ASSISTANT CLERK: 25 ayes, 0 nays on adoption of the Burrows amendment.

SPEAKER MARVEL: Motion is carried. The Burrows amendment is adopted.

ASSISTANT CLERK: Mr. President, I now have an amendment from Senator Clark. That amendment is found on page 722.

SPEAKER MARVEL: The Chair recognizes Senator Clark.

SENATOR CLARK: Mr. President and members, I took this bill to the Attorney General because I wanted to be sure if these foreign corporations couldn't come in and take over our oil production. First thing I would like to tell you is there is no oil that can leave the United States anyway because of the federal law. Any oil found here has to stay here. What this does is to say that the foreign corporations coming in with their money cannot control the corporation with a board of directors. There cannot be alien board of directors in sufficient number to control the corporation. It has to be local. What we are really interested in are the Canadians coming in. We have a lot of Canadians now bringing their money down here exploring for our oil. The oil has to stay here anyway but we do need their money in order to explore for oil. It is getting more and more expensive. When you talk about \$300,000 to complete a well, you need a lot of money in order to complete those wells. Now they don't pay in any week or two weeks like a lot of people think they might. So what this does is put this bill in conformity with the Attorney General and he wrote the amendment for me after I had written it and he still wasn't satisfied, so he wrote it, and this does put it in conformity as far as he concerned so

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they cannot control the corporation. I would move for the adoption of the amendment.

SPEAKER MARVEL: The motion is the Clark amendment to LB 571. All those in favor of the motion vote aye, opposed vote no. Have you all voted? While we are waiting for the board, in the north balcony probably ten or fifteen minutes ago from Senator Landis's District there were 16 students from St. Patrick's School. These were 4th Grade students and the teacher is Nancy Suhr. Have you all voted? Okay, record.

ASSISTANT CLERK: 27 ayes, 0 nays on adoption of the Clark amendment.

SPEAKER MARVEL: The motion is carried. The Clark amendment is adopted.

ASSISTANT CLERK: I have nothing further on the bill, Mr. President.

SPEAKER MARVEL: Okay, the motion is the advancement of the bill. Is there any further discussion? Senator Schmit.

SENATOR SCHMIT: Mr. President and members of the Legislature, I would like to ask Senator Clark a question if he would yield, please. Senator Clark, as I understand the bill at the present time, LB 571 will allow investment of foreign capital in oil drilling ventures in the United States. Is that right?

SENATOR CLARK: That is correct.

SENATOR SCHMIT: And the Burrows amendment allows reciprocity between the nations that are involved. Is that right?

SENATOR CLARK: That is right.

SENATOR SCHMIT: Okay, thank you. I would just like to comment that I will support the bill and support the Burrows amendment. I believe that Senator Clark has made a point, but I think that it also ought to be pointed out at this point that there is need for capital in many areas of this country not only in the investment in oil but in agriculture and business and others. We see several examples here in the City of Lincoln and most noticeably, of course, the Kawasaki plant is an investment of foreign capital, and I think that Senator Burrows raised a point that is well worth repeating, and that is that when that

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capital is invested in this country, that we ought to have the right to invest in other countries also. I think we need to recognize that the State of Nebraska is a capital short state and as such we need capital, and we need to encourage it from time to time, that we want to be awfully careful how we do it, that we do not surrender control and that eventually we do not surrender some very important property rights here in the State of Nebraska. I guess I am concerned because I can see in some other areas, particularly in the area of agriculture there is objection to the infusion of capital. We had a little discussion yesterday about the capital needs of the State of Nebraska and I think that we need to recognize that Senator Clark's bill here points out that there is a need for capital and even though we might not like that foreign capital concept, that we are making provisions for it under this bill.

SENATOR CLARK PRESIDING

SENATOR CLARK: Senator Fowler.

SENATOR FOWLER: I guess I just had an inquiry of the Chair as to procedure. I was just curious if the rules allow a presiding officer to be there when his bill is up and to participate in debate.

SENATOR CLARK: I haven't any idea.

SENATOR FOWLER: I just wondered if you are going to ask yourself to close.

SENATOR CLARK: The Speaker just wanted to know if I would take over. He had to leave.

SENATOR FOWLER: Okay. Is there any....

SENATOR CLARK: All it is is the advancement of the bill. If it gets controversial, I will get out.

SENATOR FOWLER: Okay, just an inquiry.

SENATOR CLARK: The question before the House is the advancement of the bill. All those in favor say aye. Opposed. The bill is advanced. I guess that takes care of that, Senator Fowler. LB 692.

ASSISTANT CLERK: Mr. President, I do have E & R amendments on 692.

March 11, 1982

LR 231, 233, 234, 237, 238, 239
LB 571, 687, 817, 841, 852

PRESIDENT LUEDTKE PRESIDING

PRESIDENT: Prayer this morning by Pastor Leland Oswald,
First Mennonite Church here in Lincoln.

PASTOR LELAND OSWALD: (Prayer offered.)

PRESIDENT: Roll call. Have you all registered your presence?
Record the presence, Mr. Clerk.

CLERK: There is a quorum present, Mr. President.

PRESIDENT: A quorum being present, Mr. Clerk, are there
any corrections to the Journal?

CLERK: I have no corrections this morning, Mr. President.

PRESIDENT: The Journal will stand as published. Any
other messages, reports or announcements?

CLERK: Mr. President, your committee on Enrollment and
Review respectfully reports we have carefully examined
LB 817 and recommend that same be placed on Select File with
E & R amendments; and LB 852 with E & R amendments.

Mr. President, your committee on Miscellaneous Subjects
whose Chairman is Senator Hefner instructs me to report
LB 687 advanced to General File with committee amendments
attached; and LB 841 advanced to General File with committee
amendments attached.

Mr. President, LR 231, 233, 234, 237, 238, and 239 are ready
for your signature.

PRESIDENT: While the Legislature is in session and capable
of doing business, I propose to sign and I do sign LR 231,
LR 233, LR 234, LR 237, LR 238, and LR 239.

CLERK: Mr. President, Senator Clark would like to print
amendments to LB 571 in the Legislative Journal.

PRESIDENT: All right, Mr. Clerk. While we are waiting to get
started I think that we should recognize that Senator Kil-
garin is going to have...she is really getting old, she is
going to have a birthday tomorrow, I think all of 24, is
that right? I think we should all wish her a happy birthday,
particularly since she is supplying cookies this morning.
Happy Birthday. Senator Labeledz, we probably ought to con-
sider whether you want to go with LB 824 on motions.

March 15, 1982

PRESIDENT LUEDTKE PRESIDING

PRESIDENT: Roll call. Record the vote, Mr. Clerk, or the presence, I mean.

CLERK: There is a quorum present, Mr. President.

PRESIDENT: A quorum being present, are there any corrections to the Journal?

CLERK: I have no corrections, Mr. President.

PRESIDENT: The Journal will stand as published. Are there any other messages, reports or announcements?

CLERK: Mr. President, I have a report from the Department of Roads. That will be on file in my office.

The Committee on Business and Labor whose chairman is Senator Barrett instructs me to report LB 967 advance to General File with committee amendments attached; LB 968 as indefinitely postponed, both of those signed by Senator Barrett.

A new resolution, LR 248 offered by the Administrative Rules Committee calls for an interim study into the feasibility of employing an independent hearing examiners system for state agencies in Nebraska. (See page 1149 of the Journal.)

Your committee on Enrollment and Review respectfully reports we have carefully examined and engrossed LB 69 and find the same correctly engrossed; 359, 428, 571, 623, 659, 705, 724, 779 all correctly engrossed, those signed by Senator Kilgarin as Chair. (See page 1151 of the Legislative Journal.)

Mr. President, your committee on Enrollment and Review respectfully reports we have carefully examined and reviewed LB 652 and recommend that same be placed on Select File with E & R amendments attached; 522 E & R amendments attached; 568 E & R amendments attached. Those are signed by Senator Kilgarin as Chair. (See pages 1150-1151 of the Legislative Journal.)

Your committee on Public Works whose chairman is Senator Kremer reports LB 785 advance to General File and LR 212 advance to General File. Those are signed by Senator Kremer. (See page 1152 of the Legislative Journal.)

I also have a committee on Public Works report on a gubernatorial confirmation hearing.

And, Mr. President, Senator Beutler would like to add his name to LB 577 as cointroducer.

March 19, 1982

LR 249, 250, 256
LB 480, 571, 602, 609A, 688,
787, 799, 835, 854, 854A, 868, 909

PRESIDENT LUEDTKE PRESIDING

PRESIDENT: Prayer this morning by the Reverend John Ross, Pastor of Faith Lutheran Church in Seward, Nebraska.

REVEREND JOHN ROSS: Prayer offered.

PRESIDENT: Roll call. Record the presence, Mr. Clerk.

CLERK: There is a quorum present, Mr. President.

PRESIDENT: Quorum being present, are there any corrections to the Journal?

CLERK: I have no corrections, Mr. President.

PRESIDENT: The Journal will stand as published. Any messages, reports or announcements?

CLERK: Mr. President, LR 249 and 250 are ready for your signature.

PRESIDENT: While the Legislature is in session and capable of transacting business, I propose to sign and I do sign LR 249 and LR 250.

CLERK: Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 854 and recommend that same be placed on Select File with E & R amendments; 854A Select File with E & R amendments; 909; 480; 835; 688; 799; 868; 602 and 787, all placed on Select File, Mr. President. (Pages 1227-1280.)

Mr. President, I have a new resolution, LR 256 offered by Senator Nichol and many of the members. (Read LR 256 as found on pages 1280 through 1283 of the Journal.) That will be laid over, Mr. President.

Mr. President, new A bill, LB 609A offered by Senator Marsh. (Read title for the first time.)

Mr. President, I have a report from the Buildings and Grounds Commission on proposed lease renewal for the Department of Correctional Services, and the Nebraska State Highway Commission files their quarterly report.

PRESIDENT: We are ready then to immediately go to Final Reading, agenda item #4 commencing with LB 571. Would the Sergeant at Arms secure the Chamber and make sure that all members are at their desks, and all other unauthorized

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LB 571

personnel leave the floor. The Legislature is on Final Reading. All right, Mr. Clerk, I guess we are ready. We are ready for LB 571. I believe he said there is a motion on the desk.

CLERK: Mr. President, Senator Clark would move to return LB 571 to Select File for a specific amendment, and the amendment is found on page 1113 of the Legislative Journal.

PRESIDENT: The Chair recognizes Senator Clark.

SENATOR CLARK: Mr. President and members, we held an informal meeting in my office in regards to the amendments on 571, one that Senator Burrows put on and one that I put on. Present at that meeting were Paul Roberts, the head of the Oil and Gas Commission; Mr. Bush, Mr. Gilmore on the Commission, and Mr. Frank Hutfless with the Attorney General's Office. We also were with Mr. Jim Horrigan out of Denver who is an International Oil and Gas lawyer, and their opinion was to take both of these amendments off, that the one Senator Burrows put on which certainly was put on in good faith but said a similar law which did not mean the same laws and they thought it really screwed the bill up. The one I had that said that they couldn't have more than half of a corporation of foreign members on there was bad also, so I just merely ask to return the bill so that we could take these two amendments off which I don't think Senator Burrows or myself probably agree to but that is the way the Attorney General wants it to make the bill proper. So I would ask you to return the bill for this purpose.

PRESIDENT: Any further discussion on Senator Clark's motion to return LB 571 for a specific amendment? Seeing none, Senator Clark, I guess that is your closing. The question before the House is the return of LB 571 for the purpose of the specific amendment. All those in favor vote aye, opposed nay. Record the vote.

CLERK: 34 ayes, 0 nays, on the motion to return the bill, Mr. President.

PRESIDENT: Motion carries. The bill is returned. Senator Clark.

SENATOR CLARK: Mr. President, I would ask for the adoption of the amendment as I explained the amendment before, the removing of those two sections.

PRESIDENT: Any further discussion on Senator Clark's motion

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LB 571 , 577

to adopt the amendment as explained? All those in favor then of adopting the Clark amendment to LB 571 vote aye, opposed nay. Record the vote.

CLERK: 31 ayes, 0 nays to adopt the amendment, Mr. President.

SENATOR CLARK: I would move that the bill be readvanced.

PRESIDENT: Senator Clark.

SENATOR CLARK: The bill be readvanced to Final Reading.

PRESIDENT: All right, motion then is to readvance LB 571 to E & R for Engrossment. Any discussion? All those in favor signify by saying aye, opposed nay. The bill is readvanced to E & R for Engrossment. Mr. Clerk, we will now go to LB 577 next on Final Reading.

CLERK: Mr. President, Senator Vard Johnson would move to return LB 577 to Select File for a specific amendment, that amendment being to strike the enacting clause.

SENATOR CLARK PRESIDING

SENATOR CLARK: Senator Johnson.

SENATOR V. JOHNSON: Mr. Speaker and members of the body, I make this motion so that I can just have a little bit more dialogue the final time on the floor with the bill's sponsors, Senator Koch and Senator Beutler. This bill... this bill authorizes the State of Nebraska to issue bonds for the construction of water retention and impoundment structures, i.e., dams for the purposes of water conservation and management, and then it says these are revenue bonds and it says, the state may pledge all or any part of any state revenue derived from the use of such structures for those bonds. And what I really want to know before I vote on the bill, Senator Koch and Senator Beutler, and either one of you can handle this, is what kind of revenues do you anticipate being generated by these dams that could be used as the basis for the revenue bond pledges? Senator Beutler, do you want to handle that?

SENATOR CLARK: Senator Beutler.

SENATOR BEUTLER: Senator Johnson...

SENATOR V. JOHNSON: Yes.

SENATOR BEUTLER:I really don't have any specific

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LB 522, 568, 688, 652, 480,
428, 626, 571, 573,

CLERK: (Roll call vote.) 27 ayes, 18 nays, and 4 excused and not voting. (Vote appears on pages 1311-12 of the Legislative Journal.)

PRESIDENT: Motion carries and LB 522 is advanced to E & R for Engrossment. Next bill is LB 568. Senator Nichol, are you ready? Not ready, so there are some amendments being worked on, as I understand. Do you want it just passed over until you get those amendments?

CLERK: Mr. President, Senator Beutler would like to print amendments to LB 688 in the Journal. Senator Fowler amendments to LB 652. Senator's Hoagland, Beyer and Sieck to LB 480. Senator Hoagland to 687.

Mr. President, your committee on Enrollment and Review respectfully reports that they have carefully examined and engrossed LB 428 and find the same correctly engrossed. 571, 626 all correctly engrossed.

PRESIDENT: Before we get started on the next bill, one announcement from Senator Lamb that we will work up till 4:00 p.m., just so you know about what time we are planning on adjourning. Secondly, Senator Wiitala would like us to greet some friends of his from Senator Dworak's district, Darrel and Judy Nelson and their son's John and Darren. They are located under the north balcony. Would the Nelson's stand up and be recognized. Welcome to your Legislature. Welcome, Nelson's. We are ready now, Mr. Clerk, for the next bill on Select File. Are there any E & R amendments?

CLERK: There are E & R amendments to LB 573, Mr. President.

PRESIDENT: Chair recognizes Senator Kilgarin.

SENATOR KILGARIN: I move we adopt the E & R amendments to LB 573.

PRESIDENT: Motion to adopt the E & R amendments to 573. Any discussion? All those in favor of adopting the E & R amendments on LB 573 signify by saying aye, opposed nay. The E & R amendments are adopted. Are there other amendments, Mr. Clerk?

CLERK: Senator's Wesely and Kremer would move to amend the bill, Mr. President. The amendment is on page 1099 of the Journal.

March 30, 1982

LB 428, 571, 942
LRs 272-275

SENATOR MARSH: Thank you Mr. President and members of the Legislature. I rise to support the proposed amendment. I rise because as Senator Beutler said the person who is going to have supposedly a guardian appointed receives notice, that is well and good if the individual is capable of comprehending what the notice means. It is well and good if its an adult who reads. It is well and good, but, what if it is not a person who reads? What if it not a person who comprehends what the written words mean? What if it is not an adult? It is important that the rights of each individual . . .

RECORDER MALFUNCTION - NO RECORDING

The motion to return lost with 13 ayes, 27 nays, 2 present and not voting, and 2 excused and not voting. See page 1473 of the Legislative Journal.

Senator Vickers asked unanimous consent to print an amendment to LB 942 in the Journal. (Page 1473 of the Legislative Journal).

Clerk read LRs 272, 273, 274, and 275. See pages 1473-76 of the Legislative Journal.

RECORDING RESUMES ON FINAL READING

ASSISTANT CLERK: . . . reading LB 428.

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 428 pass. All those in favor vote aye, opposed vote nay. Record the vote.

ASSISTANT CLERK: 41 ayes, 4 nays, 2 present and not voting, 2 excused and not voting. Vote appears on page 1477 of the Legislative Journal.

PRESIDENT: LB 428 passes. Next bill on Final Reading is LB 571.

CLERK: Mr. President, LB 571, I have a motion from Senator Schmit to return LB 571 to Select File for a specific amendment.

PRESIDENT: Chair recognizes Senator Schmit.

SENATOR SCHMIT: Mr. President, I move the bill be returned for a specific amendment. The specific amendment is basically

the Burrows amendment which was added at one point and later removed. If you wish, I have a copy of the amendment here I'd be glad to send it around. I think most of you know what it does. The amendment says basically that those companies who wish to invest funds in the United States can do so only if their countries allow investment of our capital in their countries. Senator Clark I think will have something to say about that. Something to the effect that it may not be constitutional because we have no control over their legislature, have no control over their laws or what they do up there. I just want to point out that I have always been in support of those bills which have encouraged the movement of capital, whether it is within a county, within a state, within a nation or between nations. But, I believe that it ought to be a two way street. I think that Senator Clark is saying in effect that yes we will welcome the investment of capital from Canada, for example, even though the Canadians would not endorse the movement from capital from this country back into Canada. I would just like to point out why perhaps we might not want to move any capital into Canada for investment in oil wells. One of them is there is an 8% severance tax on oil in Canada and it is not deductible for income tax purposes. So as a result there are companies up there who say that is worse than nationalization. So they are looking around for places to invest capital. Senator Clark says it cost \$540,000 to drill a well. It is absolutely impossible to encourage or entice that kind of capital out of the United States. I find it impossible to believe that the oil companies, which have enjoyed financial success far beyond their wildest dreams, which have found the resources with which to buy companies such as Montgomery Ward and many other companies now find themselves short of capital for reinvestment. We have seen an improvement in their price of oil from \$2.40 a barrel to \$40 back down to \$36 and we are hearing about a disaster in the oil industry. They don't have any capital for reinvestment. I believe in allowing companies to have capital for reinvestment. I have said so many times. But when we say we do not have the capital here for our local companies I would like to know why. I have seen no reason, I have seen no documents, I have seen no facts that can back up what Senator Clark has told us that there is a lack of available capital for oil exploration within the continental United States. It seems to me that if we are going to bring in foreign capital then we should at least allow those of us who want to go into a foreign country to go back into that same country. It seems kind of inconsistent to me that at a time when there are persons in Nebraska who are carrying

petitions to drive capital out of Nebraska and away from farm real estate that we would also be passing a law specifically inviting capital from countries which will not allow our capital to be invested in their own country. You have to ignore the fact that their own tax laws are such that no man in his right mind would want to go up there. Even if they did allow it. But the facts are they won't allow it. We have seen inconsistencies before. We watched the importation of beef from foreign countries to this country that are taxed at a very low rate. When we try to ship beef into Japan, for example, that beef is taxed at a very high rate. We find automobile workers out of work by the hundreds of thousands because of Japanese imports. Whereas the Japanese government is extremely restrictive of exports to their country. I really do not like to pick on Senator Clark's bill because the bill as it stands really is probably not a bad bill. But, what I am saying is that it is inconsistent. What I am saying is we are allowing foreign capital to come in here, compete with our capital, Senator Clark says we don't have enough of it, at the same time we are not asking for the same kind of privilege in return. Part of the problem that we face as a nation today is because we have been the granddaddy to everybody. The Godfather to all. We have not allowed the transfer of capital. Oh yes, we say we are going to bring these guys in, but we can't go out. Senator Clark hasn't been too concerned about the free movement of capital within the state or between the states or between other institutions. Yet now he says we need to allow the Canadian's, the Saudi's the Iraqi's, I don't know who else to come into this country and invest in the leases. Now he says we are not going to sell them, we are just going to provide the money for the leases, for the exploration. Well I think we know what is going to happen. I think we are aware the price of petroleum has dominated all other costs in these United States for the past ten or twelve years. The price of energy is going to continue to dominate those costs. I do not believe what we are doing today is going to lower those costs. Senator Clark says it is going to facilitate the exploration. It may well allow, when Occidental has enough money to buy Iowa Beef. Why don't they drill oil wells with it? On the one hand, as a farmer I pay the price they demand for petroleum products, fertilizers, for chemicals, all of which are petroleum based. On the other hand when I sell cattle to Iowa Beef the price is established by the packer. You talk about being between a squeeze, that is a squeeze a heck of a lot tougher than bidding against Prudential for a quarter of section of land. If you have any concept of what you are up against, I wish you would take a look at it. I don't think Senator Clark can tell you of the multitude of non-petroleum type investments that have been made by the petroleum companies

this country in the last six, seven or eight years. They have bought everything that hasn't been nailed down, rooted down or doesn't move, that has a chance of making any money. Now they are not going to buy farmland because that is one darn poor investment. But if it was a good investment they would buy farmland. I don't know why they don't go out and drill more oil wells. But I can tell you very frankly I have talked to tax people, there is only one investment that has a bitter tax write off than an oil well and that is a race horse. I would suggest if you check the records you will find that it is true. Race horses, you can depreciate them in two or three years, next comes your oil well. We have given them so many tax breaks at the federal leve. If you go back and check the records of the members of the Congress you will find that most of them have been substantially supported by contributions to the oil companies. I'm not saying that is wrong. What I am saying and I go back to the statement. . .

PRESIDENT: Senator Schmit, one minute Senator Schmit.

SENATOR SCHMIT: . . .debate that involed the railroads, he said that I find it is easy for those individuals to protect tneir own property. I think you need to recognize that if we do what we are doing here, by the passage of LB 571, without the Burrows amendment we are saying it is fine to give everyone the right to come in here, invest in here, do as they please in here, we don't want any consideration from a foreign country. I'm fed up with it and I think most of the people of the State of Nebraska are fed up with it. I think what someone else said before sauce for the goose ought to be sauce for the gander. There ought to be equality of treatment. Whether we want to use it or not is up to us. I move for the return of the bill for a specific amendment.

PRESIDENT: Chair recognizes Senator Wesely.

SENATOR WESELY: Mr. President, members of the Legislature, I rise in support of the Schmit motion to return and the amendment which he proposes. This is an amendment that Senator Burrows carried, as Senator Schmit talked about. It is an amendment which we adopted and later removed by Senator Clark. I think it was wise at that time to adopt the amendment and I thought it was unwise to remove it and I think Senator Schmit is proper to bring it back to our attention and ask again to reconsider and place that amendment on the bill. As he talks about the Japanese and some of the other concerns, I recall the discussion we had about two years ago on buy American legislation in this body. At the time there was a rejection of the proposal to have a policy that would encourage buy American. But what has become

even more evident as the years have gone on since that time and the information has become clear is that we are too generous, too open, and too unwilling to recognize the fact that we bend over backwards to work with others but they are not quite as willing to work with us. Now we have a situation now where the Japanese are offering us several billion dollars in a care package to help us out and what they are trying to do is make up for the times in which they have had barriers on trade, have tried to keep a free market from working and to their advantage and to the same time taking advantage of our free market attitude in our country. That same attitude could be in existence with LB 571 where it is only fair if we are willing to bend over backwards and allow into this state, out of this nation, investors to purchase oil and gas production in the State of Nebraska that we should be able to go there as well. I think we are all pretty much favoring free market enterprise and we are open on that. But, if we don't have a free market if we open up our market and they do not to us then how is that fair, how is that equal, how is that equitable and I think that is what Senator Schmit is talking about, that is what Senator Burrows is talking about. If we open up ourselves to aliens coming in purchasing oil and gas then those same people should allow us to go to their nation and do the same. That is all we are asking for. It seems like its a fair thing to ask and without it I don't think this bill is reasonable.

PRESIDENT: Chair recognizes Senator Dworak.

SENATOR DWORAK: Mr. Speaker and colleagues the Schmit talk on the two-way street has an interesting concept. Senator Burrows and Senator Wesely obviously also are endorsing this. I think the concept of reciprocity might be one that we look at in another piece of legislation that is going to come up a little later and I hope the consistency is there from Senator Schmit, Senator Burrows and Senator Wesely.

PRESIDENT: Before I call on the next speaker, we have some 28 students from Senator Dworak's district. Senator Dworak you have some guests here the eight graders from Humphrey St. Francis, with Ron Wright their teacher up here in the north balcony. Would they kind of wave to us and show us where they are. Are they still up there? I don't see them. They were here Senator Dworak. Might check and see if. . . stand up. There you are. Welcome St. Francis to your Unicameral. The Chair recognizes Senator Fowler.

SENATOR FOWLER: Mr. President, Senator Schmit made some

reference to tax status in Canada. I would like to read for you some things out of the March 29th Forbes Magazing. There is an article in there on Gulf Oil. In it they talk about Gulf's holdings in Canada, which seems to be the nation we want to have reciprocity with. On page 42 in talking about the situation of Gulf Oil they say, "The situation of Canada has been a particular blow to Gulf with the left wing Trudeau government's finding foreign oil companies such easy pickings. In October, 1980 the Canadian government instituted the National Energy Program, the NEP. Under its provisions the government slapped on an 8% petroleum and gas revenue tax payable on the well head price of all oil and gas produced after January 1, 1981. Since the new tax is not deductible for Canadian income tax purposes, the effect is double. Largely as a result of the new tax Gulf, Canada's contribution from operations to Gulf earnings fell." Then it goes on to talk about, "This year the impact from Gulf Canada's exploration production revenues will be even greater because the petroleum of gas revenue tax has been increased to 12%. In addition the government has announced yet another tax, a 50% incremental oil revenue tax which deprives companies the benefit of increasing oil prices. Furthermore the Canadian government now has the unilateral right to take a 25% share without compensation to any projects in the Canada land. The federally controlled lands in the frontier area. The company takes all the risk to explore an area and takes a 100% of the loss if the effort proves unsuccessful. But, if it succeeds it must cede 25% of the project to the Canadian government. But the most invidious aspects of the NEP are the provisions that effect only the foreign controlled energy companies. A bill being considered by Parliament will exlude such companies from most of the incentives offered for exploring in the frontier area's. That will effectively quadruple the cost for exploration for non-Canadian companies, disparity that will eventually force them out all together. The thing that we worry about in Canada is they keep squeezing us so the economic benefit so it is almost worse than nationalization, says the President of Gulf Oil." Now if we are gowng to talk reciprocity then we ought to look at Nebraska's severence tax, which is 2% or 3% in some cases, which is tax deductible and compare it to Canada. Look at the other tax incentives and see that perhaps the United States is an attractive place for Canadian investment but the Canadian policy as it is being developed at this very time is not an attractive place for American investment. I think Senator Schmit and Senator Burrows with his amendment raised a good question. We are very open to foreign investment in the United States and it is unfortunate that other countries do not have that same openness when we come to their shores. I think we ought to look carefully before we take a valuable natural resource such as this and be so

permissive with it and when other countries seem to have developed a standard of limiting it so that in fact even exploration is not possible in their country.

PRESIDENT: Before we go on to the next speaker, we have some guests of Senator Kilgarin and Senator Labedz, 44 Lefler Senior Citizens from Omaha, they are right directly ahead in the east balcony. Would we welcome the Lefler Senior Citizens to their Unicameral Legislature. Welcome. Chair recognizes Senator Clark.

SENATOR CLARK: Mr. President and members, first I would like to say that I never yet put a bill in this legislature to try to pull anything on anyone. I'm not trying to get ownership of foreign countries in here on land or anything else. I put this in for the oil and gas commission because it does take about \$540,000 to complete a well, an oil well. Certainly the big companies have money to explore for oil. In our particular state we have real small deposits of oil. Why don't they want to put money in our state even though the severance tax is 3% and you are talking about 8% in Canada? I'm not sure that they have an ad valorem tax in Canada, we do have in this state. Whenever you get that severance tax up to a point where it is not productive they will not come in and look for oil. What we have to do in our particular state is look with wildcats. It was in my paper the other day that 36 wells were drilled in one county and two of them were completed. You can imagine what that cost. It cost about \$100,000 just to drill the hole. We need that foreign money in here. The only reason I took this particular amendment off that Senator Burrows had put on after I had talked to him was the Attorney General said that it was so vague that we have absolutely no control over their country. I can see no reason why we wouldn't want foreign capital to come in here and invest. I can certainly see why we would not want to invest our capital in foreign countries. There is nothing in this bill that is bad. They can't own any ground except where the tank farm is or the pump is, about five acres of ground. The only thing they can own is the oil lease itself. They can not take the oil out of the country, that's a law against that. So, it is our oil, it is going to increase the production of our oil here, certainly will increase the severance tax that we get on oil, if we get it. It is a fine bill as far as I am concerned. I'm not going to live or die over the bill. If you don't want foreign money to come in and put money into our production of oil, try to find oil, then vote against the bill. Certainly there is nothing wrong with the bill, getting the money in. I don't know why the money

is coming out of Canada unless it is a fact that they have all those taxes up there which is the same thing you will do in Nebraska if you increase that severence tax to a point where it is not productive. They will not go out and look for oil. That is just how simple that is. You get into the State of Wyoming where they have oil coming out of their ears you can put any kind of a severence tax you want on it. We don't have that production here. The only thing we have here is what we find in a small pool. I will certainly reject bringing this bill back because the Attorney General had me take that off in the first place.

PRESIDENT: Chair recognizes Senator Burrows.

SENATOR BURROWS: Mr. Chairman, members of the Legislature, I support this amendment. I think the other day I did not voice objection when it was taken off, but I think the arguments really for taking it off are more vague than those for keeping it. At this point, especially with the new information on the way that Canada handles its oil situation, its severence tax, I feel that it should be put back on and I wholeheartedly support the Schmit amendment.

PRESIDENT: Any further discussion on the motion to return by Senator Schmit? Senator Schmit, you may close.

SENATOR SCHMIT: Mr. President, I'll be brief. I support Senator Clark and his efforts to keep the severence tax reasonable on oil produced in Nebraska, and he knows that. I think that the very fact that the severence tax that Senator Fowler and Wesely pointed out in Canada is very high and may bring capital into Nebraska but it may also bring it in at the expense of investors in Nebraska. Competition is going to be a little tougher I think because there is probably a lot of money up there that wants to come down here. I'm just saying that if we allow that to happen and I have always been in favor of the free movement of capital. But if we allow that to happen then the capital ought to be allowed to go the other way also. I think you just make a mistake if you say, okay, we are going to invite the Canadians in here and we do not ask for the same kind of consideration in return. It doesn't say we have to go up there, it just says come on over across the border folks, you are welcome here, but we don't want to go back in there, we are not asking for the same kind of consideration. He says we do not have control over their legislation, of course we do not have control. I don't know if we have control of our own sometimes, Senator Clark, it seems as if we do not from time to time, must of it seems to be directed from somewhere else. The point I

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LB 571

want to make is to say that we encourage a unilateral system is not consistent with good business in the State of Nebraska or in the United States. We see in the European commonmarket denied access for agricultural commodities while we have welcomed some of those commodities into this country. We watch the middle east and the far east do the same thing to us. I think it is high time we take a look at it and ask ourselves if we want to paint ourselves further into a corner. As I have said before, I believe in the free movement of capital. I encourage it, I endorse it. But, I think it ought to move both ways and at a time we are starved for capital in Nebraska for agricultural purposes I think it is strange, as I said earlier, efforts to drive capital out of Nebraska that it would be invested in agriculture at the same time we say it is good to invest it in oil wells and oil prices today are one of the major reasons why Nebraska agriculture has not shown a profit for the last several years and at this time you can not project a profit for next years crop. I ask you to move the bill back to Select File and adopt the amendment.

PRESIDENT: The motion before the House is the motion to return LB 571 for the specific Schmit amendment. All in favor vote aye, opposed nay. Again, let me remind you we are on Final Reading, everyone should be at your desks so please vote if you are going too. We are voting on the return of LB 571 for the Schmit amendment. Please vote. We will wait for everybody to get back to their desks. Senator Schmit what do you wish to do, we can't hold the board open any longer. Record the vote.

CLERK: 20 ayes, 21 nays Mr. President on the motion to return the bill.

PRESIDENT: Motion fails. Anything further on . . .

CLERK: Mr. President, Senator Schmit would now move to return LB 571 to Select File for specific amendment. That amendment being to strike the enacting clause.

PRESIDENT: Chair recognizes Senator Schmit.

SENATOR SCHMIT: Mr. President, I would ask to withdraw that amendment and just proceed with the bill.

PRESIDENT: All right, the amendment is withdrawn. We shall proceed with the Final Reading of LB 571 Mr. Clerk.

CLERK: Read LB 571 on Final Reading.

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LB 571, 626

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 571 pass. All those in favor vote aye, opposed nay. Record the vote.

CLERK: 30 ayes, 12 nays, 5 present and not voting, 2 excused and not voting. Vote appears on pages 1478-79 of the Legislative Journal.

PRESIDENT: LB 571 passes. The next bill on Final Reading is LB 626.

CLERK: Mr. President, I have a motion on the desk.

PRESIDENT: Read the motion.

CLERK: Mr. President, Senator Vard Johnson would move to return LB 626 to Select File for a specific amendment. The amendment is found on page 1327 of the Legislative Journal.

PRESIDENT: Chair recognizes Senator Vard Johnson.

SENATOR V. JOHNSON: Mr. Speaker, members of the body, a week ago Friday I distributed to each of you a letter setting forth what this particular amendment would do. Let me quick like describe the amendment and then I'll talk about my own thoughts regarding the bill and the amendment. The amendment does three things, two of which are fairly substantive and one of which is relatively minor. The first thing the amendment does is it would lower the maximum deposit allowances for multibank holding companies from 10% of the deposits in all of the banks in this state and all the savings and loans in this state and all the building and loans this state, it would lower it to 10% of bank deposits. Now currently the state director of banking indicates that 10% of all deposits in the state whether they be banking deposits, saving and loan deposits or building and loan deposits it is about 1.4 billion dollars, that is 10% of all of those deposits. Whereas 10% of only banking deposits alone would be about one billion dollars so its about a 400 million dollar reduction in the ceiling for multibank holding companies. The second thing the amendment does is it allows multibank holding companies that are incorporated and domesticated in the contiguous states, those states that are contiguous to Nebraska to also become involved with multibanks, also acquire banks in Nebraska provided that those contiguous states have reciprocal laws to permit Nebraska holding companies to engage in the same kind of transaction

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LB 428, 571, 573, 626

PRESIDENT LUEDTKE PRESIDING

DR. AL NORDEN: Prayer offered.

PRESIDENT: Roll call. Senator Hoagland, would you honor us by letting us start. Thank you. Record the presence, Mr. Clerk.

CLERK: There is a quorum present, Mr. President.

PRESIDENT: A quorum being present, are there any corrections to the Journal?

CLERK: I have no corrections this morning, Mr. President.

PRESIDENT: The Journal will stand as published. Any messages, reports or announcements?

CLERK: Mr. President, the only items I have are the bills that were read on Final Reading yesterday are now ready for your signature.

PRESIDENT: While the Legislature is in session and capable of transacting business I propose to sign and I do sign reengrossed LB 428, reengrossed LB 571 and reengrossed LB 626. We are ready then for agenda item #4, Final Reading. The Sergeant at Arms will secure the Chamber, see that all unauthorized personnel leave the floor and all members are at their desks. As soon as everyone returns to his or her desk we will commence with Final Reading this morning. Okay, is everybody ready for Final Reading? I notice at ten-thirty we have a Mother of the Year ceremony, Nebraska Mother of the Year ceremony so we would like to move along as rapidly as we can. We are still kind of waiting to get everybody situated at his or her desk and then we will commence. One more time, if everybody would assume their desks we're ready to go. Okay, we can commence then, Mr. Clerk, with Final Reading of LB 573.

CLERK: (Read LB 573 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 573 pass. All those in favor vote aye, opposed nay. Record the vote.

CLERK: (Read record vote as found on page 1511 of the Legislative Journal.) 40 ayes, 2 nays, 6 excused and not voting, 1 present and not voting, Mr. President.

PRESIDENT: LB 573 passes. The next bill on Final Reading is LB 633.

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LB 953, 428, 571, 754, 942
LR, 282, 283, 284,

SENATOR CLARK PRESIDING

RECORDER MALFUNCTION

The following information is taken from the Legislative Journal dated March 31, 1982.

LB 953 was advanced to E & R for Review with 38 ayes, 3 nays and 8 excused and not voting (Journal page 1543).

Legislative Resolutions 282, 283, 284 were all read and referred to the Executive Board.

The Enrolling Clerk presented the following bills to the Governor: 428 and 571.

LB 754 was advanced to E & R for Engrossment.

LB 942 the E & R amendments found in the Journal on page 1412 were adopted.

Senator Schmit offer an amendment to 942 (see page 1536 of the Journal). The Schmit amendment was adopted with 27 ayes, 0 nays, 18 present and not voting, and 4 excused and not voting.

RECORDING BEGINS:

SENATOR RUMERY . . . touching this highway fund. I hope you will go along with that idea.

SENATOR CLARK: Senator Vickers, did you wish to close?

SENATOR VICKERS: Very briefly, Mr. President. Mr. President and members, just so nobody is misunderstands what I am... where I am coming from and what my position is, as I indicated earlier I would have liked to have set the sunset date for this \$3.75 in 1981, which means I am not in favor of the \$3.75, in case anybody didn't catch that. I'm not in favor of keeping that tax on the registration. I would rather fund the state patrol from the sales and income tax as they have been funded. I was one of the thirteen, remember, back last November that voted to raise the income tax. All I'm saying with this amendment is that it would seem inevitable to me that we are going to, in fact, assess a \$3.75 charge to the registration of vehicles. All I'm saying is that we

April 5, 1982

LR 293, 294, 295
LB 208, 428, 571, 633, 790, 924,
970, 520A, 970A,

CLERK: Mr. President, a few items. The Rules Committee offers a report regarding rule changes previously offered to the Rules Committee. (Page 1605 of the Journal).

I have a gubernatorial confirmation hearing from the Education Committee. (Page 1606 of the Journal).

Senator Vard Johnson would like to print amendments to LB 924. (Page 1606-07 of the Journal).

Attorney General's opinion addressed to Senator Chambers. (Page 1607-08 of the Journal).

A communication from the Governor addressed to the Clerk regarding LB 208, 633, 790, 428, and 571. (See page 1609-10 of the Legislative Journal).

Mr. President, your Committee on E & R respectfully reports we have carefully examined and engrossed LB 970 and find the same correctly engrossed. 970A correctly engrossed.

Mr. President a new resolution LR 293 (read title). LR 294 (read title). LR 295 (read title). All were laid over.

SENATOR LAMB: If I could have your attention for just a few minutes. As you probably know we have a number of priority bills that have not been considered at this point. We have a number of revenue bills and appropriation bills that need further work and so our time is pretty short. In order to consider this whole situation we are scheduling a meeting of the chairmen at noon today in Room 2102, so we can discuss the whole situation and come up with some possible solutions.

SENATOR CLARK PRESIDING

SENATOR CLARK: The first bill we are going to take up under item number four, General File, will be 520A.

CLERK: Mr. President 520A was a bill introduced by Senator Vard Johnson. (Read title). I have an amendment from Senator Johnson to the bill, Mr. President.

SENATOR CLARK: Senator Johnson.

SENATOR JOHNSON: Mr. Speaker, members of the body, LB 520 is a bill that deals with child care and licensing thereof. During the first round debate on LB 520 Senator Cope asked me what I thought this bill would ultimately cost. I indicated