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Committee approves tax plan

By Pat Higgins

The Appropriations Committee of the Legislature on Wednesday afternoon approved a package that would include raising income taxes by 1 percent. Also included in the proposal is a 2 percent across-the-board cut in the budget. Additional selective cuts also will be made.

Under the leadership of the chairman, Sen. Jerome Warner of Waverly, the committee voted six to one in favor of the package. The dissenting vote was cast by Sen. Larry Stoney of Omaha.

The package is based on a projection that used a report from Data Research Inc. This report anticipates a slow growth in the economy that would lead to a revenue shortfall of \$57 million for the rest of the fiscal year.

Sen. Don Dworak of Columbus said that he has reservations about the projection because it anticipates some growth in the economy. State Tax Commissioner Don Leuenberger predicted a shortfall of between \$50 million and \$55 million on Tuesday afternoon.

Gov. Charles Thone's proposal to the Legislature would cut the budget by \$30 million and accelerate tax collections on another \$10 million.

Warner asked the committee if anyone agreed with the governor's plan. No one responded affirmatively.

The committee's package assumes that the state income tax will be adjusted by

the Board of Equalization in order to compensate for the July 1 federal tax cut. If the Board of Equalization does not act to raise taxes, the shortfall would be an additional \$12 million.

"We have no assurance that the Board of Equalization will do that other than the fact that I think that the law says they have to," Warner said.

The committee plan would trim the budget by \$23 million. That includes \$13 million in the 2 percent across-the-board cut and \$10 million in selected cuts and lapses.

"The solution everybody has told us so far is not to cut us, cut somebody else, and we'll be fine," Warner said.

In addition to the projected \$57 million shortfall, a 3 percent reserve totaling \$7 million will be maintained. The reserve is currently 2 percent.

"In good times the reserve is 5 percent," Warner said. Dworak said that he would like to see the reserve be 4 percent.

The Appropriation Committee's package includes the governor's plan to accelerate tax collection for \$14 million.

"I don't see LB2 having any problems on the floor of the Legislature," Warner said in reference to the accelerated tax collection.

Dworak said he was skeptical of obtaining the necessary 25 votes to pass the Appropriation Committee's package on the floor of the Legislature.



Staff Photo by Dave Bentz

UNL students walk leisurely to class on East Campus on Wednesday afternoon. The group is pictured near Ruth Leverton Hall.

R Street merchants question mall consequences

By Vicki Ruhga

Plans to close R Street to construct a mall met with varying reactions from R Street merchants.

Roger Leising, owner of Taco Inn, 1245 R St., said he does not know exactly what the new mall plan entails.

"If there is a possibility of tearing down the buildings, it would have a dramatic effect on our business," Leising said.

"The university may eventually use eminent domain to extend the campus," Leising said. "In my understanding, the university could use eminent domain to come in and pay a fair price for the buildings. They may also pay some consolation for a business leasing the building like mine, depending on how long the lease is."

Leising said his current lease runs out in nine years, when the mall supposedly would be in its finishing stages.

Leising said he did not think the mall would have an adverse effect on business.

"There is a mall similar to that on the Boulder, Colo., campus, with malls and shops on each side of the street," he said. "It's a neat deal. It attracts a lot of people, and there is always somebody walking around."

June Oldenkamp, owner of Dippy Donuts, 1227 R St., said she knew of the mall plans from a drawing in the newspaper.

The proposed parking lot would not hurt her weekend business too much because it is mainly drive-in, she said. However, she said that if the mall was to be a grassy area, it would hurt her weekend business.

The Nebraska State Historical Society board of directors voted Oct. 9 to support the mall project, said Marvin Kivett, director of the State Historical Society, 15th and R streets.

Ivett said the mall would be a positive step in making the university campus a better place.

The street closing should have no great effect on the Historical Society, Kivett said, since the museum will be moved to 15th and P streets, decreasing the number of visitors. However, the museum move did not come as result of R Street plans. He said the move to the former Elks Building has been in the process for at least two years.

The mall plan also should add parking for people doing research, Kivett said. Currently, there are no parking lots for people visiting the State Historical Society, he said.

Dick Propst, assistant manager of the Nebraska Bookstore, 1135 R St., said he believes the mall project will have an adverse effect on his business.

Students will still have access to the bookstore, but Propst said the business also relies heavily on other people who won't be able to get around on campus.

However, Propst said that the additional parking would help his business, and the

others on R Street.

Nebraska Union Director Daryl Swanson said he was initially concerned about whether the mall project would leave any visitor parking close to the building. He said he is no longer concerned because the drawings appear to provide for parking.

Swanson said he was also concerned about whether commuting students would have access to the union. The current bus transfer area is located on Q Street, and Swanson said he hoped the area would be closer to the union. With the mall, the transfer probably would not be moved any closer to the union, he said.

"Other than that, it would be nice to have a mall on the south side of the building," Swanson said. "It would be more suitable for events like the Homecoming pep rally, and the landscaping should also give more elbow room and be less restrictive."

Regents request account of calls

The NU Board of Regents sent a letter to Regent Robert Prokop of Wilber about 10 days ago asking him to account for calls made on his regental expense account, according to board Chairman James Moylan of Omaha.

Before the recent election, the ASUN Senate passed a resolution for an investigation of fund abuse by Prokop based on allegations made in articles in several newspapers.

Dan Wedekind ASUN president, said Monday that he intends to request that Prokop's regental expense account continue to be investigated, despite the fact that Prokop lost the 4th District regent's race to Nancy Hoch of Nebraska City.

Wedekind said the elections and the investigation are two separate issues and that the alleged fund abuse is still a matter that needs to be resolved.

Moylan said that Prokop had been asked to account for other calls he has made in the past and he had done so.

This letter, he said, asked for an accounting of calls made last summer and this fall.

1980s called decade of robot

By 1990, General Motors Corp. will have more than 14,000 robots operating in its automotive plants, GM robotics manager Richard Beecher said Wednesday.

Beecher and other company executives spoke in the lounge of the UNL College of Business Administration.

The 1980s is "the decade of the robot," Beecher said. "By the end of the decade robots will play a major role in production."

He said many factors make robots more attractive for use in production than they have been in the past.

Robots are less expensive and are more dependable than before, he said.

"There is also more worldwide competition in the robot market. The competition is intense because the market is seen as very large," he said.

Higher worker wages also make robots more desirable as a technological tool.

Beecher said more than 200 companies worldwide — 50 in the United States — manufacture robots. Much of the robotic research is being done by the Japanese.

"The Japanese are threatening to become the world leaders in robotics," he said. "It's estimated they will spend over \$300 million in the next few years to develop sensor-controlled robots."

Reuben Jensen, executive vice president for GM, acknowledged that the Japanese are leading the market in robotics, but added, "they're not ahead by a tremendous amount. We're catching up fast."

Jensen was unsure how many GM workers would lose their jobs because of being displaced by robots.

"That's almost impossible to determine," he said. "Some people will lose their jobs, but other jobs will be created. We can't really tell what effect that will have on the economy. Times change. We're just working with every technological innovation we can."

Despite worries about a possible increase in unemployment, Beecher said the introduction of robotics would have several benefits for workers.

"It would eliminate undesirable tasks," he said. "It would also increase productivity, dampen inflation and improve the overall quality of work life."