

fields. If we were to add that to the cost of the petroleum from those areas, I think we know what it would do to that cost. But the facts are that our country has historically expended billions upon billions of dollars to protect oil reserves around the world and we will continue to do so and the oil companies pay not one dime for that kind of protection. And so it strikes as just a little bit hollow when we talk about subsidies for this entity and we avoid mentioning what has happened in other areas. Now, relative to the Smith amendment, and I want to say again, I talked to Senator Smith about it, I appreciate where she's coming from, I appreciate Senator Schrock and Senator Kristensen and Senator Nelson. The Hastings plant is in their area and they have an obligation to try to do the best they can for their constituency and for that entity, but the program was not started for Hastings, the Hastings plant nor the farmers around Hastings. The program was started to provide an industry, a new industry which would use a sufficient amount of the surplus grain in this state to substantially increase the price of corn and increase the volume of the remaining corn that was used for domestic production and for export. That's what it was for, and to provide a better environmental type of fuel. Go back and read the preamble on LB 776, 1971. We are making a mistake. We made a mistake a year ago when we provided the production incentive on existing production. I was opposed to it. Very frankly, there was an anti-Schmit attitude on the floor. We all know that that was a carryover from my proposal that farmers buy the plant with the money, but I couldn't get enough votes to adjourn for lunch last year on that issue if you'd all been starving to death. And the facts are that it isn't much better today. But the fact that we made a mistake last year puts Chief Industries in the position they're in today and that is unfair to Chief Industries, I agree. I would like to know exactly...

SPEAKER BAACK: One minute.

SENATOR SCHMIT: ...when I told the representatives from those areas, I would like to know exactly what impact that kind of production incentive had upon their intention to buy the plant. It was my understanding that the plant cost around \$10 million. If that is true, then one year's production incentive, I hope you are listening, ladies and gentlemen, one year's production incentive will amount to about \$2.5 million. That is one-quarter of the cost of the existing production. Now all I'm asking you is, what is fair? I know Mr. Eihusen. He's a friend