

value of that plant substantially. If my numbers are not correct that I gave you earlier, I would hope that you would, someone would correct me. But I believe that almost anyone can go to a bank and finance an institution for \$10 million if the production credit alone on that fuel is \$2.5 million per year. Now I know it's not that simple and I don't pretend that it is, but I want to just say that we need to know exactly where we are going. I propose that we did not know what we were doing last year when we embarked upon this proposal. It would have been far better, both for this body, I think, and for the Chief Industries had we not adopted the production incentive proposal as we did. Now on the other hand, and I have to say this because if I don't Senator Smith is going to remind me of it in her closing, it may well be that had we not passed the production incentive that Chief Industries might not have built or might not have bought that plant and, in fact, it might not be operating today. So based upon that, I can stand here and I could argue and I think all my colleagues could argue, that it was a justifiable expense, a justifiable expenditure of those funds to use the production credit to encourage someone to buy the Hastings plant. The question is, how far do we need to go? I have drawn an amendment which I will probably offer after Senator Smith's amendment has been discussed that would terminate the production credit for existing production on January, on December 30, 1991. That would be one full year of that kind of incentive. I think that we ought to take a look at that. I think we need to also, whether we...we won't have time to do it today, but I know that I can count upon Senator Schrock and Smith and Nelson to assist me on this. We need to know exactly what the numbers are relative to that plant and what impact this Legislature will have based upon what course of action we take. If the Legislature were to adopt my amendment which would shorten the amount of time...

SPEAKER BAACK: One minute.

SENATOR SCHMIT: ...that we give to the existing production incentive, then I think we need to know what the Hastings plant and what the other plants will do if that happens. Last one I think is important is this. We need to know, and I have talked with Mr. Lichti of the Ethanol Authority and I have not spoken with anyone else. I've not been contacted by the Ethanol Authority. We need to know what obligations they have against the fund as of now. If, in fact, if, in fact, there is a concern on the part of the Ethanol Authority that the fund may