

ethanol, and we were not to, in my opinion, nor in the opinion of those who were here at the time, enrich those who were already in the business. There will be those who will say the plant was up for sale and could not be sold. I have discussed at great length with the purchaser of the plant the situation in which he finds himself. He has told me that without the 20 cent per gallon subsidy the plant will not be profitable. Ladies and gentlemen, Chief Industries bought the plant for about 30 cents on the dollar. If they need the 20 cent per gallon subsidy to make it profitable, then I ask you how can anyone build new production and be profitable with a mere 20 cent per gallon subsidy. Mr. Eihusen has also told me that unless...

SPEAKER BAACK: One minute.

SENATOR SCHMIT: ...we continue the subsidy on the existing production, it is very doubtful that he will attempt to expand the plant. I asked him if, in fact, the action of the Legislature which made it possible for Chief Industries to draw 2 1/2 or 3 million dollars a year from the fund for existing production might have, in fact, caused him to pay an inflated price for the plant. Mr. Eihusen is a fine businessman and an honorable person, and he commented, well, who knows. The point I want to make is this, the action of this Legislature by making available a slush fund for existing production did, in fact, make it possible for the plant to be sold for somewhere between 10 and 13 million...

SPEAKER BAACK: Time.

SENATOR SCHMIT: ...dollars based upon the kind of inventory valuation you placed upon the product on the plant site. What I am saying here is this, today...

SPEAKER BAACK: Time.

SENATOR SCHMIT: ...I do not believe it is fair to ask the commodity producers of this state at this time to subscribe to Senator Wehrbein's amendment as long as there is no way that we can control who receives the money. If the money goes only to new production...

SPEAKER BAACK: Senator Schmit, your time has expired.

SENATOR SCHMIT: Thank you very much, Mr. President. I will