

# After 43 Years, Gasohol Still Not Economical Fuel

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On Nov. 6, 1977, this column began with the following statement:

"It is technically possible to make alcohol from grain, blend it with gasoline and make a good fuel called 'gasohol.' Why doesn't somebody do it? The reason is simple. Nobody has been able to make it pay, although many have tried during the past 40 years."

That statement should now read "43 years" and add that billions of taxpayers' dollars have been spent trying to make gasohol pay.

Gasohol is available at service stations throughout Oklahoma and most other states because subsidized syn-fuel studies, government guaranteed loans, grants and tax breaks have pushed major oil companies, industrial opportunists and individuals into alcohol manufacturing.

Sales of gasohol have not proved to be spectacular, for two reasons: Plenty of straight gasoline is available, and it costs less.

Now David Stockman, federal budget director, predicts in the next five years without loan guarantees.

Funds for building and maintaining highways suffer as more gasohol is used. The federal Highway Trust Fund loses four cents every time a driver buys a gallon of gasohol instead of gasoline. In addition, the State of Oklahoma reportedly lost about \$1.3 million in tax revenue during the first year state gasohol tax exemption was in ef-

## Ferdie J. Deering

fect.

Use of smaller, more-fuel-efficient cars and less driving because of high gasoline prices also are affecting tax revenues.

Predictions that introduction of gasohol on the retail market would strengthen grain prices have not been established. Five major Oklahoma companies are engaged in development of synfuels and about 50 licenses have been issued for small alcohol-producing plants in the state, but grain used remains a small proportion of that produced.

There is no evidence that higher food prices have resulted from using corn and wheat to make alcohol for fuel and apparently export markets for grain have not been noticeably affected, either.

Last fall after analysts announced that production of 4 billion gallons of alcohol a year by 1985 would quickly evaporating, killing any hopes for a rapid increase in alcohol distilling capacity by 1982."

One major oil company spokesman was quoted as saying, "Gasohol has not achieved the point where it can be sold on its own merits." Another said his company had scrapped plans to enter gasohol production. A third declared "Virtually the entire project is dependent on federal money."

However, Texaco Inc., the largest gasohol marketer, was reported to be sticking with expansion plans, even though its gasohol sales had fallen to only half of what they were last summer.

A significant aspect continues to be debated. That is whether gasohol yields as much energy as is required to produce the grain used, transport it, distill it into alcohol and blend it into gasohol.