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The Real Price Of Gasohol

THE MORE WE learn about gasohol — that combination of gasoline and alcohol which some say is the answer to the nation's prayers for a fuel to propel its automobiles — the less appealing it becomes.

Fred Sanderson, a guest scholar at the Brookings Institution in Washington, has put together some figures which show the real cost of gasohol.

He notes that ethanol (alcohol) can be made from many things, including farm wastes. But making alcohol from such things as wood and waste materials is so costly it can't compete with alcohol made from crops. So any serious consideration for gasohol must rely upon the use of crops — corn, wheat, rye or whatever grains can be put together for the distillery. The reliance upon such crops would be heavy even if it were not for the economics of the distillation process. The heavy push for gasohol has come from distressed grain farmers who want to create a new and — they hope — big market for their grains so the price will go up sharply.

When the farm groups, distillers and other interests began talking about making gasohol, grain prices were depressed to the point where the estimated price of a gallon of grain alcohol would have been \$1.20, after allowing for octane premiums and the value of the distillers' spent grains which could be sold for livestock feed.

But then the price of gasoline then was only 85 cents a gallon. So the gasohol promoters had to find some way to make gasohol seem competitive. The "solution" was to exempt the alcohol from fuel taxation. Sanderson figures that if gasohol should become widely accepted, such exemptions would cost the federal Treasury \$30 billion in the next 10 years, and there is no telling how much it would cost the states which exempt gasohol from their taxes or cut that tax to encourage the mixture use.

However, that's only part of the prob-

lem. It takes grain to make alcohol and it takes gasoline — or at least gasohol — to grow the grain. Sanderson figures that since it would take an estimated 3.3 billion gallons of imported oil to produce the corn that makes the alcohol for gasohol, the net saving in oil imports would be just 6.7 billion gallons a year, or 6 per cent of our petroleum imports. We probably could save more than that if most farmers were to convert their operations to the newer "no-till" methods.

Worse, though, is the impact such a conversion of grain would have upon the nation's food economy. Using corn to make alcohol would require 67 million tons of that grain for the distilleries. That grain production might be made up by increasing acreages and yields, though that is becoming more and more difficult due to a shortage of good cropland. But the nation's food needs are rising steadily, too, and food needs alone will require a 50-million-ton increase in grain production.

So if we have the pressure of rising food needs increased by the need for grain for distilleries, increases in food prices probably would exceed the cost of imported oil, even if that goes higher than it is now.

BAD AS THAT WOULD be for the people of this country, consider what it would mean for the people of the poorer nations of this world whose people must depend upon U.S. food to survive because they have no way to produce their own. How will the United States look in the eyes of the world if it must refuse those hungry people food because it wants to use the grain to wheel its cars around the nation's streets and highways?

Better we should recognize the gasohol project as foolhardy now and concentrate our efforts, our resources and our money on more practical possibilities for stretching our oil and gasoline supplies — such things as conversion of coal to liquid fuels.