

NEWS RELEASE!

Senator Bob Dole

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DOLE POINTS TO CARTER REVERSAL ON ALCOHOL FUELS

TOPEKA, Kan. -- In another election-year reversal, President Carter late this week requested that the secretary of the treasury do what is possible to prevent foreign alcohol fuel from benefitting from the four-cent-per-gallon excise tax exemption for gasohol. Thus, he is belatedly supporting efforts that Senator Dole has made over the past two years. Gasohol is typically a blend of 10 percent ethyl alcohol and 90 percent gasoline.

"I welcome the President's support on this important issue," Dole said. "Since early this year, the U.S. market has been flooded with alcohol fuel imported from Brazil. By taking advantage of the four-cent-per-gallon gasohol exemption, Brazilian producers had the benefit of a 40-cent-per-gallon subsidy for their product. This flood of subsidized imports has threatened to cripple the infant U.S. gasohol industry. Congress intended this subsidy to be limited to domestic alcohol fuel.

"Until this week, the Carter Administration vigorously opposed every effort I had made to remove this unfair subsidy to foreign producers. In 1978, I made precisely the same request of the secretary of the treasury that the President made Thursday and never received a favorable response.

"More recently, I have succeeded in getting the Senate to approve an amendment that would impose a 40-cent-per-gallon tariff on imported alcohol. This amendment is currently pending in a House-Senate conference committee. The effect of this tariff would be to accomplish exactly what the President requested. Before Thursday, the Carter Administration did everything it could to defeat my amendment. I hope the President's letter signals a permanent change of direction in favor of fostering the domestic gasohol industry."