



NEWS from U.S. Senator Bob Dole

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FOR IMMEDIATE RELEASE
WEDNESDAY, APRIL 18, 1979

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DOLE TO INTRODUCE BILL TO EXPAND PILOT ENERGY PROJECT LOAN GUARANTEES FOR AGRICULTURE

WASHINGTON -- Sen. Bob Dole (R-Kan.) announced today he will introduce a bill in the Senate next week to raise from four to 16 the number of loan guarantees that can be approved by the Commodity Credit Corporation to finance pilot energy projects that will convert agricultural products into fuel and other energy sources.

"The 1977 farm bill provided for four loan guarantees of up to \$15 million each," Dole said. "These four guarantees have now been approved. With the increase in fuel costs since the farm bill was passed in 1977, and with the increased interest in liquid and solid fuels from agricultural products, more pilot projects are needed.

"USDA now has the regulations written so they could guarantee several more projects without major costs. Four projects does not seem enough given the energy situation faced in 1979. Many applicants had to be turned down because only four projects were provided Congress.

"Congress needs to provide more stimulation to the private sector for the production and marketing of industrial hydrocarbons derived from agricultural commodities and forest products. The use of agricultural products could expand the nation's supply of industrial hydrocarbons and also increase the market for agricultural commodities and products.

"I was pleased that two of the four present guarantees went to Kansas-based companies. A project was approved for Guarantee Fuels, Inc. of Independence, Kan., to build plants in North Carolina that would refine forest and agricultural residues into fuel pellets for direct burning in industrial boilers.

"A second project was approved for Midwest Solvents, Inc. in Atchison, to finance a pilot project in Texas to convert milo and sugarcane molasses into alcohol."