

May 9, 1979

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You see in Brazil, Senator Pirsch, the government controls the oil companies. In this country I am sorry to say, it appears to me that the oil companies control the government and the country of Brazil is faced with what amounted to about a \$4,000,000,000 deficit because of their importations of oil. So they decided that they would utilize excess land which they had to produce sugar cane to utilize that in the production of alcohol. The situation is not unlike that which Congressman Bedell proposes in his bill where we would use surplus acres in this country that are presently being set aside. There about 17,000,000 acres of crop land being set aside this year. Those crop land acres could produce about 4,000,000,000 gallons of fuel if they were to be utilized in the production of alcohol. We recognize and Senator Warner has touched upon the fact that someone continually refers to the fact that it is not economically feasible. There are new methods that are being developed always that will improve the production of alcohol and as I have pointed out many times, the first automobile wasn't economically feasible either. We didn't have any roads. It wouldn't be much good today but it became feasible. I'm sorry to take so much of your time.

SENATOR PIRSCH: No, that is all right. I just wondered what specific things that they did. Now they made the oil companies build these plants. Is that correct?

SENATOR SCHMIT: No, they... It is interesting...

SENATOR PIRSCH: Did they subsidize...?

SENATOR SCHMIT: They guaranteed loans for them in that country but interestingly the guarantees have never been used because the oil companies, of course, were required then to buy the alcohol from the producers of the alcohol and they had a market for it, but they guaranteed the loans but the loans have never been...the loan guarantees have never been used. They didn't need to.

SENATOR PIRSCH: And this encouraged you in believing that this would work in Nebraska?

SENATOR SCHMIT: That was one of the reasons why, yes.

SENATOR PIRSCH: Thank you very much.

SPEAKER MARVEL: Senator Merz, do you wish to be recognized?

SENATOR MERZ: Mr. President, I will make this short. I rise

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