

PRODUCTION OF SUGARS AND SIRUPS IN INDUSTRIAL- ALCOHOL PLANTS

OCTOBER 9 (legislative day, OCTOBER 2), 1945.—Ordered to be printed

Mr. BUTLER, from the Committee on Finance, submitted the following

REPORT

[To accompany S. J. Res. 100]

The Committee on Finance to whom was referred the joint resolution (S. J. Res. 100) permitting federally owned alcohol plants to produce sugars or sirups simultaneously with the production of alcohol, having considered the same, reports favorably thereon with amendments and recommends that the joint resolution, as amended, do pass.

This joint resolution, as reported by the committee, is a temporary measure to permit the production of sugars and sirups from potatoes and from high-moisture or damaged grain, in industrial alcohol plants simultaneously with, or alternately with, the production of alcohol until July 1, 1946. Prompt enactment of this legislation is necessary to prevent the waste of a large quantity of surplus potatoes produced in this year's crop and a large quantity of corn which has been damaged by floods or excessive rains.

The production of industrial alcohol in the United States has been greatly increased during the war period. The facilities of existing industrial alcohol plants were greatly expanded and new alcohol plants were constructed. Industrial alcohol had a number of important uses in the war effort, particularly in the production of synthetic rubber. The cessation of hostilities has resulted in a reduction in the demands for alcohol, and the Government now has on hand a large stock pile. Consequently, there is no necessity for continuing to produce alcohol in quantities sufficiently large to fully utilize the existing facilities of industrial alcohol plants for that purpose.

While the demand for alcohol is greatly diminished, there is, of course, a demand for sugars and sirups which far exceeds the available supply. We also have from this year's crops a large surplus of potatoes and a large quantity of "wet" corn from which sugars and sirups can be produced in industrial alcohol plants. It is estimated that the surplus of potatoes is approximately 60,000,000 bushels.

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It seems obvious that, in the present situation, the surplus potatoes and the damaged grain which we will have from this year's crops should be used for the production of sugars and sirups rather than permitting them to go to waste. This will accomplish several desirable results. It will help to relieve the shortage of sugars and sirups. It will provide for utilizing the facilities of industrial alcohol plants and enable them to maintain their operations while they are developing new markets for alcohol. It will also make possible the use of surplus agricultural commodities. Since the Government owns or is under obligation to purchase a large part of these surplus agricultural commodities, their use will result in a substantial saving to the Government.

This legislation is necessary to make possible the accomplishment of these results, because of provisions of existing law which prohibit plants producing alcohol from engaging in any other business or producing any other commodities. Many of the plants which can produce sugars and sirups from surplus potatoes and damaged grain will need to be engaged in producing some alcohol at the same time. In order to permit this to be done it will be necessary to waive the prohibition in existing law. The permission granted by the joint resolution to produce sugars and sirups would not be applicable to plants while they are producing distilled spirits for beverage purposes. However, such plants can be converted to industrial alcohol plants without much difficulty, when they are not producing distilled spirits for beverage purposes, and they could then produce sugars and sirups simultaneously with industrial alcohol.

The effective period of the joint resolution is limited to June 30, 1946. This is the period which is estimated to be required for utilizing surplus potatoes and damaged grain from this year's crops. The committee regards this as strictly emergency legislation to care for the present situation. Its recommendation that this resolution be enacted should not be taken to indicate that the committee in any way would regard permanent legislation of this character as desirable or that the committee is likely to recommend any extension of the period during which this legislation is to be effective. The committee is of the opinion that the present situation justifies this legislation, as a temporary measure, but only if it is strictly confined to the present emergency.

