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Alcoholized-Gasoline: Fuel for Recovery?

by

Carol Brockman

The day: March 11, 1933. Imagine lines of cars at the gas station. Eager drivers await the expected truckload of fuel. Sound like a shortage of fuel? Not quite. Instead it was the zealous awaiting of alcoholized-gasoline at the North Center Street pumping station in Bloomington, Illinois. It was the farmer's dream for recovery and big business's nightmare.

Peoria, Illinois became one of the first locations to produce alcoholized-gasoline. The sale price for alcoholized-gasoline at that time was 32 cents a gallon, a price higher than that of pure gasoline. Because alcoholized-gasoline prices did not decline, competition against oil companies never materialized. After World War I an interest in alcohol revived due to a diminishing world oil supply. Unfortunately, Prohibition appeared, thus killing the alcohol industry and halting ethyl alcohol productions.¹

As some lived the wild life of the roaring twenties and dodged Prohibition agents, the farmers of America were struck with a depression. After the stock market crash of 1929, the rest of America joined the despair of the farmers. Once hard times took root, a chemist from El Paso, Illinois, Paul Beshers, conceived a plan to relieve the farmer, thereby starting the U.S. back on the road to recovery. Beshers' plan called for the combining of 10% ethyl alcohol with 90% pure gasoline. Adherence to this plan would allow farmers to use up surplus crops and generate a profit from the sale of alcoholized-gasoline, thus restoring the farmers' purchasing power. The next step would be to gain government acceptance of the Beshers Plan.

The first bills in favor of the Beshers Plan were presented on February 10, 1933, to the United States House of Representatives by Representatives William E. Hull of Peoria, Illinois, and Homer W. Hall of Bloomington, Illinois. These bills called "for the use in motor fuels of alcohol manufactured from agricultural products grown in the U.S."² On March 1, 1933, the Beshers Plan saw continued support from Representative Buckbee of Rockford, Illinois.³ Upon returning to Bloomington after losing the election and serving two terms as a U.S. representative, Homer W. Hall stated his belief in "Beshers' alcoholized-gasoline plan to reduce the country's agricultural surplus and to raise the price of farm commodities."⁴ Representative Frank Gillespie, upon taking the place of Hall, promised to push legislation of the Beshers Plan.⁵ In fact, Illinois members of the U.S. House delegation reached an overall consensus in favor of the Beshers Plan, promising to support it. And why not? Illinois, with its rows of corn, stood to gain enormously if the plan was enacted. The Illinois representatives cited the advantages of the plan as 1) an outlet for surplus corn and 2) an increase in miles per gallon for the motorist. Then on March 10, 1933, as another Illinois

representative, Dobbins of Champaign, introduced the bill to the House, for the first time a similar bill for alcoholized-gasoline was introduced to the U.S. Senate by McNary of Salem, Oregon.

As interest spread in Washington, D.C., several farm organizations also became interested in the Beshers Plan. These organizations appealed to the federal government and the Federal Prohibition Department for permission for a trial of the alcoholized-gasoline. One appeal came from the Woodford farmers of Illinois, who were willing to test the alcoholized-gasoline in their tractors. Interest in Woodford grew to the point that groups held meetings and discussions on the Beshers Plan. At a Woodford club rally, Major Walker, the head of the Peoria Commercial Solvents Corporation, suggested that the farmers agree upon one plan to present to Congress. Walker warned farmers to expect opposition from the east and the oil companies. When it came to fuel, farmers had to be prepared to play hardball. Oil companies were not going to sacrifice profits for the struggling farmer. In order to compete against this opposition, Walker suggested enlisting the support of American farmers from the different agricultural regions. Since the Beshers Plan could produce ethyl alcohol from most--if not all--crops, the plan would prove to be equally beneficial to those farmers. Given the opportunity to regain his livelihood while remaining independent of the government, the American farmer was willing to try anything.

Public testing of alcoholized-gasoline--at 18 cents per gallon--finally began on March 11, 1933, in Bloomington, Illinois. The government granted tax exemptions for eight hundred gallons of 200-proof grain alcohol, which represented 5,200 bushels of corn. Federal inspectors closely guarded the delivery and mixing of the alcohol with the gasoline.⁶ These were still the days of Prohibition.

Public acceptance of the alcoholized-gasoline was overwhelming. Sixteen thousand gallons were purchased by drivers within six hours. The drivers would ask gas station attendants about the new fuel, then drive around town using up whatever pure gasoline was left so as to replace it with alcoholized-gasoline.⁷ Henry Gunther, one of the first people to test the alcoholized-gasoline, agreed with chemists as to the ability of the new gasoline to attain higher speeds than pure gasoline. Letters to the editor of Bloomington's The Daily Pantagraph began arriving. Cries of "give the Beshers Plan a chance" came from residents such as George Mayfield, who criticized those who scorned the plan. Exemplifying the feelings of the thirties described by historian Warren Susman, Mayfield called for all people to unite to battle the depression and big business.⁸ Mayfield countered criticism that the plan wasted food by pointing out the stupidity of allowing

surplus to rot when it could be used to make a profit. He also stated his concern about the diminishing oil supply, a concern held by many individuals including congressmen and a Pantagraph editor. Mayfield pointed to the Beshers Plan as a solution to this. His final words reiterated the necessity of working together to end the depression.⁹ Mayfield saw the common problems that appeared in Americans' lives and realized that for each individual to better his standing, he would need to unite with others.

As public experimentation with alcoholized-gasoline took place in Bloomington, U.S. Congressmen continued to push for nationwide use of the fuel. In an address to fellow U.S. House colleagues, Representative Gillespie spoke of helping the farmer with a bill to increase the farmers' buying power. Along with the bill, Gillespie wanted the incorporation of the Beshers Plan which "would solve this whole problem and will increase agricultural purchasing power."¹⁰ Gillespie explained the plan and its call for 10% alcohol produced from U.S. crops to be combined with 90% pure gasoline. Production of the alcohol would require one fourth of the corn crop or seven eighths of the wheat crop. Rather than reduce production, a viable alternative presented itself in the form of the Beshers Plan--an alternative that would certainly increase crop prices. Gillespie called for the enactment of the Beshers Plan or any plan that could restore the farmers' prosperity and therefore lead the rest of the nation to recovery. Playing on religious sentiment, Gillespie ended the presentation declaring, "The farmer's cause is the Lord's cause."¹¹

Appeals for the Beshers Plan did not go unheard. Senator Shipstead of Miltna, Minnesota asked for unanimous consent on the following Senate resolution:

Resolved, that the Secretary of Agriculture is hereby requested to investigate, through the agencies of the Bureaus of Agricultural Economics, Chemistry and Soils, and Agricultural Engineering of the Department of Agriculture, the practicability and advantages to agriculture of using alcohol manufactured from corn and other farm products, in motor fuel, and to report thereon to the Senate as soon as possible.¹²

The Resolution was agreed upon.¹³ Government had heard the word of the common man and began to act.

Votes of support for alcoholized-gasoline poured in, and not just from the corn belt. Pamphlets, circulars and booklets on alcoholized-gasoline were

distributed nationwide. As Bloomington residents filled up on the fuel at the pumps, senators and representatives tried to pump the Beshers Plan through Congress. Bills for the acceptance of alcoholized-gasoline made from U.S. crops were introduced in the Senate and House by congressmen from a variety of states: Hull, Hall, Buckbee, Dobbins, Dirksen and Gillespie of Illinois; Harrington and Gillette of Iowa; Knutson and Shipstead of Minnesota; Clark of Missouri; and McNary of Oregon. These men may have represented those politicians who sought to help the common man against business, or perhaps they were men who recognized a money-making plan and a tool for recovery that might also spell instant re-election. Additionally, letters from state legislatures in farming states like Iowa and Idaho petitioned the U.S. Congress to seriously consider enacting legislation to produce and market alcoholized-gasoline. Nebraska went as far as to suggest that Congress "make all alcohol used as fuel, blended or otherwise, be exempted from federal taxes."¹⁴ However, one state, Pennsylvania, voiced several reasons for rejection of the Beshers Plan: there was a "demand from certain special interests" to market alcoholized-gasoline; additional taxes on the new fuel would hurt the "already overburdened" motorist; and only alcohol producers would profit. It was therefore "requested" that the U.S. Congress "reject legislation to compel blending alcohol with gasoline."¹⁵ However, the loyalties of Pennsylvania lay not only with the motorists but with a native corporation, Sun Oil Company.

The Beshers Plan received fierce opposition from the oil industry. The petroleum industry argued vehemently against the use of alcohol and especially against the reduction of the amount of pure gasoline by 10%. Granted, the oil companies may not have worked well together under the voluntarism of Hoover or even the programs of FDR's New Deal, but when an outside party--that of the common man--threatened the livelihood of the oil industry, big business united to conquer her common enemy. This coalition was much like that called for by George Mayfield. Oil companies saw themselves equally threatened by the Beshers Plan. The move to unite was not meant to create dependency upon each other but to reach a common end that would benefit each individual oil company.

The attack on alcoholized-gasoline began. Sun Oil Company recruited radio news-commentator Lowell Thomas to criticize the Beshers Plan on the air. Experts employed by the oil companies advised the public and the government to abandon the plan, citing its impracticability.¹⁶ The oil companies took it upon themselves to inform motorists of the supposed evils of alcoholized-gasoline: stalling, difficult starting, corrosion of motor interiors. Cartoons and caricatures were circulated about alcoholized-gasoline-consuming automobiles, depicting

them as wobbly, fence-climbing vehicles that ran into trees.¹⁷ These tactics cost a great deal of money. However, if Representative Dirksen's accusations were correct, the oil companies had even deeper pockets, spending additional funds to influence automobile manufacturers, the American Motorist Association, and the American Automobile Association (AAA).¹⁸

The possibility of the AAA campaigning against the Beshers Plan centered around an alcoholized-gasoline demonstration held in the presence of Congress, engineers and other experts. The first mention of a demonstration sponsored by the AAA occurred after questions were posed to the association. The questions concerned whether the oil companies paid any amount of the salary due officers or directors of the AAA or provided any funds for AAA advertising.¹⁹ The AAA's offer of a demonstration went unquestioned, since part of the association's job is to provide information to motorists.²⁰ However, the demonstration also acted as a temporary smoke screen to clear the AAA of any suspicion of an association with the oil companies by giving alcoholized-gasoline an apparently fair chance to prove its worth.

The demonstration took place on June 9, 1933. In Dirksen's opinion, bad circumstances altered the test results. The temperature--a balmy 100 degrees--made everyone uncomfortable, including those directly involved with the test. The driving course was too short and did not test the fuel's full potential. Most importantly the dynamometer, which measured the power of the vehicle, malfunctioned.²¹ Before the public demonstration, tests performed by chemists had proven that alcoholized-gasoline provided improved acceleration, smoother operation, increased mileage and high anti-knock value.²² Yet after this inconclusive public demonstration, the AAA falsely reported that the test refuted those earlier findings. Because of the AAA report, national newspapers ran stories about the disappointing performance of alcoholized-gasoline.²³ If the oil companies had any influence on this demonstration, then they certainly got their money's worth.

In understanding why the oil industry was so adamantly opposed to the idea of alcoholized-gasoline, an idea which would take away only 10% of the gasoline sales, two reasons are uncovered. In 1906, another Roosevelt--Theodore Roosevelt--used alcohol as part of his attack on the Standard Oil Trust.²⁴ In the thirties, oil companies may have feared a government move to phase out oil and its depleting sources in favor of agricultural crops which could be planted annually. The drive for profit may provide another explanation, since obviously it would be to the oil companies advantage to stop any new competition from forming.

Once later reports on alcoholized-gasoline appeared, the oil companies drastically changed their tune. Under the watchful eye of the U.S. Senate, continued testing by the Bureau of Agricultural Economics and Engineering and independent researchers proved there exists "no technological difficulties . . . in the use of alcoholized-gasoline."²⁵ Realizing the possibility of capturing the overseas market on alcoholized-gasoline--where such fuel was actively and widely used--companies like Shell Petroleum marketed "Shelkol" in Australia. Representative Dirksen characterized these oil companies as hypocritical, because they sold a beneficial product overseas while continuing to inform Americans of the costliness and lack of technology surrounding the use of alcoholized-gasoline in the U.S.²⁶

The last real push for the Beshers Plan came in 1935. That push was administered by Representative Dirksen who believed the U.S., while leaving existing industries intact, must "revise and alter our internal economy" by using surplus crops for alcoholized-gasoline.²⁷ Dirksen believed the last possible way to bring about nationwide use of alcoholized-gasoline would be to implement it on a state scale and then expand it to a national scale. As a supplement to the idea, Dirksen also called for lower taxes on the fuel. If his ideas were accepted, Dirksen believed the U.S. would see "a sane, sensible, and fundamental kind of farm relief that will actually relieve and continue to relieve for many years to come."²⁸ Unfortunately, the Beshers Plan never made it any farther than being an idea.

For the next three years interest in the Beshers Plan died down. Bloomington's newspaper discontinued any stories on the alcoholized-gasoline and the bill disappeared from the Congressional agenda. Continued testing may have been taking place to ensure the reliability of alcoholized-gasoline, but it apparently was no longer news. More likely negative campaigning by the oil companies, coupled with the bad press associated with the AAA demonstration, shook the nation's faith, and therefore interest, in the Beshers Plan. Or perhaps Congress was unable to agree upon a way in which to implement the plan.

Word of the alcoholized-gasoline plan resurfaced briefly in Congress in 1938. This time Representative Harrington and Senator Gillette each introduced a bill to exempt any alcoholized-gasoline from taxes, and then the Beshers Plan took its last breath. Much like historian Bruce Nelson's account of Baltimore shipowners in the thirties who joined together to remove improvements made by marine laborers, oil companies had united and succeeded in killing the Beshers Plan--and thus the farmers' recovery plan--by November 1938.²⁹

Several possible explanations for the failure of the Beshers Plan appear, yet are easily dismissed. It was commonly believed that subsidies, loans and other New Deal programs offered to farmers were enough to satisfy them. After all, prosperity did return to the farmer after several possible remedies were tried.³⁰ Yet, farmers and businesses dependent on the farmers strongly supported the plan. It is probably more in the character of the conservative farmer to want to stand on his own two feet and make his farm work for him rather than have the government pay him not to plant crops. Besides, only the previously prosperous farmers would truly benefit from the New Deal programs. Others have said cost may have played a part in the plan's lack of success. However, alcoholized-gasoline would only cost motorists an additional three cents.³¹ Representative Dirksen also pointed out that alcohol could be added to a cheaper grade of gas, providing the same results with no price increase.³² Finally, questions arose as to whether automobiles of the thirties would accept the alcoholized-gasoline, or if enough crops could be produced to supply a nation with fuel and feed it at the same time. Concerning engines, those of the thirties were quite tolerant of different fuels; Henry Ford had even produced some car models in which the carburetors could be adjusted for alcohol, gasoline, or a mixture of both.³³ Nor would a problem exist in supplying enough food. Surpluses would be tapped first, and after that a small percentage of varying crops could be used. The Beshers Plan probably would have relieved the government from making subsidy payments and may have kept more tenant farmers and sharecroppers from losing their livelihood.

Therefore, only one conclusion remains. Big business--the oil industry--consolidated and destroyed the common man's idea for relief and prosperity, the Beshers Plan. The theme of big business uniting to crush the common man recurred throughout the New Deal, something extensively discussed in historian Bruce Nelson's Workers on the Waterfront: Seamen, Longshoremen, and Unionism in the 1930s. In his book, Nelson shows that any gains made by marine laborers and their more liberal unions were continually repressed by shipowners, government and conservative unions.³⁴ This conservative attitude reflects the conservative side of the New Deal, a side which allowed the Beshers Plan to be undermined. In his attempts to please all parties at all times--a trait which historian Robert S. McElvaine considers one of his most serious flaws--FDR and his New Deal followed no strict allegiance to either business or labor.³⁵ In the case of the Beshers Plan, Roosevelt and Congress may have been less progressive, a fault which historian Mark H. Leff believes reappeared in FDR's "conservative piece of legislation," the Social Security Act.³⁶ Some may have thought that the

loans, subsidies and New Deal programs alone were successful enough relief for the farmers, while the business of supplying fuel should be left to oil companies. Even those suggestions made by congressmen Gillespie and Dirksen to incorporate the Beshers Plan into a farm relief plan went unheard. Congress's five-year indecision as to whether or not to enact alcoholized-gasoline only reflected the indecisive nature of the New Deal itself. Alcoholized-gasoline may have proven to be a fuel for recovery, but because New Deal programs consistently ranked the common man's needs below those of big business, the possible success of the Beshers Plan was never to be known.

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- 3 Congressional Record, Vol. 76, Part 5 (Washington: U.S. Government Printing Office, 1933) 5415.
- 4 "Back Roosevelt Administration, Hull, Home from Congress, Urges," The Daily Pantagraph 8 Mar. 1933, 3.
- 5 "Delegation All for Plan," The Daily Pantagraph 9 Mar. 1933, 3-4.
- 6 "Drivers Start Gasoline Test," The Sunday Pantagraph 12 Mar. 1933, 3 & 5.
- 7 "Drivers Try Beshers Gas," The Daily Pantagraph 13 Mar. 1933, 3.
- 8 Warren Susman, Culture as History: The Transformation of American Society in the Twentieth Century (New York: Pantheon Books, 1984) 172.
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- 12 Congressional Record, Vol. 77, Part 3 (Washington: U.S. Government Printing Office, 1933) 2656.
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- 21 The New Lexicon Webster's Dictionary of the English Language (New York: Lexicon Publications, Inc., 1989) 291.

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