

The corporation-lobbied politicians who've led us into war in the Middle East are leading the ethanol parade at home and abroad. Ethanol is simply the most widespread, costly, and U.S. security-risking money scam in history.

ETHANOL: A COSTLY SNAKE OIL AND A DANGER TO AMERICA

By Ray Wallace

PRESIDENT BUSH thought it was OK for Arabs to buy control of U.S. ports. Does he also think it's OK for Arabs to invest nearly \$185 billion in the fire- and explosion-prone fuel factories now being planned, built, and operated – with U.S. taxpayer money – in farm communities across America?

Concerning Thomas C. Dorr of the U.S. Department of Agriculture (USDA), the following appears in "Dorr calls for new rural investment opportunities," by Jean Caspers-Simmet, in the February 14, 2006 Rochester, Minnesota Agri News, at <http://webstar.postbulletin.com/agrinews/226787206645274.bsp>:

"Last June Dorr attended the Second Annual Renewable Energy Finance Forum in New York City.

"Represented in the room was \$125 billion of capital willing to invest in green energy. A venture capitalist shared how his firm raised \$185 billion capital to invest in Midwest ethanol refining capacity. Dorr asked how much came from the Middle East. The investor said nearly all of it."

Addressing the National Ethanol Conference Panel in Las Vegas, Nevada on February 22, 2006, Mr. Dorr seems to have been responding to the above news report when saying (as documented on the USDA's own website, at <http://www.rurdev.usda.gov/scrty/2006/022206NatEthanolConfremarks.pdf>:

"From a national energy policy standpoint, it doesn't make a great deal of difference who owns the plants."

Doesn't it?

If Middle East billions get invested in ethanol plants in the U.S. Midwest alone, doesn't that put our farmers – whom the Bush Administration keeps urging to invest in ethanol plants – in direct and unfair competition with oil-rich sheiks?

This also puts the lie to government propoganda that taxpayer-subsidized ethanol distilleries are supposed to benefit U.S. family farmers and their local communities.

Bush also claims ethanol helps cure U.S. addiction to Middle East oil. Whoever heard of his Middle East buddies' investing a penny to wean anyone off oil?

Alarms should be going off everywhere. Instead, Bush neglects to truthfully tell America:

- **Making ethanol costs more and uses more foreign oil than it replaces.**
- **Vehicles burning ethanol run fewer miles.**
- **Ethanol wouldn't be made if taxpayer subsidies stopped.**

Says Cornell University's David Pimentel:

"The government spends more than \$3 billion a year to subsidize ethanol production when it does not provide a net energy balance or gain, is not a renewable energy source or an economical fuel. Further, its production and use contribute to air, water and soil pollution and global warming..."

"Ethanol production in the United States does not benefit the nation's energy security, its agriculture, economy or the environment. Ethanol production requires large fossil energy input, and therefore, it is contributing to oil and natural gas imports and U.S. deficits."

– From "Cornell ecologist's study finds that producing ethanol and biodiesel from corn and other crops is not worth the energy," a July 5, 2005 article by Susan S. Lang posted on the Cornell University News Service website.

According to Tad Patzek of the University of California at Berkeley:

"The National Corn Growers Association has been asking every corn grower to lobby Congress to increase domestic production of fossil fuels by opening the Arctic National Wildlife Reserve and the Outer Continental Shelf for exploration and production, and by drilling everywhere on U.S. territory for oil and gas. Why? Because the U.S. agricultural industry depends heavily on natural gas, coal, and petroleum for its existence...."

"Corn agriculture is a scheme to launder fossil fuels into an Industrial raw material, while damaging the environment of roughly half the continental U.S. land mass, and poisoning most rivers, streams, and coastal waters."

– From "Corn Ethanol: Laundering Fossil Fuels, Bilking Taxpayers, Damaging the Environment," by Tad W. Patzek, the April 2006 cover story in the Energy Tribune, as posted by Berkeley on the Internet.

On another Berkeley website, Patzek reports:

"American taxpayers have spent a staggering \$143.8 billion on farm subsidies over the past ten years, more than \$104 billion of which (72%) went to 10% of recipients...."

"As long as agribusiness receives tens of billions of dollars each year in crop-price and environmental subsidies, it obtains a significant gift from the taxpayers: industrial raw materials (e.g., corn grain) at rock-bottom prices, which can be processed into, say, ethanol at a significant profit."

"This profit is further enhanced by a subsidy of 50 cents per gallon of ethanol – also courtesy of the taxpayers."

SO WHY are taxpayer-subsidized corn-to-ethanol factories now dotting America, with more planned? Why shovel taxpayer money to corporations, first to make and then to use ethanol? Why is government also forgiving these corporations their taxes – while requiring that ordinary taxpayers not only make up the loss but also pay big prices for the very ethanol they've repeatedly subsidized and which new laws are now starting to force them to use?

The excuse being given is that ethanol is "green energy." But the only green that concerns foreign investors is in U.S. wallets.

It wasn't to improve American environment that an Australian corporation with Asian and other foreign ties recently bought 60 per cent controlling interest in Midwest Grain Processors, the biggest so-called "farmer owned" ethanol producer in the entire U.S.

The media has missed the significance of that. And the media isn't reporting:

- How much ethanol pollutes as it's being burned in vehicles and as it's being made in smoke-stacked, air-, water-, people-, and community-fouling U.S. factories.

- Where all the water is supposed to be coming from – in drought-concerned America – for lots of new factories that guzzle up to six gallons of water for every one of billions of gallons of ethanol produced.

The week after declaring a state-wide Drought Watch and telling residents to cut back on water use, PA Environmental Protection Secretary Kathleen McGinty announced plans for new water-hungry fuel factories. "Massive" is how she proudly described one PA fuel factory in the running to be the largest east of the Mississippi. Did McGinty forget her public warning (only days before) that PA's Susquehanna River is 65 per cent below its normal flow?

In addition to addicting us to more fossil fuel, the powerful U.S. agribusiness lobby – in tandem with the international ethanol lobby – is now subjecting our

officials, farmers, air, water, food supply, and economy to the whims of global energy cartels. Ethanol is another name for world-class snake oil.

U.S. tax dollars shouldn't disappear into areas of the world that sanction religious beheadings and terrorism. No money should disappear anywhere because of lies about protecting the environment.

Something good:

- The U.S. Environmental Protection Agency (EPA) has ruled that, starting in May 2006, not a drop of polluting ethanol need ever again be blended with gasoline.

- Today's gasoline refineries already have the technology to make cleaner-burning fuel without using anything grown on a farm.

Something else:

- The EPA now wants to permit individual ethanol factories to dump hundreds of tons more pollution into the air – over twice as much as currently allowed!

- Not "green," that's nuts.

Instead of protecting us, why is the EPA backing a costly, toxic, Middle East-supporting fuel that does the exact opposite of what we're told it does? Why sell out our environment, agriculture, and economic integrity?

"Perhaps no company has benefited more from – or done more to orchestrate – this state of affairs than Archer Daniels Midland. The Illinois-based agribusiness giant [and sponsor of PBS' *NewsHour* and NBC's *Meet the Press*] is the largest ethanol maker in the country....

"Three of its former executives, including [CEO] Dwayne Andreas' son

Michael, were convicted of conspiring to fix the world lysine market and served time in prison. At the time, ADM's \$100 million penalty was the largest antitrust fine ever....

" 'ADM has a very subtle way of appearing above the fray, but they are actually running the whole thing,' says Nicholas Hollis, president of Agribusiness Council Inc."

– From "ADM's Invisible Touch," by Anna Palmer, the front page story of the April 10, 2006 Washington, D.C. Legal Times, at:
<http://www.law.com/jsp/dc/PubArticleDC.jsp?id=1144154015987&hub=TopStories>

Reportedly the largest recipient of corporate welfare ever, ADM expects taxpayers to go right on subsidizing the building and operating of expensive ethanol factories – and also to go right on subsidizing ethanol investors 50 cents for each gallon of ethanol flowing, night and day, from these factories. State and local officials keep handing ethanol investors more money.

This is no benefit to taxpayers or to the nation. It's a gravy train for outsiders. The proof is that Middle East and other foreigner investors are jumping on it.

Ethanol shills talk pretty about renewable solar and wind energy but they don't use sunlight or any kind of wind but their own hot air.

They tell farmers that ethanol raises corn prices. But the less that market-controlling ethanol barons decide to pay for corn, the bigger their own profits – and the less family farmers make. Furthermore, corn is only a temporary ingredient of ethanol, as President Bush himself indicated in his last State of the Union speech.

With oil supplies declining, why pay oil men big money for fuel made from corn or from anything else for which they don't even have to drill? Besides food, this includes so-called "renewables" like U.S. garbage, U.S. manure, and U.S. rubber tires. Picture the renewable U.S. pollution pouring from those plants!

While trying to hide behind U.S. farmers, foreign ethanol investors hope U.S. taxpayers sleep through this disaster. The global ethanol industry is all about subsidies. It doesn't need one farmer anywhere as a permanent partner. Farmers are ethanol patsies. So are U.S. taxpayers who get handed the bill.

The corporation-lobbied politicians who've led us into war in the Middle East are leading the ethanol parade at home and abroad. Ethanol is simply the most widespread, costly, and U.S. security-risking money scam in history.

NO GOVERNMENT should make anyone pay a penny to any industry – let alone to investors from countries seeking our downfall – for an oil-wasting agricultural product that compromises a single U.S. farmer or is made in a single, toxic U.S. factory.

In each American community that hosts or is being targeted by an ethanol factory, common sense, honesty, and citizens' physical and economic health are being needlessly trashed for others' profits.

So are America's agricultural foundation, political future, and energy security.

There's plain terrorism, and there's economic terrorism.

And there's plain stupidity.

*Ray Wallace is one of many citizens who joined to oppose a smoke-stacked, taxpayer-subsidized ethanol distillery targeting a populated area near Three Mile Island on the Susquehanna River in Lancaster County, PA. The ethanol company filed emergency evacuation plans for a radius of 2.5 miles, listing elementary schools as “**risk facilities**”!*

Now – during an officially declared state-wide Drought Watch – the same water-consuming ethanol factory is being planned at a new location, the Letterkenny Army Depot in Franklin County, PA. The group Citizens for a Quality Environment continues opposition, as documented at <http://www.c4aqe.org/>