


## The ethanol scam: Big money & politics

### Tools

 [Print this article](#)
 [E-mail this article](#)
 [Subscribe to this paper](#)
 [Larger](#) / [Smaller](#) Text

Friday, March 11, 2005



There's a speculative boom in the struggling Corn Belt. Ordinary folk are investing, often with borrowed money, in small plants blooming like sunflowers that convert corn into ethanol.

Be careful, folks. There may be less here than meets the eye. Agriculture giant Archer Daniels Midland, the largest ethanol producer, is *not* adding capacity, but is pleased to accept subsidies.

Fly-by-night speculative booms can and do burst, and the big fellas' eyes are keen for what may be worth cherry-picking from the wreckage.

Considering the price of oil, the balance of trade deficit and the plight of farmers, adding ethanol to gasoline is seen as a salvation.

It is not.

"Science cannot compete with big money and politics -- ever," professor David Pimentel of Cornell University told us this week.

All factors considered, it takes 1.3 gallons of petroleum to produce 1 gallon of ethanol. As such, ethanol production *increases* dependence on foreign oil.

According to Pimentel's research, the total cost of a gallon of ethanol is \$4.70, counting the subsidies.

Supporters argued ethanol has a net energy benefit of 34 percent. Then upped it to 67 percent, the professor says. Such wild swings suggest questionable methodology.

If ethanol were such a boon on its own merits, why is it subsidized to the tune of \$3 billion?

Desperate people enflamed by dubious optimism are buying into this pie in the sky. They will get burned.