

## **America's Newest Addiction: Corn**

**by Benjamin Artz**

We have all been thinking about it lately. Four dollars per gallon of petrol seems likely to occur over summer and would stretch our checkbooks even further. There seems to be no end in sight to the slaughter at the pumps. What are we to do?

Our state government feels we should punish and tax refineries for allowing the market price to be so high. But punishing companies by taxation only makes things worse. Maybe we could all purchase hybrid cars, drive down demand for gas and therefore depress gas prices. But it could take decades to rid the world of gas-guzzlers. We must do something right now.

Many think our savior from gasoline lies in Wisconsin's (and especially Iowa's) very own fields: corn. These supporters include, of course, next year's presidential nominees. Without a doubt, no candidate would get out of the Iowa primary alive if discovered to be a corn-ethanol opponent. After all, with corn we can make ethanol, which blends with gasoline. This way our cars and bank accounts won't be slaves to OPEC any longer. We finally have a dependable, feasible and, better yet, homegrown alternative to gasoline . . . or do we?

Arguments supporting the manufacture of corn ethanol are basically two-fold. First of all, decreasing consumption of gasoline and burning corn-ethanol instead must be good for the environment, right? As it turns out, recent research indicates that the energy it takes to make ethanol from corn is roughly equal to the energy we are able to extract from corn-based ethanol. Since we need to burn fossil fuels to manufacture ethanol for our cars, we are polluting the atmosphere roughly the same amount as if we had never heard of ethanol in the first place.

Sugar is a better alternative in that its ethanol yields much more energy than corn-based ethanol. Unfortunately, this country is not a major producer of sugar and must import it, thus defeating the goal of becoming energy self-reliant. This is the second reason corn-ethanol is widely supported. However, corn-ethanol is not only supported, it is subsidized. The government pays the equivalent of 51 cents per gallon to producers of ethanol, thus making it quite attractive to be a corn farmer these days. The subsidy creates excess stocks of corn that make up for the reduction in imported corn due to high tariffs imposed by the government. This sort of meddling in the market increases the price of corn and anything for which corn is used in the production process, including meat.

In reality, corn-ethanol is just one of many short-term solutions to a long-term problem that is energy. However, it is the one solution that gets the most media coverage for good reason. First, it is an inefficient zero-sum game to create corn-based ethanol, so why bother. Second, the government subsidizes its production to guarantee the country has plenty of corn on hand to make the ethanol we barely even need right now. In fact, subsidies cause ethanol production to grow

at about 25% per year while ethanol only made up about 3.5% of fuel consumption in 2006. Finally, government subsidy means billions of dollars of extra taxes must be collected, and in this case only farmers don't mind that.

At the end of the day, corn subsidies to support ethanol production are merely a means to transfer money from taxpayers to farmers, having little or no impact on the environment and possibly never rescuing anyone from paying four dollars per gallon at the pump. Every addiction seems to have negative side effects. I suppose corn is no exception.