



## Ethanol Subsidies, Newt Gingrich, and the 2012 Election

Last Tuesday, the former Speaker visited the Renewable Fuels Association summit in Des Moines, touting the praises of ethanol and its progressive impact on the environment. He then tenderized the farm industry [saying](#), “We have had a problem of farm income back to the 1890s and 1880s [and] the fact is that every time the farmers start to do well someone starts to attack them.”



A battle between Gingrich and the *Wall Street Journal* is now raging, as Gingrich accused the *Journal* of being “just plain flat intellectually wrong” about its anti-ethanol views. He then accused “big cities” and “big urban newspapers” of denying prosperity to rural America. The *Journal’s* editorial board [responded](#), questioning him on his claimed status as a fiscally conservative Republican:

The Georgian has been campaigning in the tea party age as a fierce critic of spending and government, but his record on that score is, well, mixed.... Some pandering is inevitable in presidential politics, but befitting a college professor, Mr. Gingrich insists on portraying his low vote-buying as high “intellectual” policy. This doesn’t bode well for his judgment as president.

The editorial board proceeded to explain the Republican Party’s opportunity to reform government by instilling fiscal responsibility and decreased regulation, but the danger lies with people like Gingrich in the party, who struggle with the addiction of corporate welfare and industry-specific favoritism. The *Journal* reported this conundrum and honed in on Gingrich’s compromise to Democrats and the Obama administration:

So along comes Mr. Gingrich to offer his support for Mr. Obama’s brand of green-energy welfare, undermining House Republicans in the process. In his Iowa speak-power-to-truth lecture, he even suggested that the government should mandate that all new cars in the U.S. be flex-fuel vehicles — meaning those that can run on an ethanol-gas mix as high as 85% — as if King Corn were in any danger of being deposed.

Gingrich’s argument is most likely of a political nature, considering his assumed desire to woo Iowa caucus participants in the 2012 Republican presidential nomination. This type of political pandering is similar to Democratic politicians who solicit minority votes with divisive rhetoric and government handouts; his rural community indulgences parallel the Democrats’ motif of promoting disenfranchisement to blacks, Hispanics, and homosexuals.

Ethanol as a solution to curing poor air quality is at best questionable. Although the EPA as a whole supports ethanol subsidies, it admits that ethanol use will increase chemical emissions in the ozone. Furthermore, a report by the California Air Resources Board concluded that gasoline containing ethanol caused a 45-percent increase in volatile organic compound emissions when compared to gasoline



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containing no oxygenates. (Robert Bryce, *Gusher of Lies: The Dangerous Delusions of Energy Independence*, 186)

It doesn't reportedly reduce greenhouse gasses either. Clean New Power asserts:

The impact on greenhouse gases is minimal.

In theory, the advantage over fossil fuels is that plants will absorb CO<sub>2</sub> as they grow. It is then released again when burning the fuel, so this should be a carbon neutral process.

But in reality it depends on the efficiency of the production process. If you burn coal to create electricity that is used by an ethanol plant then the net emission of greenhouse gases could be higher than if you just burned gasoline. And then you still have to produce fertilizers.

Ethanol supporters continually repeat the line that ethanol replaces gasoline and reduces U.S. oil imports, despite studies that show that the creation of ethanol from corn is so energy intensive that America derives little if any benefit from switching to ethanol — even as Third World people have seen their food costs skyrocket as we burn food for fuel. In reality, the government has already spent the money to create the infrastructure necessary to allow ethanol to compete with oil, so if ethanol really is as valuable as its touted to be, it could face direct competition without a reliance on government subsidies. But it's not doing that.

Ethanol plays a key role in politics, as it is an effective way for Washington to grant subsidies in return for campaign contributions and political backing. In late November of last year, a bipartisan group of 15 Senators assisted in extending federal tax provisions on domestic ethanol production. A Center for Responsive Politics analysis claimed the Senators collaborated on two fronts: "geography and contributions from political action committees of ethanol producers, high-profile ethanol promoters and the leading industry groups for corn."

The Senators demanded extensions on U.S. ethanol subsidies. Naturally, during the past six years all 15 Senators have received campaign contributions from pro-ethanol companies and interest groups. On average, [each Senator received](#) "\$5,000 from bioengineering and agricultural chemical company Monsanto, \$4,100 from farming giant Archer Daniels Midland, \$1,600 from the National Corn Growers Association, [and] \$1,200 from ethanol producer POET LLC."

They defended their position by claiming an expiration of the subsidies will destroy thousands of jobs, further deteriorate the environment, and increase our dependence on foreign oil.

Gingrich, along with his ethanol hawking colleagues, have friends to repay, and promoting policies that will benefit the Corn Belt may present campaign assets for the 2012 election — for both money and votes.

But Gingrich and other "conservative" Republicans who support ethanol subsidies are risking the dreaded label of "fiscally irresponsible bureaucrat." Currently these subsidies amount to about \$6 billion annually and with the current drive for decreasing government spending, particularly among tea party supporters, pro-ethanol politicians may become heated targets.

The question is will such popular dissent overpower the benefits of supporting the ethanol lobby? The answer is probably not.



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