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## Survival of the Fattest

*What a deal: Ethanol reduces carbon for only \$754 a ton.*

The best refutation of the theory of the survival of the fittest is probably the corn ethanol lobby, whose annual \$6 billion in federal subsidies have managed to outlive both its record of failure and all evidence and argument. So while we doubt another devastating study will result in any natural selection, recent findings from the Congressional Budget Office deserve more attention all the same.

CBO reveals that it costs taxpayers \$1.78 in ethanol "incentives" to reduce U.S. gasoline consumption by one gallon—or nearly two-thirds of the current average retail gas price. CBO also estimates that cutting carbon emissions by one metric ton via ethanol runs to \$754. To put that number in perspective, the budget gnomes estimate that the price for a ton of carbon under the cap-and-tax program that the House passed last summer would be about \$26 in 2019.

That isn't a one-to-one comparison, for reasons too complicated to get into here, though CBO does note that cap and trade or a straight carbon tax would "generally be cheaper than reductions resulting from a tax credit that encouraged specific actions in fewer sectors of the economy." An even more astounding feat is that these ethanol subsidies are redundant—consumers are already required to buy ethanol at the pump under the arbitrary gasoline-blending mandate that Congress imposed in 2007.

CBO is also honest enough to mention that in reality \$754 may be purchasing a net carbon emissions increase. "Because the production of ethanol draws so much energy from coal and natural gas," the authors write, "it can be thought of as a method for converting natural gas or coal to a liquid fuel that can be used for transportation." Meanwhile, the assumptions of their model also exclude indirect land-use changes toward energy-intensive crops that also tend to boost overall CO<sub>2</sub>.

Given these realities, the only mystery is how an industry that produces a fuel that no one would willingly buy has managed to be subsidized over four decades at costs that are higher than anyone ever imagined. But then, maybe it merely illustrates the theory of the *politically* fittest.

