

Of Bushes and Ethanol Madness in Colombia

by Javier Almario

On the occasion of President George Bush's six-hour visit to Colombia on March 11, President Alvaro Uribe offered the United States 6 million hectares—60,000 square kilometers—of territory in the Colombian Orinoquia, to cultivate sugar cane for the production of ethanol, presumably to replace the gasoline now used in automobile engines.

To get an idea of how monstrous this proposal is, consider the fact that *total* land under cultivation in Colombia in 2005, including coffee, but excluding pasturage, was only 4.06 million hectares! The greatest area Colombia has had under cultivation in the last 17 years was 4.6 million hectares, and that was in 1990, right before protective tariffs began to be removed, and Colombian agriculture began shrinking.

Colombia is already the second-biggest ethanol producer on the continent, after Brazil. President Uribe proposed that the country make this gigantic jump in its biofuel crops by opening up the Orinoquia, a sparsely populated region in the east of the country, which is a mix of great plains and jungle.

Today, the economy of the Orinoquia region is largely limited to oil, some cattle ranches, and drugs. The LaRouche movement in Colombia has insisted for decades, however, that the Orinoquia, with its fertile, flat, easily tilled plains, lacking only infrastructure and water management, should be transformed into a new breadbasket for Colombia and South America as a whole.

More than doubling land under cultivation nationally would require vast investments in infrastructure (highways, railways, tunnels, bridges, energy, relocation of population, health and education services, etc.). To do so merely for the production of ethanol that would be burned as a fuel, would drive the country into bankruptcy, food scarcity, and starvation.

And the question remains: Who is going to put up the money to install these sugar plantations? Could this be related to reports received by *EIR* in Washington that the U.S. President's brother, Jeb Bush, is investing big in ethanol in Peru and Colombia?

So Far, So Bad

Since November 2005, some 57% of the gasoline distributed in Colombia comes mixed with 10% ethyl alcohol. What is never mentioned is that the Colombian government has organized things so that Colombian society is subsidizing

ethanol production to the tune of a dollar per gallon, a surcharge which both the gasoline consumer and the rest of Colombia's population ends up paying.

In effect, Ecopetrol, the state oil company, which controls the general distribution of liquid fuels in Colombia, is paying gasoline producers 3,089.41 pesos (\$1.42) per gallon, while at the same time, paying the producers 5,128.73 pesos (\$2.35) per gallon of ethanol. In other words, Ecopetrol is paying 60% more for ethanol than for gasoline.

And who gets that subsidy, so that lands which could be used to grow food are used to produce ethanol? At the moment, five sugar mills located in one of Colombia's most fertile regions, the valley surrounding the Cauca river, which encompasses the departments of Cauca, Valle, and Risaralda. This area, where agriculture is highly mechanized, and which used to produce soy, cotton, corn, beans, and other crops, is now dedicated to sugar-cane cultivation. The sugar mills decided to invest in distilleries, after the government guaranteed them a price tied to the international price of sugar.

At the same time, these sugar refiners have provoked serious labor problems over the past two years, as they attempt to lower the cane cutters' wages and benefits by trying to hire workers through cooperatives, instead of directly, to avoid paying workers the benefits required under existing labor contracts.

The first consequence of using alcohol as fuel in Colombia was an increase in the price of sugar, which provides more than 30% of the caloric intake in the diet of Colombians. The euphoria over ethanol—which has been shown to take more energy to produce than it generates—is going to affect all food production in Colombia. In 2005, there were 431,781 hectares planted with sugar cane, a number which probably shot up in 2006, affecting the prices of all agricultural products of human and animal consumption.

Meanwhile, the inclusion of alcohol in the gasoline sold in Colombia has adversely affected the efficiency of the country's automobiles. According to a study by the National University's School of Engineering, ethanol use increased automobile pollution by 3%, because it increased the internal heat of the engines. Likewise, the study pointed out that fuel efficiency dropped with the use of ethanol, due to the fact that the alcohol evaporates more rapidly than gasoline, and therefore, is burned even when the car's motor has been turned off.

At the same time, the majority of the automobiles used in Colombia still use carburetors, and these have been seriously affected, especially because it is very difficult not to have small amounts of water left in the ethanol at the end of the distillation process. So perhaps the government could claim one success from its ethanol program: that it improved the income of Colombia's auto repair shops, providing them an unexpected windfall from washing gasoline tanks and calibrating carburetors.