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OPINION

## Alternative fuel's cost too high for America

Grain-based ethanol will drive up cost of energy as well as food

By Emmanuel Glakpe  
SPECIAL TO THE POST

Sometimes, a minor item in the news that later proves significant is overlooked. That may have been the case when the U.S. Department of Agriculture said a month ago that the increasing consumption of ethanol to run automobiles will almost certainly contribute to higher food prices.

This year, an astonishing 14.4 percent of America's corn crop - 2.15 billion bushels - will go into the manufacture of fuel ethanol, and is expected to help drive up the price of corn by 10 to 30 percent. Corn is used in many food products, ranging from cereal to cooking oil, so an increase in corn prices affects food prices generally.

Sure enough, U.S. livestock producers now warn that if corn prices continue rising, production of cattle, hogs and chicken will decline, trimming meat supplies and pushing up meat prices as early as next year. We cannot afford to pay the feed prices that are coming at us given the current prices of meat, a Missouri cattle farmer told a newspaper reporter. The increasing use of ethanol - now at 5.1 billion gallons a year but rising to 7.5 billion gallons by 2012 under a mandate from Congress - is likely to have far-reaching consequences. Corn-based ethanol costs \$120 a barrel to produce, compared to \$75 a barrel for oil. Ethanol is already a major factor contributing to higher gasoline prices, because refineries are now required to provide service stations in most big cities with reformulated gasoline, a blend of 10-percent ethanol and 90-percent gasoline, in order to meet clean-air regulations. Some service stations are also selling fuel that's 85-percent ethanol, but only to drivers whose cars have been adapted to use it. The truth is that ethanol is not all it's cracked up to be.

The energy content of a gallon of ethanol is about one-third lower than a gallon of gasoline. Consequently, ethanol's gasoline mileage is less, but you'd never know that from all the publicity surrounding its use. Even with a 51-cent-a-gallon federal subsidy, ethanol is too expensive. One reason is that the production of corn-based ethanol requires a lot of energy - large amounts of oil and natural gas to make fertilizers and pesticides, run farm machinery, transport the corn to ethanol plants, and distill the corn into ethanol. Also, ethanol can't be shipped by pipeline. It must be transported by truck, rail, and barge. And since ethanol is made primarily in the Midwest, drivers on the East and West Coasts pay a premium because of shipping costs. Some members of Congress have proposed legislation that would require even higher levels of ethanol production, in the hope it will reduce U.S. dependence on imported oil. But that's a false hope that will result in even greater dependence on foreign oil.

The U.S. General Accounting Office has determined that the federal tax incentive for ethanol does little to promote energy security. Studies show that if we used all the corn produced in the United States to make ethanol, it would provide fuel for only 7 percent of all the vehicles on the road. Put differently, if every car in America was fully powered by ethanol, it would take 97 percent of U.S. soil to grow enough corn to support it. The over-emphasis on ethanol hurts domestic oil and gas production.

Despite opportunities to open up resource-rich areas that are closed to production, Congress remains preoccupied with ethanol. According to the Interior Department, there are an estimated 59 billion barrels of undiscovered oil and 288 trillion cubic feet of natural gas on the Outer Continental Shelf off the lower 48 states. Most of the oil and gas is in coastal waters closed to production. Yet this is enough oil to replace current levels of imports from the Persian Gulf for almost 60 years. And there are substantial oil resources in the mountains West and Alaska that are also off-limits. Restricting domestic oil production does nothing to increase our nation's energy supply or security. In fact, U.S. dependence on imported oil is at the 60-percent level and rising.

Instead of taking common sense steps to reduce energy costs, we are seeing results opposite of those intended, wasting billions of dollars on subsidies to ethanol producers and corn farmers, while more of our income goes to pay for gasoline and food.

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## CHARLOTTE'S LATEST DEVELOPMENT...



## America's banking on diversity

To Samuel P. Golden, ombudsman in the Office of the Comptroller of the Currency, nothing more graphically illustrates the shortcomings of the banking industry's efforts to reach people of color than the case of Joe Guillen, a professional baseball player.



GEORGE E. CURRY

Last month, the Washington Post reported a purse-snatching of the sort that is regrettably too common and routine on the streets of our big cities," Golden said in a speech at the Urbane Financial Services Coalition's annual convention in Dallas. "However, this incident warranted press coverage because Jose Guillen, a player on the Washington Nationals baseball team, was impacted by the robbery. Per the newspaper, Mr. Guillen's 24-year-old girlfriend had just finished cashing his paycheck and wiring some of the proceeds back home. Almost before she knew what happened, a thief made off with the cash."

Warming to his subject, Golden said, "There are two remarkable aspects to this story. First, Mr. Guillen reportedly earns \$4 million a year playing baseball; his weekly salary check was \$12,000. Secondly, when the purse was snatched, his girlfriend was emerging not from a bank, but from a local

check-cashing establishment. "So I ask you: if a person well paid even by major league baseball standards - someone with the best agents and technical advisers at his disposal - chooses to rely on nonetheless on a local check cashier, despite their notorious fees and security risks, what does it say about the barriers that still exist between the banking system and millions of Americans especially those whose first language is not English? In other words, if financially prominent individuals haven't been persuaded to use direct deposit and regular banking services, is it any wonder that millions of others of lesser means and sophistication continue to rely on storefront money service businesses?"

Hispanics are expected to double their presence in the U.S. over the next 50 years, making up a quarter of the nation's population. The Census Bureau projects that shortly after 2050, Hispanics, blacks and Asians will constitute more than 50 percent of the population, making Whites a minority in the U.S. population for the first time. "The question is, how well prepared is the banking industry for this sweeping change in our national demographics?" Golden asked. "Judging by the Washington Post story, the answer would seem to be, not as well as it needs to be."

Golden pointed out that people of color are overrepresented among the 10 percent

of households that are "unbanked," meaning they do not have regular accounts at federally-insured institutions.

"It is precisely those households that rely inordinately on cash checking establishments, rent-to-own outlets, pawnshops, and payday lenders to conduct their basic financial business. In so doing they pay a heavy price - not only in fees and potential loss due to theft, as Mr. Guillen discovered, but also in the credit histories that these households are not building through integration in the mainstream financial system."

In addition to underserving the so-called fringe banking customers, Golden said financial institutions may be hurting themselves with their "incredible shrinking grace period." He continued, "And, always, the fees: late fees, overlimit fees, and balance transfer fees that seem to go only in one direction. That would be the same direction people's blood pressure goes when they see that the outstanding balance on which they have been paying 15 percent APR is now going to cost them 32 percent because they were a few days late in paying an electric bill."

Golden, an African-American, told members of the Urban Financial Services Coalition that because they are Black, they have a special obligation to argue against practices that could, in the end, harm both the industry and people of color.

"While the bank's reputation with its customers is a priceless asset, it is also a perishable one," he reminded them. "I would argue that real leadership consists not only in recognizing that fact, but, even more, becoming an advocate for it."

The Urban Financial Services Coalition, formerly known as the National Association of Urban Bankers, for years had a good age mix among its members. Now, largely because of numerous mergers and acquisitions that led to many older bankers retiring early or accepting buyouts, the association's members tend to be younger, many of them in their 30s. And the younger trend may continue if banks continue to alienate their customers.

"We have long contended that some consumer banking practices walk a dangerous tightrope between what's impermissible and what's merely shortsighted, injudicious, and inadvisable," Golden said. "This reminds me of the saying I heard from my Dad - 'pigs get fat, but hogs get slaughtered.' Your retail customers should never be viewed as a feeding ground. While overreaching for short-term gain is understandable, excessive greed for profits, at any cost, is never wise."

GEORGE E. CURRY is editor-in-chief of the National Newspaper Publishers Association News Service and BlackPressUSA.com. His Web site, www.georgecurry.com.

## Are immigrant Hispanics today chattel?

Are Illegal Immigrant Hispanics Today's Chattel?

As the 2006 midterm election comes into full view, Americans might expect to



SHERMAN MILLER

hear complaints of some unsavory antics at the polls to prevent various segments of the population from voting. One ploy is for "good ole' boys" to dress up in paramilitary goons' garb that might make black voters feel intimidated on Election Day. This disquieting paramilitary symbolism may also be exploited by today's nativist zealots in the present anti-illegal immigration tide sweeping the nation.

I teach algebra at a Pennsylvania college, so on my way back home to Delaware I may stop in Boothwyn, Pa., to buy fruits and vegetables at the Produce Junction, a wholesale outlet. Spanish is the language spoken by the young people serving at the counter and most of the other workers on hand. You are lucky if you see two Anglo-Americans.

When you see an Anglo-American it appears that they are management.

In late May, I was taken aback by a delivery truck that looked like a military combat vehicle parked directly in front of the Produce Junction. The body was painted in a military camouflage. It had what appeared to be two rockets mounted to its top that appeared ready to be launched against an enemy. This scene initially appeared threatening until I looked closely at the rockets where I recognized that they were probably homemade props.

Once inside of the Produce Junction, I look around at the people to guesstimate who might be driving this vehicle. I saw a Hispanic-appearance chap with military paisley colored pants, but he didn't get into the vehicle when he left. On the way out the door, an Anglo-American lady looked into my eyes with great concern.

She said, "It sends a terrible symbolic message." I attempted to calm her fear by calling her attention to the fact that the missiles on the truck's top were not real.

When I headed for my car I saw an Anglo-American manager come out. His face appeared drawn as he looked at this obvious attempt to rattle the nerves of his Hispanic workers inside.

Then I saw an Anglo-American chap coming from

around the outside of the store who appeared to be a good ole' boy. This good ole' boy was dressed in white clothes and white hat. He got into the truck. It was quite obvious that his symbolic message was to intimidate the Hispanic workers.

The above incident made very clear the deleterious power of symbolism. What was troubling was I had concluded that yesterday's cross burnings in minority peoples' yards had morphed into today's paramilitary truck with two fake rockets mounted on it.

I worry that this paramilitary zealot was exploiting the symbolism of sending the

National Guard to the Mexican border to make his point that these Hispanics were persona non-grata without really knowing if they are illegal immigrants.

While I am strongly against illegal immigration, I feel it imperative that we don't give nativist zealots (yesterday's White Citizens Council - Ku Klux Klan) a license to intimidate people in our zeal to solve the illegal immigration crisis. America does not need a reincarnation of the age of Jim Crow where illegal Hispanic immigrants are dehumanized into today's chattel.

SHERMAN MILLER lives and writes in Wilmington, Del.

