

# The pointless ethanol subsidy

By [Steve Thorngate](#)

June 16, 2011

On Tuesday, the Senate rejected a measure that would eliminate the tax credit given to fuel refiners who use corn-based ethanol. The vote [is being reported](#) largely as a signal that Senate Republicans--who were responsible for most of the "yea" votes--are willing to consider revenue increases (at least those that come from eliminating tax breaks for things they never liked to begin with).

Also significant, however, is that most Democrats voted "nay." Environmental groups oppose corn ethanol, and with good reason: along with driving up food prices by propping up corn, the biofuel uses more fossil fuels at the production end than it saves at the pump.

The politics of ethanol are [more regional than partisan](#): if you represent a state that produces a lot of corn--or have an eye on the White House, the road to which begins in Iowa--it's hard to be anti-ethanol. Notably, some of the Republican presidential candidates have [come out against ethanol subsidies anyway](#).

It's past time for President Obama--whose days as a Midwestern legislator and presidential-primary candidate are behind him--to join them.

As for Senate Democrats, some of them [blame](#) their votes Tuesday on procedural issues related to the timing and control of the vote. Majority leader Harry Reid [said last night](#) that there will be another vote on ethanol subsidies today. If that can't get 60 votes, the [next step](#) will be negotiating with pro-ethanol senators.

One way or another, the Democrats need to join Republicans in voting to eliminate this tax credit. The \$6 billion this would save won't solve our budget crisis, but spending it isn't helping anything.

UPDATE: The anti-ethanol-subsidy amendment [passed today](#). Though it still has some major hurdles to jump, not the least of which is the president's promised veto.