

[Our View: Government needs to withdraw subsidies](#)

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— It's time those who espouse the value of the free market got busy making it so.

There appears to be a movement in Congress and elsewhere that we just can no longer afford corporate welfare. Recent proposals to cut tax breaks and other direct subsidies to oil companies, the ethanol industry and even farmers have not drawn near the opposition of the past.

That's a positive sign.

Government shouldn't be in the business of business. It shouldn't be distorting markets to imprison the players.

Corporate welfare is like an entitlement that doesn't fit with a free market philosophy many of us say we want. Its value should be considered in the same context where our society is questioning personal entitlements.

Of course, removing corporate subsidies from tax and spending policies will be politically difficult. We've allowed subsidies so long that lucrative legal and lobbying industries have sprung up around them. These folks won't go without a fight.

Thursday the U.S. Senate voted 73-27 to repeal ethanol subsidies in the form of tax credits. Proponents of removing the subsidies may have won, but there are more votes scheduled on the larger bill the will include the ethanol repeal. But even some farm state senators are voting for eventual repeal if not immediate.

We're also glad to see people like House Speaker John Boehner saying he'll consider ending big tax breaks and subsidies to big oil companies. Momentum for ending subsidies needs to come from both political parties.

Unfortunately, ending subsidies will likely have some adverse market reactions to someone, somewhere, just as happened when the subsidies were begun. But the sooner we start down that road the better.

Ethanol subsidies, oil subsidies and farm subsidies should be fair game. But big tax breaks for other industries should be scrutinized as well. If we're going to create tax credits encouraging consumers to buy a certain product, we should be sure the tax is even for all in that industry or competing industries.

But just as we begin to remove corporate subsidies, we have to make sure corporations don't "externalize" their costs through safety or health or environmental damage to an unsuspecting taxpayer. A free market doesn't mean you have the right to destroy or abuse the public's property or the public's safety.

The libertarian-oriented Cato Institute reported the federal government provided \$92 billion in direct or indirect corporate welfare in 2006 and noted some of the biggest companies in America including Boeing, IBM, Motorola and Dow Chemical were recipients.

That amount of money could fund the Medicare prescription drug program for two years.

In these tough budget times, the federal government and taxpayers need to be making important choices about what is a legitimate government expenditure. Corporate welfare is not one of them.