



An interesting editorial in the *Washington Post* a few days ago made the case for ending ethanol mandates (yes!), and replacing them with a Carbon Tax (no!). Aside from the too-easy rebuke that the *Post* never met a tax it didn't like, the idea of heading down the path of a Carbon Tax is wrong for a number of reasons.

1. Finally, finally, finally this country is on the road to energy independence through oil and gas shale-related drilling and we want to implement another tax on using the product?! How many college freshmen sitting in an Economics 101 class right now know that's the best way to kill off the momentum? Any that are paying attention. Our economy is still too wobbly and shale development still too nascent to consider this tempting revenue-enhancer.
2. If the severe swings in the price of gasoline the past 4 decades have taught us anything, it is that the American consumer is resilient...and still wants to drive a big, fast car. A carbon tax that is supposed to "... (make) consumers less eager to take unnecessary drives or buy gas-guzzlers" ignores and insults the American spirit. It will be another clear example of how disconnected the federal government is from American life.
3. Energy is a key economic input without which most labor and capital would be idle or non-existent. About 83% of U.S. energy comes from carbon-based fuels, a carbon tax would be broad, far reaching --- and absolutely impact the day-to-day lives of those living in or near poverty by increasing food transportation costs, heating costs and public transportation fares.

The *Post* editorial rightfully concludes that a Carbon Tax is unlikely to get through Congress (like most legislation these days, right?). I think the smart play is to do away with the ethanol mandates, let domestic oil and natural gas production continue to grow and reassess our energy policy in a few years. Let's have the marketplace determine what's best.

What do you think?



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