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Examiner Editorial: Send Biden back to history class

Examiner Editorial
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Vice President Biden has regularly delivered impromptu comments of dubious logic and questionable relevance since assuming the second highest office in the land. His remarks are usually harmless, though calling Obamacare "a big f...ing deal" was both crass and embarrassing. Now Biden has made a statement that exposes an apparent ignorance of American history that is genuinely disturbing coming from the man who is one heartbeat away from the presidency.



(AP Photo/Matt Rourke)

Speaking on a campaign swing in New York on Wednesday, Biden offered this gem about the role of government: "Every single great idea that has marked the 21st century, the 20th century and the 19th century has required government vision and government incentive. In the middle of the Civil War, you had a guy named Lincoln paying people \$16,000 for every 40 miles of track they laid across the continental United States. ... No private enterprise would have done that for another 35 years." Biden's words are perfectly suitable as a liberal Democrat's expression of blind faith in the good intentions of politicians and bureaucrats, but they also reflect a fantasy version of American history.

As the Cato Institute's Tad DeHaven pointed out, private enterprise, not government, built America's railroads. To that end, DeHaven quotes Cato transportation expert Randall O'Toole: "Early American railroads were built almost entirely with private funds. These railroads provided such superior transportation that by 1850 they had put most toll roads and canals out of business. Individual states still competed with one another for business -- and may have offered various favors to the railroads serving those states. ... For the most part, however, no federal and few state subsidies went to railroads in the eastern United States."

As for President Lincoln and the Transcontinental Railroad, DeHaven points us to Jim Powell, another Cato scholar, who notes that the federal subsidies reflected the fact that there was no market then for such a railroad line. Ultimately, the federal government's effort to spend the grandiose scheme into being succeeded in building a transcontinental rail line, but along the way it also inspired Credit Mobilier, one of the worst government corruption scandals in American history.

Powell explains why Credit Mobilier was especially rotten: "Thomas Durant, Oakes Ames, and other

officers of the Union Pacific Railroad, which went a thousand miles west from Council Bluffs, Iowa, started the Credit Mobilier company in 1867 and retained it to do the construction. Credit Mobilier distributed to shareholders profits estimated at between \$7 million and \$23 million, depleting the Union Pacific's resources. In an effort to stop congressional investigations, the officers bribed Speaker of the House James G. Blaine and other congressmen with Credit Mobilier stock. ... The Union Pacific Railroad fell deep into debt, without enough revenue from passengers or shippers, and went bankrupt in 1893."

President Reagan was right: "The problem with our liberal friends is that they know so many things that just aren't true."

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