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## Trains, Pensions, and Economic Freedom



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I recently had the pleasure of reading [The Declaration of Independents: How Libertarian Politics Can Fix What's Wrong with America](#). The authors are Nick Gillespie and Matt Welch, the former and current editors (respectively) of *Reason* magazine. They follow in the footsteps of Brink ["libertarian"](#) Lindsey, whose 2007 book *The Age of Abundance* portrayed libertarianism as the ideology of the sensible center in American politics, equally immune to the left's enthusiasm for big government and the right's enthusiasm for theocracy. The basic thrust of the *Reason* editors' book is that the growing fraction of American voters who identify themselves as independents are really libertarians—at least in temperament if not explicit self-identification—and that what they want first and foremost is for the government to leave them alone.

This is the kind of book you'd expect the editors of a libertarian magazine to write, and they do a good job. The book has three sections. The middle section is the longest, and also the best. It tells some fun stories about ways the world has gotten freer over the last few decades. It tells how Czechoslovakia's underground (and illegal) music scene inspired dissident [Václav Havel](#) and hastened the fall of communism. It explains how cartel-busting deregulation in the Carter era [made air travel more affordable](#) and [beer more delicious](#). And it tells how the Internet is [knocking traditional media off its pedestal](#).

The final third of the book, called "operationalize it, baby!" (yes, with an exclamation point), takes a curious turn. The opening chapter, called "we are so out of money," makes two major points: government spends a lot of money on trains, and government spends a lot of money on benefits for public employees.

At this point, a lot of readers must be scratching their heads. Aside from that section on airline deregulation, the first two-thirds of the book doesn't say anything about transportation policy. Nor is the book a treatise on public pensions. So in what sense do these complaints about government spending "operationalize" the book's previous arguments about the value of individual liberty?

Of course, I'm playing dumb here. I'm familiar enough with libertarian theory to know what the connection is supposed to be: the government spending more money on transportation infrastructure and the government telling you what kind of beer you can drink are both infringements of economic freedom. This line of reasoning is rooted in the work of hard-core libertarians like Murray Rothbard and Ayn Rand, for whom all taxation was theft. (Rothbard was an anarchist, Rand had some confused ideas about financing government non-coercively)

If all taxation is theft, then the government subsidizing trains is as much an infringement on your freedom as the government banning small breweries. The problem is that Gillespie and Welch insist they're *not* that kind of libertarians. In their epilogue, they write that they "went to public schools for all or part of our educations (as do/will our kids), walked without a second's hesitation on public sidewalks, and are still not averse to calling tax-funded fire departments." Evidently, they believe there are at least some kinds of public services that should be provided with tax revenues.

But if the government is going to provide fire departments and public sidewalks, then presumably it's going to have to hire some employees. And those employees will probably expect some health care and retirement benefits. To be sure, there's a need to reform public pensions, but this is a basically technocratic question that has little to do with economic freedom as such.

As for trains, not only does the subject have no obvious connection to economic freedom, but Gillespie and Welch don't make a very compelling case that trains are particularly prone to mismanagement and boondoggles. To be sure, there have been a lot of wasteful train projects, but it's easy to find examples of [mismanaged projects](#) involving other modes of transportation, all of which are also heavily regulated and subsidized by the

government. The problem is that large bureaucracies are inefficient, not that there's something uniquely bad about rail transportation.

More to the point, one of the big reasons train-based transit tends to perform poorly is that the government systematically discourages the kind of high-density development patterns that make trains economically viable. Trains are an efficient and popular mode of transportation in cities like New York, Philadelphia, and DC because there's a critical mass of people within walking distance of each stop. But today, rules about minimum parking, setbacks, maximum building heights, and so forth effectively make it illegal to build neighborhoods like the high-density parts of Northeastern cities. Repeal those rules and wait a couple of decades, and some of these train boondoggles might start to make more sense.

In any event, the perennial argument between people who like trains and people who like cars has about as much to do with individual liberty as the Yankees-vs-Red Socks feud. Decisions about which modes of transportation the government should subsidize, and how, involve boring trade-offs between costs and benefits. There's no reason libertarians, as such, should have a dog in the fight.

This isn't really Gillespie and Welch's fault. There are lots of libertarians who (like Friedman and Hayek) support more government than the night-watchman state, but who haven't given a ton of thought to what that actually entails. The result tends to be haphazard advocacy of cutting whatever government spending is most visible at any particular point in time. This approach often has unintended consequences. For example, Matt Yglesias [points out](#) that efforts to reduce the federal government's headcount has led to [huge windfall profits for federal contractors](#). Good fiscal policy requires not only cutting wasteful spending (and to be sure there's a lot to cut) but also making sure that those cuts don't hinder the performance of the worthwhile government activities that remain. Thinking about government spending as a question of economic liberty can be more a hindrance than a help to that effort.