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## A Bizarre Defense of High-Speed Rail

Posted By [Marc Scribner](#) On November 3, 2010 @ 1:01 pm In [Economy](#), [Mobility](#), [Stimulus to Nowhere](#) | [No Comments](#)

Perhaps “bizarre” is not the appropriate word, as Matthew Yglesias is employed by the Obama administration’s [barely unofficial think tank/PR shop](#) <sup>[1]</sup> Center for American Progress, which [supports wasteful spending on high-speed rail](#) <sup>[2]</sup> — surprise! — just like [Obama supports it](#) <sup>[3]</sup>. “Terrible,” “nonsensical,” or “stupid” are probably better adjectives. Anyway, government-subsidy shill Yglesias took issue with Cato’s Tad DeHaven’s [Cato @ Liberty post](#) <sup>[4]</sup> on Robert Samuelson’s [excellent debunking of high-speed rail](#) <sup>[5]</sup>, but couldn’t really refute any of it. Instead, he claims \$1 trillion isn’t that big of a deal:

Currently, the government needs to pay 4.1% interest on a thirty year bond. And according to the handy dandy [amortization-calc.com](#) <sup>[6]</sup> to amortize a 30 year loan of \$1 trillion at an interest rate of 4.1% per year would cost \$57.99 billion a year for thirty years. Note that’s in fixed, nominal terms, so while it’s a fair amount of money in the short term by the 2030s it’ll be a joke relative to our Nominal GDP. Contrast that to the \$708 billion FY 2011 budget request the Obama administration submitted. It seems to me that an 8.1 percent reduction in defense expenditures in order to create a transformative nationwide new infrastructure program would be a no-brainer.

Yglesias doesn’t consider whether or not high-speed rail makes sense from a cost/benefit perspective. [It doesn’t](#) <sup>[7]</sup>. Nor does he address the inconvenient truth that many of the so-called “high-speed” rail corridors [aren’t high-speed by developed-world standards](#) <sup>[8]</sup>. In fact, he doesn’t even make a case for high-speed rail; rather, he compares subsidies for his preferred project to defense spending. As you might expect, spending cuts aren’t on the table.

Cato’s Randal O’Toole posted a thoughtful response [here](#) <sup>[9]</sup>. It continues to amaze me that progressives, supposed champions of more egalitarian outcomes through heroic central planning, would support a government program that would [primarily benefit wealthy urban elites](#) <sup>[10]</sup>. But when you consider the fact that most of them, including [Dalton-Harvard alum Matthew Yglesias](#) <sup>[11]</sup>, are wealthy urban elites, things begin to make a little more sense.

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URLs in this post:

[1] barely unofficial think tank/PR shop: [http://www.sourcewatch.org/index.php?title=Center\\_for\\_American\\_Progress](http://www.sourcewatch.org/index.php?title=Center_for_American_Progress)

[2] supports wasteful spending on high-speed rail: [http://www.americanprogress.org/issues/2010/03/ebg\\_032310.html](http://www.americanprogress.org/issues/2010/03/ebg_032310.html)

[3] Obama supports it: <http://www.youtube.com/watch?v=8Y3M9YQmgJo>

[4] Cato @ Liberty post: <http://www.cato-at-liberty.org/high-speed-pork/>

[5] excellent debunking of high-speed rail: <http://www.washingtonpost.com/wp-dyn/content/article/2010/10/31/AR2010103104260.html>

[6] amortization-calc.com: <http://www.amortization-calc.com/>

[7] It doesn’t: <http://www.openmarket.org/2010/05/03/obamarail-great-for-railfans-bad-for-transportation/>

[8] aren’t high-speed by developed-world standards: <http://www.openmarket.org/2010/10/28/obama-pumps-more-money-into-high-speed-rail-boondoggles/>

[9] here: <http://www.cato-at-liberty.org/yglesias-on-high-speed-rail/>

[10] primarily benefit wealthy urban elites: <http://www.usatoday.com/news/opinion/forum>