

NATIONAL REVIEW

Republicans Should Say ‘No’ to Trump’s Infrastructure Boondoggle

Wasteful federal spending will do little to help revive the American economy.

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Stephen Moore, a Trump economic advisor and a man I know and respect, recently told congressional Republicans that, since Donald Trump won the election, it is their duty to deliver on his agenda — even if his policies are bad ideas. Umm, no. Bad ideas are bad ideas, even when voters choose them. Otherwise, we all should have gone along with every bad idea that President Obama proposed over the last eight years.

Moore was talking, in particular, about Trump’s plan to spend \$1 trillion or more on infrastructure projects. But, like many of Trump’s ideas, the infrastructure proposal is less an actual plan than a vague notion. As Trump’s chief strategist Steve Bannon put it, “We’re just going to throw it up against the wall and see if it sticks.” Harkening back to FDR, Bannon calls Trump’s plans “as exciting as the 1930s.” That’s not exactly reassuring.

Supporters of an infrastructure program, at a time of an almost \$20 trillion national debt, justify it on two grounds. First, they correctly note that the federal government can currently borrow relatively cheaply with interest rates so low — primarily because other investment options, like the euro, are such bad bets. The U.S. may be deep in debt, but we are still the fastest horse in the glue factory.

And yet even with low rates, we still paid \$284 billion in interest payments in 2016. That’s \$284 billion that contributes nothing to economic growth or to advance the legitimate functions of government. Borrowing more for infrastructure spending would simply increase our interest payments.

Second, Trump and other infrastructure advocates see it as good-old-fashioned Keynesian stimulus. If, however, we have learned anything in recent economic history, it’s that Keynes isn’t all that he’s cracked up to be.

Infrastructure spending is not likely to deliver the bang for the buck that Trump supporters expect in terms of either job creation or economic growth. Recall that infrastructure spending under President Obama’s 2009 stimulus bill resulted in just 200,000 permanent jobs at a cost to taxpayers of \$4.2 million per job. And studies show that, while infrastructure spending may provide a short-term boost to GDP, it can actually *reduce* economic growth over the long-term by diverting resources and creativity to less innovative and productive uses.

This is not to say that there aren't infrastructure projects that legitimately need to be undertaken. But the federal government is unlikely to know or care what they are. Indeed, Congress tends to ignore useful projects like road and bridge maintenance, in favor of more grandiose efforts that can serve as reelection fodder. Why fill potholes when you get yourself photographed cutting the ribbon in front of something majestic?

Trump's proposal appears to provide tax credits and other incentives for the private sector to undertake such projects. While that idea is undoubtedly sounder than direct government management, there is a danger that the credits will end up as a crony-capitalist reward for Trump's friends or others with clout in Washington. In other cases, the credits may simply subsidize projects that would have been undertaken even without taxpayer support.

Democrats, of course, are allergic to even a hint of private-sector involvement. They want Congress to get back to their preferred role of picking winners and losers — and dispensing pork-barrel largess. One can almost hear Chuck Schumer and Senate Democrats salivating at the prospect of cutting deals to spend all that money.

In his famous "Speech to the Electors of Bristol," Edmund Burke told his constituents that an elected representative owes them "his judgement; and he betrays, instead of serving you, if he sacrifices it to your opinion."

Republicans in Congress were justly criticized for being supine in the face of the Obama administration. That doesn't mean they should be equally pusillanimous when dealing with a President Trump. They should support him when his proposals make sense — and oppose him when they don't.

One place they should start is by saying "No" to this unaffordable and wasteful infrastructure boondoggle.

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