



Obama's New Stimulus Target: Infrastructure

If it is true, as Albert Einstein is alleged to have said, that insanity consists of doing the same thing over and over again and expecting different results, then President Obama and his advisors may well be channeling the great 20th Century physicist. After all, the President is neither chastened nor enlightened following the monumental failure of his multi-trillion dollar efforts to stimulate the economy by spending taxpayer money. As his September 6 speech at the Milwaukee, Wisconsin, Laborfest attested, he's going to try it yet again.



In a widely anticipated pre-election initiative, Obama announced a new \$50 billion dollar program to rebuild America's allegedly ailing transportation infrastructure, apparently in the fond delusion that American voters are preparing to vent their electoral wrath on Washington for not spending enough of their hard-earned dollars.

"Over the next six years," the President told an enthusiastic union crowd, many of whom would doubtless benefit directly from the welter of new proposed construction projects, "we are going to rebuild 150,000 miles of our roads — enough to circle the world six times. We're going to lay and maintain 4,000 miles of our railways — enough to stretch coast-to-coast. We're going to restore 150 miles of runways and advance a next generation air-traffic control system to reduce travel time and delays for American travelers."

The proposal would include the installation of a new high-speed rail system linking Milwaukee with Madison, the state capital, part of an ambitious program to create a national high-speed rail system that would allegedly save time, money, and air quality. And to administer the funds for this latest stimulus boondoggle, a new permanent "infrastructure bank" would be set up "to leverage federal dollars and focus on the smartest investments," whatever that might mean.

Investing in infrastructure has always been a favorite conceit of the redistributionally-minded, from hard-core Marxists to modern American Presidents with their varying flavors of socialism Lite. This is partly because transportation, involving as it does matters of interstate commerce and eminent domain, is one of the few things that most people agree government should have some hand in. No one has yet found and managed to put into practice a successful system of fully privatized roads, for example (although America has managed to maintain some semblance of privatization in some sectors of mass transportation, like airlines, where many other countries have insisted on state ownership).

But even if the federal government has some pretense of constitutional authority for rebuilding roads, railroads, and the like (and the authority is tenuous, if we take into account that the modern expansive interpretation of the "interstate commerce" clause in no way reflects the Founders' sentiments, Hamilton possibly excepted), we are still left to wonder whether, in this era of buckling finances, we ought to authorize still more expensive public works projects.



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The recent economic stimulus efforts have impacted the economy in roughly the same way that a boy tossing stones into a lake expects to raise the water level: The water is agitated with each impact, but the lake, determined to find its own level, looks the same once the ripples have died away. In like manner, the Obama stimulus monies stirred the surface of the economy for a few short months, prompting economist-myrmidons to proclaim the end of the recession and the beginning of new, albeit sluggish, growth.

But now that the stimulus money has worked its way through the system, anointing the palms of government employees and contractors at the expense of everyone else, the economy looks no different. Unemployment is unchanged, savings are depleted, credit has dried up, and nobody's hiring. While the atmosphere of panic has receded, it's beginning to dawn on just about everyone who will cast a ballot this fall that, two years and several trillion dollars into the Obama presidency, things have not improved a whit and, without a fresh approach, may soon get a lot worse, given all the new debt America has to service.

As for transportation spending itself, roads, airlines, and railways aren't necessarily the unalloyed fiscal benefits they're chalked up to be. Two generations ago, the French and British governments launched a visionary new program to usher jet transportation into the supersonic age. The much-ballyhooed SST (supersonic transport, better known as the Concorde) turned transatlantic flight into a thrilling, three hour adrenalin rush — for those willing and able to spend more than \$10,000.00 to fly a route that, for a few hours more and in considerably greater comfort and less noise, cost a few hundred dollars. The Concorde never came close to living up to its promise, and three decades and countless billions of dollars of taxpayer subsidies later, it was finally abandoned after a Concorde literally went down in flames at Charles de Gaul airport in July 2000.

What about high-speed rail travel? Who could possibly object to state-of-the-art trains rushing along maglev rails at speeds comparable to some passenger aircraft, conveying commuters from city center to city center without the hassles of airport traffic and security? For the record, high-speed trains are a lot of fun to ride on, as anyone who has ridden America's only high-speed rail (the Acela that plies the northeastern corridor from Washington to Boston) will attest. But they're also very expensive, both to ride and to run, leaving aside the vast expenditures to set them up. It is both cheaper and faster to fly from D.C. to Boston, even factoring in getting to and from the airport. France and Japan have both had vaunted high speed rail systems for decades, which have become centerpieces in their respective national tourism industries but have done nothing to actually enrich the French and Japanese economies.

Much the same could be said of more mundane expenditures, like highway upgrades, which routinely go overtime and over budget, and are usually driven less by genuine economic need than by political gamesmanship — Alaska's infamous "Bridge to Nowhere" is but one all-too-typical example of the way politicians love to pork up road and bridge expropriations. And lest we forget, modern freeways were invented in the 1930s by another gang of "visionary" politicians needing a high-profile distraction from global economic ills and internal political turmoil — Hitler and his Nazis.

Politicians like President Obama love grand public transportation projects - they are eye-catching, visionary, and a very high-profile way of putting people to work with government money (those "Your taxpayer dollars at work" signs, in all their varieties, were invented to garland such projects). Aside from the literal monuments they erect for themselves, there is nothing so grandiose as a public transportation initiative, whether a new freeway named after the Congressman who spent the money to



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build it or the latest eye-popping air or rail technology.

But the bottom line is always the bottom line. The fact that we know how to build 10-lane freeways, supersonic transports, high-speed rails, or ultramodern cable-stayed bridges to replace fuddy-duddy highways, conventional passenger jets, diesel trains, and suspension bridges does not necessarily mean that we should. The know-how exists for many things that could be done with resources, but that we cannot afford — sending people back to the moon, for example.

What the upcoming elections will hopefully highlight (among many other things) is America's need to confront fiscal and financial realities instead of continuing on her post-boom government spending spree intended bring back the illusory glory of a boom that can never be recaptured nor repeated via government intervention.

None of which is to say that America must be content with second-tier status. It means that a country's greatness — ours or any others — has little to do with the ability of its politicians to spend money on public works. The illusion that national greatness flows from public greatness, as measured by politicians' generosity with other people's money, is a misconception at least as old as ancient Babylon. America is great first and foremost because of her national character, and her material prowess has come not as a consequence of a visionary "enlightened despot" like Peter the Great or an ambitious dynasty like the Tudors, but because of the way she has liberated her citizenry from the chains of absolutism.

But the Obamas and others who invest their faith not in freedom but in the state are unlikely ever to grasp such a notion. Nor are they likely to change their ways until they are corrected by those of us who pay the bills they run up.

President Obama at Milwaukee, Wis., Laborfest: White House photo



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