

NO BASIS FOR CONSERVATIVE OPPOSITION TO THE TEXAS CENTRAL RAIL PROJECT

by Tom Giovanetti

It seems that a lot of conservatives in Texas are confused about exactly what constitutes conservative principles. Very often, people think something is a principle just because it's the way things have always been done, or just because it's someone's particular preference.

In Texas, some conservatives wrongly think that opposition to high speed rail is a conservative principle. This is like saying that opposition to trucks, or cell phones, is a conservative principle. These may be preferences, but they aren't principles. A principle is a timeless truth or proposition that helps us make decisions or choose behaviors. And opposition to high speed rail is not a conservative principle.

I suspect that conservatives feel that high speed rail is always a government boondoggle, because these proposed projects have typically been publically financed with taxpayer dollars and have had cost and ridership projections that would necessitate perpetual taxpayer subsidies. But in those cases, the problems were public finance and perpetual taxpayer subsidies, not high speed rail technology itself.

There is a serious effort being mounted in the Texas Legislature to target and stop the Texas Central Rail project. A dozen or so bills are being considered that have as their sole purpose derailing the project. Whatever the motivations behind this effort, it cannot be said that opposition to the Texas Central Rail project is based on conservative principles. In fact, *those trying to stop the Texas Central Rail project in Texas are actually violating conservative principles.*

A real conservative principle is that **policy should be neutral—government shouldn't favor one player, or business model, or technology over another.** It's the job of markets to determine winners and losers, not government favor. Government neutrality ensures a level

playing field upon which private actors with private ideas and private capital can compete, with no pre-determined outcome. So when conservatives attempt to specifically kill high speed rail in Texas, as some are attempting to do in the Texas Legislature, they are actually violating, not asserting, conservative principles.

Another conservative principle is that **government should encourage private investment rather than government spending.** It is private investment, not government spending, that creates economic growth, new jobs, and new products and services for consumers. Because it is privately financed, the Texas Central Rail project does all of that, and the alternative to the project is ironically more taxpayer financed transportation infrastructure.

Principled conservatives also **don't put taxpayers on the hook to bail out private investments.** Conservatives are still rightly angry about the bank bailouts, but the Texas Central Rail project is privately financed. Texas taxpayers will be under no obligation to pay for or bail out the rail project if it fails, and the project won't break ground until and unless the private investors have sufficient confidence in the success of the project. That's how markets work, and it's why the private economy is better than government at assessing risk and financing investment.

In fact, conservatives should insist on very clear determinations regarding whether taxpayers have liability for infrastructure projects. Taxpayers should not be on the hook unless such liability is explicitly determined through legislation. Because taxpayers are explicitly not on the hook for the Texas Central Rail project, by implying that they may be, some conservatives are actually blurring the lines rather than insisting on clear distinctions.

Conservatives also believe in **eminent domain as included in and limited by the Fifth Amendment to the U.S. Constitution**. It is perfectly legitimate for private land to be taken for public use, so long as the compensation is just. Indeed, the Founders understood that eminent domain was necessary—they just wanted to ensure that land couldn't be taken without just compensation. So there is no principled conservative opposition to eminent domain, so long as the use is public, and the taking is compensated.

Here's what conservatives oppose:

- Private rewards but public risk. We don't believe in businesses reaping profits but dumping their losses onto the taxpayer.
- Government favoritism or discrimination, picking winners and determining losers based on the whims of politicians or bureaucrats.
- Eminent domain for other than public use.

Here's what conservatives favor:

- Necessary infrastructure, paid for with the least possible taxpayer burden.
- Private risk-taking and private enterprise.
- Eminent domain used for necessary public purposes, such as transportation and other public infrastructure.
- Useful products and services for consumers.
- Competition in transportation options.

The Texas Central Rail project meets these tests, and thus there is no principled conservative objection to it.

Many conservatives in Texas are clearly confused about transportation policy. First, they were champions of privatization through toll projects, because they didn't want to spend taxpayer dollars. Then, conservatives decided they didn't like toll projects after all. Now, many conservatives are tying themselves up in knots to try to stop a privately financed high speed rail project with no taxpayer liability.

There are only so many ways to pay for transportation infrastructure. You can't oppose both taxpayer financing and private financing. Those are the only two options, and given those options, *conservatives should be enthusiastic promoters of private transportation infrastructure financing*. This would be consistent with the usual conservative approach in encouraging private investors to take risks and make investments in order to deliver desirable goods and services to consumers. There is no principled reason why the Texas Central Rail project is any different.

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