



# AMERICANS FOR LIMITED GOVERNMENT

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**Testimony of  
Richard Manning  
President Americans for Limited Government  
Before the Congressional Western Caucus  
On the Green New Deal**

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Thank you, Mr. Chairman and Western Caucus members for the opportunity to testify here today.

Cost estimates have come out for the Green New Deal — some say \$93 trillion dollars, but the truth is that the plan actually would cost America much more — it would cost our nation everything.

It would cost the ability of individuals to choose the way they travel both for short distances and long. It would force changes on food choices at the dinner table. It would shrink home electricity consumption with likely rationing due to restricted availability. It would change our homes, offices and every building in the country as each received one-sized fits all conservation retrofits. It would end same or next day delivery of most of our purchases as domestic cargo planes would be grounded.

The plan requires a complete federal government takeover of virtually every aspect of the economy, ending individual free market choices. This means that one of the miracles of the market — a seeming endless supply of choices — will be replaced by those products that the federal government policies favor regardless of what anyone else wants.

Out of all of the factors leading to the fall of the Soviet Union, Boris Yeltsin abandoned communism after a visit to Houston, Texas. It wasn't the Houston Space Center tour which convinced Yeltsin, but instead it was a visit to Randall's grocery store on an unscheduled visit. The abundance stunned the soon to become first President of the Russian Federation. Yeltsin wrote, "When I saw those shelves crammed with hundreds, thousands of cans, cartons and goods of every possible sort, for the first time I felt quite frankly sick with despair for the Soviet people." Yeltsin continued, "That such a potentially super-rich country as ours has been brought to a state of such poverty! It is terrible to think of it."

The modern empty shelves and the citizen revolt in Venezuela shows that government caused poverty is not just a phenomenon of the 20th Century communist central planners, but the natural result of socialism which ends markets and replaces them with top down decision making.

Socialism creates scarcity, ends the incentive and ability for individuals to achieve their dreams, and makes each person dependent upon the government for their very existence. Rather than

working for the individual citizens, the Green New Deal government will have the people trapped in a toxic relationship where government bureaucrats determine winners and losers in virtually every situation.

The Green New Deal turns what is supposed to be a relatively benign federal government with individual rights protected against government incursion into an all-powerful federal government overriding not only local and state governments in virtually every decision they make, but also limiting choices to only bureaucratic approved options without regard to individual needs or circumstances.

Here in the United States we have seen multiple examples of green venture socialist investing where private insiders choose projects not based upon their market viability but instead based upon the expectation that either the federal or state government will provide the funding giving the initial investors a soft landing and moving the risks to the public.

One example of this is the Virgin Trains USA (formerly Brightline) higher speed rail project in Florida which just had its \$600 million IPO cancelled due to a lack of interest. Instead it is relying on \$600 million of tax-free Department of Transportation private activity bonds, which in large part were used to refinance high-yield corporate junk bonds. In addition, it has sought another \$2.1 billion of those same bonds, and is seeking a \$3.7 billion Railroad Rehabilitation & Improvement Financing (RRIF) loan from the department.

What is clear is that without public, tax-funded backing, the project would not even be attempted because there is no demand. That is just one example.

Another egregious example of fixed rail gone wrong is the notorious California High Speed Rail project.

California voters in 2008 approved \$10 billion in bonded indebtedness to build this project with promises of private investors to follow.

Needless to say the private investors never materialized and neither did the railroad. Here is how a 2017 editorial by Investor's Business Daily described it:

“Even so, California has already committed to spending more than the \$10 billion bond amount, and taxpayers are on the hook. It's a runaway train.

“Worse, since the bond issue passed in 2008, cost estimates have only soared.

“Initially budgeted at \$32 billion, the price tag is now put at twice that: \$68 billion or more. Even the initial stretch of track, which lies on the flattest, easiest-to-build part of the entire total 700-mile route, has seen its cost soar 50%, from \$6.4 billion to \$10 billion.

“Moreover, that initial part of the much bigger project was originally slated to be completed this year. But so far, not a mile has been laid. *Nothing*. According to a recent confidential report by the Federal Railroad Administration, the first part of the rail system is at least seven years behind schedule.”

And now for the ultimate irony, the dramatically scaled back version of the California rail project will now only run from Bakersfield to Merced, California, rather than the Los Angeles to San Francisco promise.

Why is that revised endpoint announcement almost beyond belief? Anyone who has driven Highway 99 that approximates the train route can tell you that the farmers whose land would be split in two by the high-speed train traffic vociferously oppose the train. And the people who voted for the train in Los Angeles and San Francisco will never get anywhere near it.

That's top down government management in the state which best approximates the New Green Deal ideal. Massive boondoggle trains to nowhere beset with both cost and time overruns where the only people who win are the bankers who handle the bond sales and those who will continue to be paid interest on the bonds even when the chances of the pie in the sky project itself ever even being built are near zero.

Of course, if the multiple dozens of inexpensive plane flights each day from the Bay area in California to the Los Angeles area were cancelled, consumers would be forced onto the train and the New Green Deal would succeed in moving people from using 20<sup>th</sup> and 21<sup>st</sup> century transportation technology back into what is effectively 19<sup>th</sup> century fixed rail. And perhaps this time warping retrograde is what the sponsors of the bill seek.

Let me be clear, America's future is bright, but only if the markets are allowed to dictate it so the most efficient, smart solutions prevail.

Government mandated solutions never work, and those who propose them seek to impose their will on the people. Whether they are motivated by a discredited environmental fear campaign or just plain class envy, the end result of all-encompassing socialist government is always a disaster for the people it purports to want to help.

Socialism's historic failure is rooted in the fact that it inherently deprives people of freedom, choice, property and opportunity. The Green New Deal is nothing more or less than a new rationale for a failed government system that has always resulted in enslavement and deprivation of the people — and it must be rejected.

Thank you again.