

Macro Roundup Article

Headline: [Leonhardt On Investment](#)

Article Link: <https://johnhcochrane.blogspot.com/2023/10/leonhardt-on-investment.html>

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Publication	The Grumpy Economist
Publication Date	October 23, 2023

Tweet: [@JohnHCochrane](#) writes that [@DLeonhardt](#) is confusing public underinvestment for declining productivity, which is largely driven in his view by government regulation and rent-seeking unions.

Summary: US chips and green energy subsidies don't make anything cheaper, faster, or better. They just do what we already do in the US, at vastly greater cost, and in a different way. Even if electric cars did save carbon, they would not get you to the airport any faster. The problem with US public investment is not just lack of money. It is that the money we do spend goes down ratholes, so not spending is wise. Public teacher unions that deliver generations of children, mostly already disadvantaged, who cannot read or count. \$4 billion per mile subways. Leonhardt mentions other countries' success with high-speed trains, without mentioning the poster child for all that is wrong with US public investment: the California railroad. 15 years and counting, \$100+ billion dollars, not a mile of track laid yet. If it were not so perfectly obvious to voters that money will be wasted, they might support a lot more investment. Related: Longer Commutes, Shorter Lives: The Costs of Not Investing in America and US Capital is Depreciating Faster and Capital Allocation

Primary Topic: Investment

Topics: Fiscal Policy, GDP, Growth, Investment, Op-Ed/Blog Post, Productivity, Regulation

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