The HS2 argument is getting very confused [1]

Written by **Tim Worstall** [2] | Wednesday 28 August 2013

Various people seem to have various ideas about the merits or not of the high speed railway line to the North, HS2. Three little comments that stand out from the crowd for me [3]:

> Britain's construction and engineering industries need a more stable pipeline of work if they are to stay "right at the top of their game" following major works such as the Olympics, the boss of Crossrail has warned. Andrew Wolstenholme, who is overseeing the £14.8bn rail project across London, has laid down the gauntlet to ministers, claiming a "lack of continuity" is endangering the country?s competitiveness and threatening to push up prices. "If you see where UK infrastructure is right now?the reputation we are gaining to deliver on time, on cost and of high quality is building,? said Mr Wolstenholme. ?UK plc is right at the top of its game in delivering these major works." But he added: "What we need to do is find ways to bring the pipeline forward? so that the industry is presented with a continuous pipeline of these major projects."

Nothing surprising about that. Man who makes his living doing infrastructure projects thinks that lots of infrastructure projects is a very good thing. I could be convinced that lots of opportunities to scribble on the internet would be a very good thing I'm sure [4].

> The Institute of Directors (IoD) has urged ministers to abandon the "grand folly" of the £50bn HS2 high-speed rail project, saying little more than a quarter of its members believe it will prove value for money. The IoD's head, Simon Walker, said the business case for the line linking London with Birmingham, Manchester and Leeds over the next 20 years "simply is not there".

Also not a surprise there. That business case for the project has been looking pretty ropey for some years now. And then there's this [5]:

> I want the schoolchildren of the North-west to be captivated and inspired to take up careers in construction and engineering, and for the students at universities in Liverpool, Manchester, Leeds, Sheffield and Birmingham, to have the opportunity to choose where they work once they graduate. HS2 is a 20-year programme that could transform the skills base of the country. We lament how few young people go into engineering and science. Today more than a quarter of our science, technology, engineering and maths graduates go on to take non-engineering jobs. The project will be beacon for any young person looking to the future and deciding what to study. Through building HS2 we have a golden opportunity to expand greatly an engineering skills base that for years we thought could ebb away entirely.

Building lots of railways will encourage lots of people into studying how to build railways. And I can see that as a valid and unsurprising argument as well.

But when we put all three of the points together we get something rather different. We should build lots of these infrastructure projects because we're getting better at doing so, even though hte projects themselves are of no value, in order that we will encourage the next generation to train as people who can build infrastructure projects.

At which point presumably we'd have to continue subsidising infrastructure problems that aren't worth building in order to keep these newly minted engineers employed. Becasue, you know, we're really rather good at building things that don't make sense to build.

It's really not the most convincing of arguments when taken in the round, in the whole, is it? Indeed, I rather get the feeling that we'd all be made richer by people training to make and build the goods and services that are worth more than their production cost rather than those that are worth less.

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