

Congress Eyes A Real Stimulus: High-Speed Rail

by Marcia Merry Baker

The first week of October was economic “stimulus package” week in Washington; the administration and Congressional leadership held repeated meetings, and made announcements committing to an overall dollar amount of some \$75 billion—not counting \$40 billion for national security and to help New York City, and \$15 billion in aid to the airlines. The content of the package (whether tax cuts, unemployment benefits and health care measures, capital gains breaks for market speculators, etc.) remained unformulated and highly contested on Capitol Hill, but on Oct. 3, President George Bush went to New York City, to announce commitment to speedy action.

In fact, the formulations under consideration so far, do not constitute stimulus. Given how fast the U.S. economy is collapsing, what's required would better be called economic “resuscitation.” But still the talk persists of “confidence building” as if that's all that's necessary. Americans are urged to simply: shop, travel, and buy! On Oct. 2, Glenn Hubbard, Chairman of the Council of Economic Advisers, spoke in such terms of unreality, when he testified to the Senate Budget Committee.

Lyndon LaRouche has described this kind of denial by policy makers, as worse than the economic crisis itself.



Magnetically levitated trains fill the bill, in every respect, for the new high-speed North American rail corridors, which are finally breaking into the open in Congressional debate. Here, the Transrapid maglev is tested in Germany, which is constructing such lines for China.

(See p. 4).

As *EIR* has documented, the U.S. and global financial system and economy were far along in the process of breakdown, well before the Sept. 11 attacks. Globally, there are some \$400 trillion of financial obligations, contrasted to some \$40 trillion of total gross domestic product. Whole nations, such as Argentina or Turkey, are in turmoil over the lack of intervention to set aside the debt and keep their national economies going.

In the United States, the total debt load (all kinds) is huge and unpayable—from airlines, to households, to states, to steel, railroads, and throughout all vital sectors. At the same time, economic activity is shrinking rapidly: 200,000 layoffs in a three-week period, bankruptcies, shutdowns. This is a collapse dynamic: chain reactions of insolvencies and chaos. Sticking with patriotic appeals to confidence, is a con game that won't work.

Lack Of Rail Infrastructure Decried

One place where the gravity of the situation has begun to be acknowledged is Congress's recognition of the miserable state of U.S. infrastructure—particularly railroads. It may be “Johnny Come Lately,” but reality has struck. On Oct. 2, over five hours of discussion took place on Capitol Hill, at two hearings: first, at the Senate hearing on Railroad and Maritime Security, in the Transportation Subcommittee, chaired by Sen. John Breaux (D-La.); and second, in the House of Representatives, at the hearing in the Committee on Transportation and Infrastructure, convened on the topic of the newly introduced, largely Republican bill, “Rail Infrastructure Development and Expansion Act of the 21st Century” (RIDE-21).

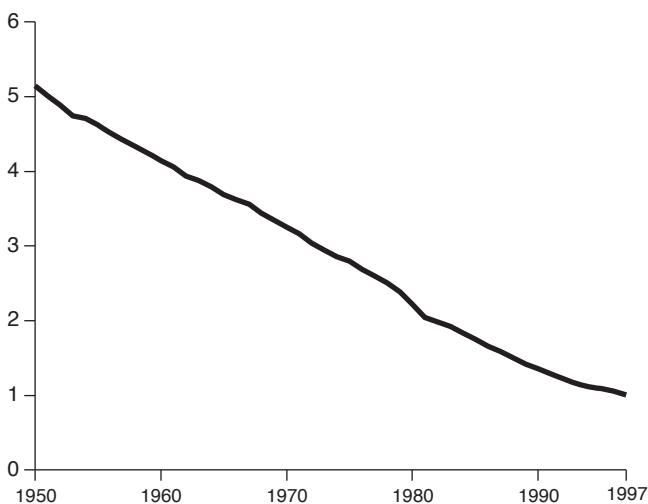
Congressmen from both parties and around the nation, gave details from their regions, of chokepoints and bottlenecks from the lack of railroad capacity and water navigation infrastructure. They reported chain-reactions of transportation congestion from the Sept. 11 attacks, because of the lack of contingency transport infrastructure. Sen. John Kerry (D-Mass.) told of *Tanker Matthews*, carrying liquefied natural gas (LNG) from Algeria to Massachusetts, being diverted to Savannah, Georgia right after the attacks, because the port in Everett, Mass. cannot be made secure. There are only six secure ports in the nation. Kerry added that New England is 20% dependent on LNG, and no shipments have been made for nearly a month, due to lack of in-port security.

At the House Committee hearing, there were over three hours of accounts, detailing the inadequacy of the rail system, and need for improvement projects. One example: There used to be six parallel corridors of

FIGURE 1□

U.S. Railroad Mileage Decline, 1950-1997□

(miles per 1,000 households)



Sources: Association of American Railroads; U.S. Department of Commerce, Bureau of the Census, *Population Surveys*, various years.

rail connecting the Northeast to the Midwest. Now there are only three, and two of them use one critical rail bridge in Ohio! **Figure 1**, shows the steep decline in railroad track mileage (shown as miles per 1,000 households) in the United States over the last 50 years. The state of Iowa, for example—a major agricultural producer for both national and international consumption—saw the loss of one-third of its rail grid in only the 1980s!

The RIDE-21 rail expansion bill, was introduced on Sept. 25 by Rep. Don Young (R-Ak.), as H.R. 2950. It calls for some \$71 billion of different types of funding, from tax-exempt bonds, to loan guarantees, to grants for rail corridor planning. An earlier bill, largely sponsored by Democrats, is H.R. 2329, the “High Speed Rail Investment Act of 2001.” Both are intended to rebuild sections of the U.S. rail grid, and to build high-speed rail networks, including, potentially, magnetically-levitated train systems. Many Congressmen have travelled to Germany for a test ride on the Transrapid prototype, shown in the photo.

Twelve priority links for high-speed systems are implied or indicated in the proposed bills:

West: Corridors in California and the Northwest (including Vancouver, Canada)

Texas and South: Texas to Arkansas, and through Louisiana, on to Mobile, Alabama, and Atlanta

Midwest: Kansas up to Minnesota, and eastward to Michigan and Ohio

Southeast: Florida northward

Northeast: To Great Lakes, Eastern Seaboard

Alaska Corridor: Through Canada to the “Lower 48.”

These two rail bills under consideration—and there are others—are part of the momentum forming for infrastructure building as the policy response to restore the economy. The H.R. 2329 “High-Speed Rail” Bill specifies only \$12 billion, in contrast to the \$71 billion of RIDE-21. A Congressional staff member commented, “We proposed \$12 billion before the Sept. 11 incidents. If we had proposed \$70 to \$80 billion then, we would have been denounced as crazy, and the legislation wouldn’t have been considered. But since Sept. 11, things are changing.” The sum of \$12 billion is far too low, of course, as is \$71 billion. A sum of \$100 billion is more in the range of what’s practical to upgrade the existing rail system. This is the estimate of transportation consultant Hal Cooper, who figures on rebuilding up to 70,000 track-miles of lines up to double- and triple-track specification.

But at present, it is the momentum and policy direction that count. On Sept. 8, LaRouche advised, “The crash is on! It’s time for all good Democrats to propose public works, public spending on economic infrastructure.”

Senator Reid: Domestic Marshall Plan

A leader of the infrastructure drive in Congress is Sen. Harry Reid (D-Nev.), the number-two man in the Senate. For some time, he has backed a plan for at least \$37 billion for rail improvements, but he is outspoken for the need to act on upgrading the entire national infrastructure base across the board—from water treatment and sewers, to hospitals, rail, and more.

He called for a “Marshall Plan for Renewal” in a speech on Aug. 18 at the Tahoe Forum Speakers Series, at Sierra Nevada College in Nevada. He said, “As vastly different as our favorite places may seem, they are all connected. They are tied together by the thousands and thousands of public works projects which make up America’s web of physical infrastructure.

“Our infrastructure is more than just the network of roads, bridges, railways, seaports, and airports which take us to our favorite places. It’s also the systems which bring us clean drinking water and treat our wastewater. It’s the power grids, which light our homes and the school buildings where we hope our children become enlightened.

“America’s public works projects are not only the physical backbone of this country. . . . They are the muscle system which provide goods jobs—to both skilled and unskilled labor.”

The “multiplier effects” from the rail expansion program would be gigantic—for example, the material requirements for steel, concrete and other inputs. Consider the fact that, for a new “Al-Can” rail corridor, going from Alaska, through Canada to the Lower 48, the need would be for 1,300 new track-miles in the trunk route. At a factor of 2,500 tons of steel for a double track (including for culverts, bridges, etc.), this means a need for 3.25 million tons of steel for this corridor alone.