

# National Rail Defense Points a New Direction

by Marcia Merry Baker

Ignored by the U.S. media, Senators moved on March 6 a “National Defense Rail Act” (S. 1991) calling for a national passenger-rail infrastructure-building program. Amtrak, the 46-state national passenger rail system formed in 1971, is insolvent, and without action, will shut down before year-end. The House of Representatives is holding a series of hearings this Spring on the February report by the Amtrak Reform Council, calling for dismantling and privatizing Amtrak. S. 1991 takes exactly the opposite approach.

The thrust of the new rail-improvements bill is the kind of legislative thinking that can point a way out of the worsening depression. It identifies priority national projects for Federal intervention, in the public interest. The principle applies across the board.

Politically, the March 5 steel import tariffs decision by President Bush, combined with the implications of this March 6 legislative proposal—millions of tons of steel requirements, for example—constitutes new momentum toward the kind of anti-depression measures Lyndon LaRouche has been mobilizing for worldwide.

The principal sponsor of S. 1991 is Sen. Ernest Hollings (D-S.C.), chairman of the Senate Commerce, Science, and Transportation Committee. He told the Senate chamber that there must be Federal intervention to restore a “world-class” passenger rail system in the United States. As a model, Hollings pointed to the 1950s Eisenhower national interstate highway program, which Ike motivated as a necessity for U.S. defense.

The new bill lays out a sizable funding program, in the neighborhood of some \$4.6 billion a year, for a range of proposals including:

- Upgraded continental, long-line service;
- A Northeast Corridor upgrade;
- Twelve new high-speed regional rail systems (in 29 states), to be the “building blocks” of the new nationwide system;
- Modern security equipment.

There are at least 22 sponsors already. On March 14, the Committee held a hearing before a packed chamber, taking testimony from nine witnesses, addressing the bill’s stated purpose, “To establish a national rail passenger transportation system, reauthorize Amtrak, improve security and service on Amtrak, and for other purposes.”

Speaking on behalf of the U.S. Conference of Mayors,

Marc Morial of New Orleans said, “We are at a point in history where we can chart a new course. Our goal should be to build a first-class national passenger rail system. . . . The mayors believe this should be the mission and goal of this debate.” He stressed the job creation benefits. “We see a powerful linkage between a strong Amtrak, a growing national inter-city passenger rail system, and the long-term viability of our local and metropolitan economies.”

*EIR*’s own testimony is excerpted here.

Shrinking from such a new policy shift, Washington’s “issue-makers” virtually buried news of the bill, the hearing, its steel-demand implications, etc. The March 14 *Washington Times* omitted that day’s Senate hearing from its *Washington Daybook*. C-Span failed to carry it. The *Washington Post* Style section found room only for an item ridiculing Hollings’ speech, without noting its subject or contents.

## Findings of National Interest

On March 6, Hollings spelled out all the needed rail projects to the Senate in great detail, down to the list of antiquated tunnels to be modernized. He said bluntly that the last few years of the 1997 Federal Amtrak “reform” mandate were “misguided,” robbing Amtrak and the public of “long-term capital investment in favor of short-term bond shell games.”

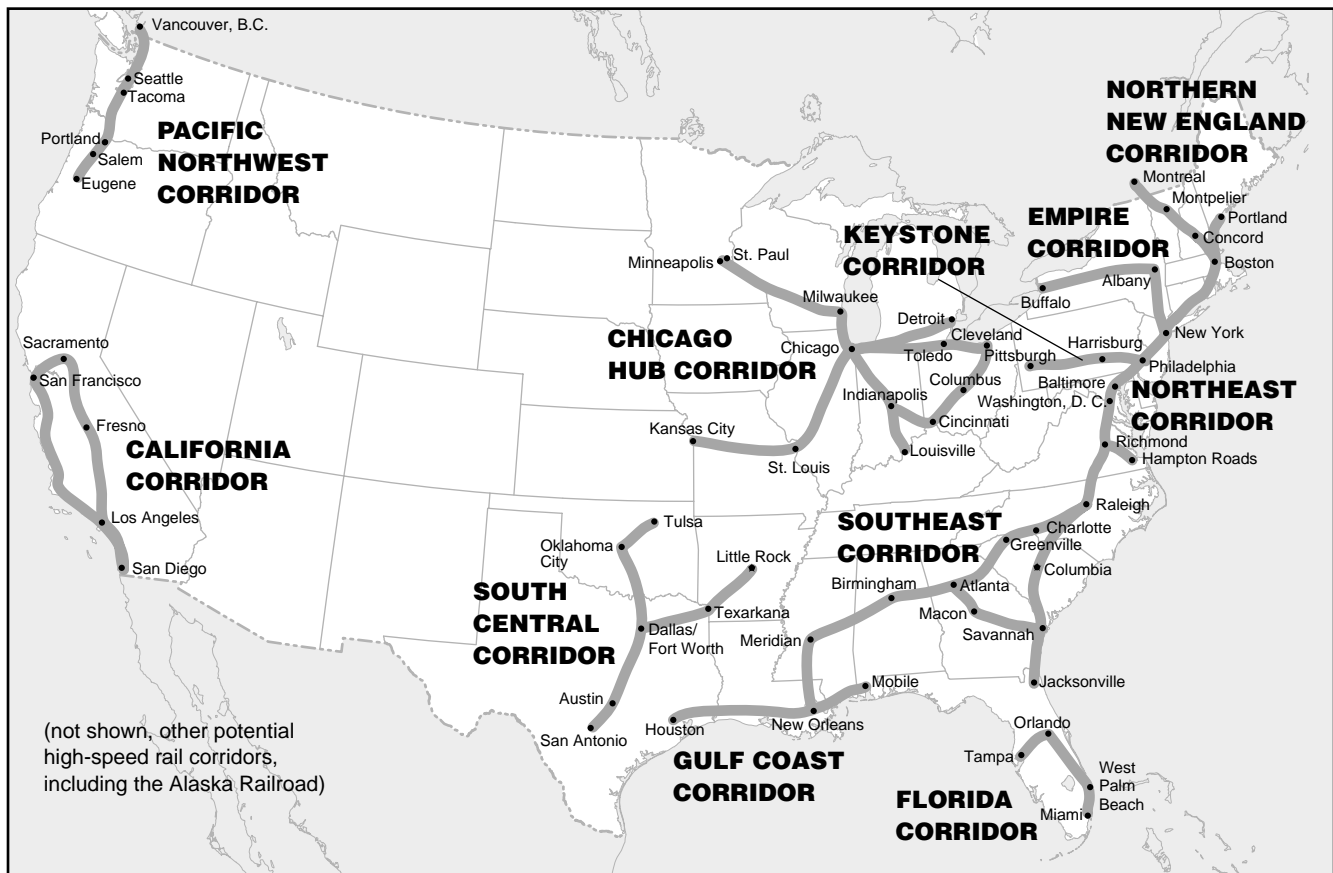
Leading the opposition to Amtrak revitalization in the Senate Commerce Committee hearing was Sen. John McCain (R-Ariz.), the ranking Republican. Complained McCain, “In my view, the source of most of Amtrak’s problems is Amtrak’s status as a government-owned monopoly.” He is backing a privatization bill, S. 1958 (the Rail Passenger Improvement Act). Meanwhile, McCain’s model—the privatized rail system in Britain—is collapsing spectacularly.

The “National Defense Rail Act” begins with “Findings,” of which the most crucial is the first: “Financial investment in passenger rail infrastructure is critical, and Federal leadership is required to address the needs of a reliable, safe, secure passenger rail network.” The Hollings bill is explicitly dead-opposite to the recent privatization recommendations of the Amtrak Reform Council, and to deregulation in general. In Finding (8), the bill states: “The Amtrak Reform and Accountability Act of 1997, and preceding statutes, resulted in creating conflicting missions for the National Railroad Passenger Corporation, of both serving a public function by operating unprofitable long-distance routes, while also attempting to operate at a profit.” And further, (11), “In order to attempt to meet the mandate of the Amtrak Reform and Accountability Act of 1997, Amtrak has been forced to delay capital improvement projects and other projects which would produce long-term benefits.”

Instead, the Findings point to a full-scale, high-tech capitalization program, as in (20): “It is in the national interest to preserve passenger rail service in the United States and to maintain the solvency of the National Railroad Passenger Service (Amtrak);” and (24), “The Nation should be afforded

FIGURE 1

## High-Speed Rail Corridor Designations



Eleven of the 12 high-speed rail corridors required in the United States, as designated by the Secretary of Transportation. Senate hearings were held March 14 on a new bill which would re-federalize Amtrak, and give immediate Federal direction and large-scale funding to the establishment of the corridors.

the opportunity to receive safe, efficient, and cost-effective rail passenger services, taking into account all benefits to the Nation as a whole.”

In addition to the General Welfare importance of passenger rail in peacetime, S. 1991 states, in (4): “Passenger rail service has been a vital instrument in the transportation needs of our Nation. For instance, during World War II, the privately owned, operated, and constructed railroad industry transported 90% of all defense freight, and 97% of all defense personnel transported to points of embarkation for theaters of action. By the end of the war, railroads accounted for three-quarters of the common carrier share of intercity traffic, with airplanes and buses sharing the remaining quarter of traffic.”

As to funding, the 1950s highways buildup is cited: “Federal funding [was] required to construct the Eisenhower System of Interstate and Defense Highways. The Federal Aid Highway Act of 1956 established a Highway Trust Fund based upon Federal user taxes in order to finance up to 90% of the costs of the \$25 billion highway construction plan.”

## High-Speed Corridors

Hollings’ initiative emphasizes both new railroad security systems, and new *high-speed rail* systems, and would create greater flexibility in route-planning for an Alaska-Lower 48 rail corridor.

The 12 designated high-speed rail corridors are: California Corridor (San Francisco Bay area to San Diego); Chicago Hub Corridor Network, with “spokes,” including to Detroit, Minneapolis/St. Paul, Milwaukee, Kansas City, Louisville, and Cleveland, and also Cleveland to Cincinnati via Columbus; Empire State Corridor to Buffalo; Florida Corridor, from Tampa to Miami, through Orlando; Gulf Coast Corridor (Houston to Atlanta); Keystone Corridor (Philadelphia to Pittsburgh); Northeast Corridor (Washington, D.C. to Massachusetts); New England Corridor (Boston to Maine); Pacific Northwest Corridor; South Central Corridor (Texas, Arkansas, Oklahoma); Southeast Corridor (many interconnections covering Virginia, the Carolinas, Georgia, and Florida); and Southwest Corridor (Los Angeles to Las Vegas).

# EIR Testimony Tells Senate: Pass Rail Act

*Excerpts from EIR's testimony to the Senate Committee on Commerce, Science and Transportation on March 14.*

Standing in the way of needed anti-depression policies, are the continued pronouncements and delusions about “recovery” just ahead. In a forthcoming special report by the LaRouche in 2004 Presidential campaign committee, Lyndon LaRouche “lists a number of typical actions to be taken to halt the depression and launch a self-sustaining recovery:

“1. We must a.) put the international monetary-financial system into immediate, governments-dictated reorganization; b.) restore a fixed-exchange-rate system; c.) establish exchange, capital, financial controls, trade controls, and fair-trade forms of protectionist measures internally and externally; d.) increase drastically rates of taxation on financial capital gains, and substitute production- and technology-oriented medium- to long-term investment tax credits to entrepreneurs; e.) generate large masses of government-created credit at rates between 1-2% for, chiefly, a combination of entrepreneurial investment production and infrastructure investment; and f.) implement a general bank-reorganization program, which keeps needed banks performing essential functions for the community while under even drastic financial reorganization.

“2. We replace ‘free trade’ with the promotion of protected hard-commodity international trade, as part of the promotion of a global, long-term economic-recovery effort.

“3. We must introduce the economic equivalent of a high-technology-oriented ‘arsenal of democracy’ recovery program, both in the domestic economy and in world trade, to provide the qualitative dimension needed to reverse the monstrous loss of technologically progressive, physical-productive capacity and potential—a loss which has accumulated in the world as a whole during the recent thirty years, especially the recent quarter-century.

“We had better take such measures, to stop that process of collapse before it hits with irresistible, crushing force.”

The steel tonnage requirements implied in the S. 1991 bill, show the right kind of follow-on action to the new steel import tariffs decision. The U.S. domestic steel industry needs to be rapidly rebuilt to supply the millions of tons of steel for expanding rail and other needed categories of capital consumption, in an overall infrastructure-building program. . . .