

State Legislatures.

Alabama: The State House of Representatives passed House Joint Resolution 422 on May 4, 2000, "Calling for a 'New Bretton Woods' Conference for International Monetary System Stability." Sponsored by State Rep. Thomas Jackson (D), the resolution described the positive contributions of the 1944 Bretton Woods mechanisms; the explosion of a global financial crisis since 1997; the malfunctioning of the international monetary and financial institutions, and proclaimed: "*Be it resolved by the Legislature of Alabama, both Houses thereof concurring, that we call for the convocation of a new conference, similar to the one at Bretton Woods,*" with the goals of "creating a new international monetary system to gradually eliminate the mechanisms which have led to the 'speculative bubble,' " establishing new credit lines to foster growth of the real economy, and "defining infrastructure projects of continental dimensions."

Kentucky: State Rep. Perry Clark (D) on Feb. 16, 2001, introduced House Concurrent Resolution 84, along similar lines. The resolution also noted that "American economist Lyndon H. LaRouche, Jr. has consistently warned of this crisis, and there is significant international support for a solution based on Mr. LaRouche's 'New Bretton Woods' economic policy."

Maryland: In January 2001, House Joint Resolution 5 was introduced by Democrat Clarence Davis of Baltimore. The first reading of the resolution took place in the Economics Matters Committee Jan. 29, and at a hearing in committee on Feb. 22, testimony was heard from Davis himself, from LaRouche associate Lawrence Freeman, and from Dave Brode of COPE and the AFL-CIO.

Pennsylvania: State Rep. Harold James (D-Phila.), a leading member of the National Black Caucus of State Legislators, introduced a resolution to his state legislature in March 2001. Explaining his forthcoming action at a town meeting in Baltimore, James said: "I believe that that standard of truth and honor also means that we should frankly acknowledge that Lyndon LaRouche was right about the economy, and that everyone who talked about the great 'prosperity,' and 'economic boom,' including some of us, were wrong. Accordingly, I will be introducing a resolution in the Pennsylvania House of Representatives, 'Calling for a New Bretton Woods Conference for International Monetary System Stability and Development of the Real Economy.'

"I believe that this resolution is urgent, not only for the sake of our own people, who are suffering from rapidly declining economic conditions, but for the sake of people around the world, many of whom, such as those living on the continent of Africa, are victims of genocide, often with the active complicity of our own State Department, the British Foreign Office, and others."

Virginia: Delegate William P. Robinson (D) introduced House Joint Resolution No. 856 for a New Bretton Woods on Feb. 3, 2001, citing the "significant international support" for the New Bretton Woods.

States' High-Speed Rail Plans Ignore Amtrak

by EIR Staff

While Congress—looking at a \$200 billion war on Iraq—is cutting the nation's spending on its Amtrak passenger railroad system to \$700 million, the two largest states have introduced plans for their own high-speed rail networks. Rather than fight to save and expand Amtrak on the Federal level, as part of an infrastructure reconstruction solution to the economic collapse, officials in California and Texas are pursuing local high-speed rail plans which are important, but whose funding mechanisms make them unlikely to be built at all in an economic depression.

Lyndon LaRouche, in his "November emergency program" of infrastructure rebuilding—the alternative to President Bush's indifference and incompetence in the face of economic collapse—emphasized that the national Amtrak rail system, for passengers and freight, must be expanded with new high-speed rail corridors, and magnetic-levitation transport brought in as soon as possible.

Officials in California in particular, certainly know that LaRouche was 100% right in warning that energy deregulation would be a disaster, there and nationally. On the rail crisis, he is opposed nationally by the same Heritage Foundation-Mont Pelerin Society "free-enterprise" freaks who insisted on electricity and gas deregulation. Neo-conservative guru Paul Weyrich has taken over a so-called "Amtrak Reform Council," and along with war-monger Sen. John McCain (R-Ariz.), is demanding that Amtrak be sold off. A Wall Street-Heritage Foundation coalition, joined by the *Wall Street Journal*, is vehemently calling for the break-up of Amtrak, America's only national intercity passenger rail system, and its replacement by private investor-state rail partnerships. Weyrich, in addition, insists and that only "light rail"—i.e., modernized trolleys—be developed.

An Amtrak-killer funding bill was marked up on Sept. 26 by the House Appropriations Committee, under circumstances where fiscal year 2003 began under "continuing resolutions" and "continuing impasse," with no Federal budget passed due to the depression-collapse of revenues. The Republican bill would give \$760 million in Federal funding to Amtrak, leaving the passenger system \$500 million short of the \$1.2 billion-plus Amtrak requested just to keep "stable."

This level of funding—an 8% cut even from last year, when Amtrak nearly shut down entirely—could lead to the loss of all long-distance passenger corridors now operating. In particular, six routes would go: the Three Rivers, from Chicago to New York; the Pennsylvanian, from Chicago to

Philadelphia; the Kentucky Cardinal, from Chicago to Louisville; the Southwest Chief, from Chicago to Los Angeles; the Texas Eagle, from Chicago to San Antonio; and the Sunset Limited, from Los Angeles to Orlando, Florida. This would all but end Amtrak service in five states: Arizona, New Mexico, Kansas, Arkansas, and Texas—when Fort Worth had just opened a new downtown intermodal transport center through which Amtrak north-south trains, among others, now operate. San Francisco’s KCRA television reported that California could lose its “long-distance lines, that pass through Sacramento on their way to Chicago, Seattle, and Los Angeles.”

California’s Plan

LaRouche warned, in releasing his emergency infrastructure plan on Labor Day, that to allow this breakdown of Amtrak while the major airlines are also going belly-up, will break up the nation itself, as it would no longer be a viable economic unit. In this threatening situation, the initiatives of California and Texas, while having great technological/economic merit, start at the bottom to fix an economic system broken at the top.

On Sept. 19, California Governor Gray Davis (D) signed into law legislation that contains provisions to build a high-speed rail network in California (see **Figure 1**), using very advanced technologies which, in meshing together the state’s population centers, would halve passenger travel time. At the same time, the legislation Governor Davis signed embodies a potentially fatal funding proposal that would undermine the high-speed system.

The legislation would create a 703-mile rail network, extending from San Francisco and Sacramento in the north, through Los Angeles, to San Diego in the south. It would, at first, start running an express service of 380 miles, from San Francisco to Los Angeles, and then would add on other cities. The bill, which passed by 4:1 majorities in both houses of California’s legislature, would place on the November 2004 ballot, a referendum on a \$9.95 billion bond issue. This would finance the state’s portion of the capital construction costs of the 16-year project, whose projected total cost is \$25 billion.

The plan calls for private investors to provide the balance of funding. The Federal government would be allowed to come up with some money for the plan, but is apparently to be kept out of any significant directing function in this project.

FIGURE 1
California High-Speed Rail Authority



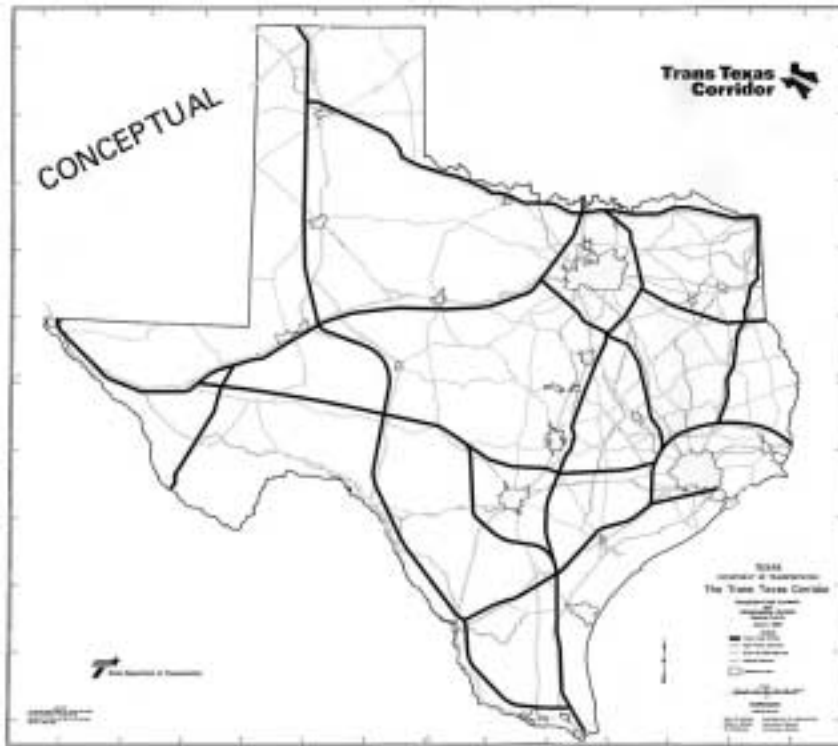
There is a mantra being spread across the country, pushed by such Wall Street-run neo-conservative institutions as the Heritage Foundation, that the Federal government should not be involved in infrastructure projects. Instead, Heritage envisages setting up state-private investor partnerships, in which private investors can depend on a fat bottom line, and the state concentrates only on infrastructure projects within its own borders.

LaRouche counters that the national rail grid is a Federal government priority, and must be built as a national, integrated system, with a top-down vision, to produce the greatest rate of technological productivity for the economy. He has called for a revival of President Franklin Roosevelt’s Reconstruction Finance Corporation, to provide the directed Hamiltonian credit to make a national grid a reality—including the creation of a revolutionary maglev system.

It is not apparent to what degree the California High-Speed Rail Authority (CHSRA), which wrote the plan, and State Senator Jim Costra, who sponsored the legislation, have been swayed by the Wall Street-Heritage Foundation combine, but the CHSRA plan goes to great lengths to

FIGURE 2

“Trans Texas” Rail Plan



stress that “rather than seeking to realize primarily social and political objectives that require substantial public subsidies to construct and operate,” this plan emphasizes “returning substantial financial, economic, and environmental benefits.”

High-Speed System

However, were the funding proposal to be corrected, the plan would represent a very positive technological thrust. Not coincidentally, its prime contractor is Parsons, Brinckerhoff construction company, the same Parsons Company that in the 1960s designed the bold North American Water and Power Alliance (NAWAPA) to bring water from Alaska to many of the lower 48 states and Mexico.

The present plan would build a high-speed train system, in which trains could travel at speeds of 150-200 miles per hour, for most of its extent. This would require building separate, dedicated high-speed rail tracks that would not be shared with heavier freight trains; an overhead electric catenary (suspension wire) system which feeds power to the high-speed trainset; an advanced electric-power locomotive/power unit, replacing diesel power; and well-developed suspension systems and braking systems (the latter of which are capable of dissipating a very large amount of energy).

The plan looks positively toward the Japanese Shinkansen

“bullet” train system. “Today the Shinkansen network totals over 1,150 miles connecting Japan’s major metropolitan areas and carries over 300 million passengers every year. While operating hundreds of high-speed trains each day, the Japanese have a perfect safety record and near perfect on-time performance with an average deviation from schedule of only 24 seconds.”

The California plan states that there has not been a single passenger fatality on any high-speed train system built on a dedicated track, in any part of the world.

Once the system is built, the 380-mile trip from San Francisco to Los Angeles could be accomplished in 2.5 hours, roughly half its current time by train.

The plan’s experts assert that the construction of the entire network will create 300,000 construction jobs, and, by building many of the parts of the system from trainsets to tracks in-state, it will create many more productive jobs beyond that.

The ‘Trans Texas Corridor’

In Texas, Gov. Rick Perry (R) unveiled his state transportation plan back on Jan. 28, featuring the “Trans Texas Corridor.” It calls for some 4,000 route miles of rail and highway to be built, based on state funding authority. **Figure 2** is the “conceptual” sketch from the Texas Department of Transportation. Perry speaks in terms of \$175 billion in public and private money, over 50 years.

As described in his press release, “The corridors will consist of six highway vehicle lanes—three in each direction—and six rail lines—three in each direction. One rail line will be dedicated to high-speed commuter rail, one to high-speed freight rail, and one dedicated to short-haul regional rail, which could serve as the backbone of a local commuter rail system serving all Texans.” The rail is to be built at the same time as the roads, and from the start, there are to be easements for oil, natural gas, electric and telecommunications lines, and even water lines and lift stations.

Funding? The Trans Texas outlines four funding mechanisms, and authorizes the Department of Transportation to make public/private partnerships. To begin with, “Toll Equity” is intended as a “jump start” to construction, by attracting seed money with the promise of toll revenue for payback. In addition, the “Texas Mobility Fund,” recently enacted, is seen as a framework for the State Transportation Department “to dedicate general revenue funds to bond construction of some projects.”