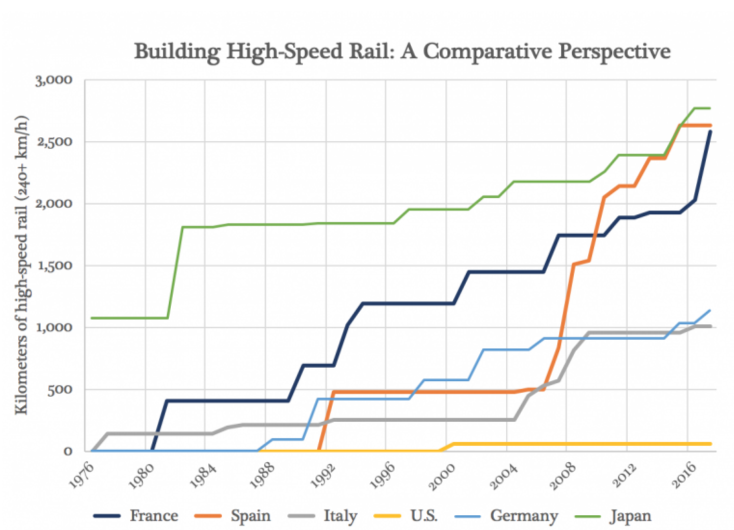
A generational failure: As the U.S. fantasizes, the rest of the world builds a new transport system

Yonah Freemark
July 1st, 2017 | **60 Comments**

Tomorrow, two high-speed rail lines open in France, providing new corridors for trains to slice through the countryside at 200 mph (320 km/h). One is a **302-kilometer link** that will connect Paris to Bordeaux in the southwest part of the country. The other is a **182-kilometer line** connecting Paris to western France. They'll provide riders the equivalent of linking Washington, D.C. to Charlotte in just over two hours (versus an eight-hour Amtrak trip today), or Dallas to San Marcos in less than an hour and a half (versus a seven-and-a-half-hour Amtrak trip).

What's remarkable about the completion of these projects is not so much their scale (though at €7.8 billion and €3.4 billion, respectively, they're hardly a drop in the bucket), nor the improvements in connectivity they'll provide (though they'll slash travel times in western France for millions of riders every year). What's remarkable about them is, frankly, just how unremarkable they are; for people in most of the world's wealthy countries, high-speed rail services of this sort have become commonplace.

The U.S., of course, is the world's notable exception. Over the past thirty years, almost two dozen countries have built up networks of collectively thousands of miles for trains traveling at least 150 mph. Since 1976, for example, France, Germany, Italy, and Spain slowly but steadily built up large networks, under varying political and economic environments (Japan had started opening such lines in 1964; see the bottom of the post for a similar graph including China). Americans upgraded a route between Boston and New York and created 34 miles of track capable of such speeds.



In face of the difficulties inherent in investing in large infrastructure projects that have the potential to transform the travel experience, the U.S. has been unable to advance. Over the course of an entire generation, American society has proven itself incapable of pooling either the sustained motivation or the resources to complete a single major high-speed intercity rail project. Not that the country has committed itself to other forms of transportation, either; an automobile-centric place we may be, but our road network **has hardly grown** since 1980 in the face of massive population growth, congestion has worsened, and our airports are notoriously awful.

In this failure, high-speed rail encapsulates the American experience in general: A nation now fundamentally unprepared to change, whether in terms of transport, climate change, or healthcare.

My indictment of the U.S. is not founded on a claim that Americans are bereft of "ideas," or that other countries' populations are smarter, or wealthier, or more risk-taking than them. It's just that our society suffers from a *malaise* resulting from its dysfunctional, irascible political system that is woefully unprepared to commit to anything particularly significant.

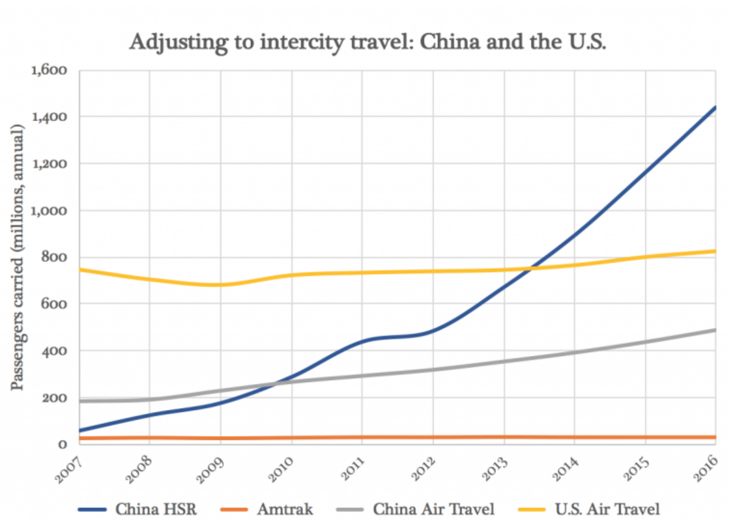
In early 2009, the U.S. and China were, in an odd sort of way, in a similar place when it came to transport investment. Propelled into office by a wave of voters who suggested they wanted change, President Obama's administration released a **visionary proposal for high-speed rail** that suggested the potential for major new fast train corridors criss-crossing the country. He convinced Congress to pass **a stimulus bill with very significant new funds to pay for such lines**. He seemed to be promoting a way forward. At the same time, China had **just begun developing its rail network**; in terms of truly fast trains, it had little more than a short link between Beijing and Tianjin open. But the Chinese government also **had big proposals to expand its network** into a nationwide system.

What happened in the intervening years suggests the difference between the two countries. In the U.S., President Obama's initiative was met by Republican governors elected in 2010 who, for reasons that had little to do with sanity, resisted free federal money to fund the completion of intercity rail projects their (Democratic) predecessors had developed. Lines in **Florida**, **Ohio, and Wisconsin** were scuttled. Republican members of the House of Representatives fought new appropriations for rail and instead **pointed to** what have been so far unfulfilled hopes for the private sector's magic touch to bring fast trains to America.

The federal government, hand-in-hand with willing state governments, invested in **dead-end studies of maglev projects**. Commentators **suggested** **that** high-speed rail was "pointless" in the **face of** slower self-driving cars, a technology that, by the way, remains to be genuinely proven. Now, we're being told **by the president** and the **mayor of Chicago** that the Hyperloop, another underdeveloped technology, is the transport of the future.

When it comes to intercity transportation, the attention span of the American mind, it seems, is little different than that of a child suffering from ADHD. Perhaps it is no surprise we have elected a president more interested in Twitter than policy.

Meanwhile, the Chinese government, committed to a long-term project, built the world's largest high-speed rail network. It now carries more than a billion and a half passengers each year. It has reconfigured the nation's geography such that high-speed rail is the most cost- and time-effective way to get around between most cities.



In the face of significant economic growth and mass migration to its urban centers, the Chinese government constructed a new transportation system. Yes, its roadway network and air travel systems have grown dramatically over the past ten years. But the largest growth in intercity travel has occurred on the high-speed rail network, which accounted for just a third of the passenger numbers of China's airlines in 2007 but now is carrying almost two times as many riders, and many more than the U.S. air system as a whole.

Amtrak, whose government support has hardly changed over the past decade, still carries about 1/26th of the daily passengers of the nation's airlines. Its negligible role in the nation's intercity transport system—outside of the Boston-to-Washington corridor—remains entrenched, even as other countries have dramatically expanded the railroad's role in their societies. The problem isn't that trains aren't popular to Americans. The problem is that American rail service is terrible, and we've done nothing to improve it.

It is true, of course, that the Chinese government is autocratic and that its ability to invest in rail does not face the same bureaucratic or democratic resistance as the U.S. does.

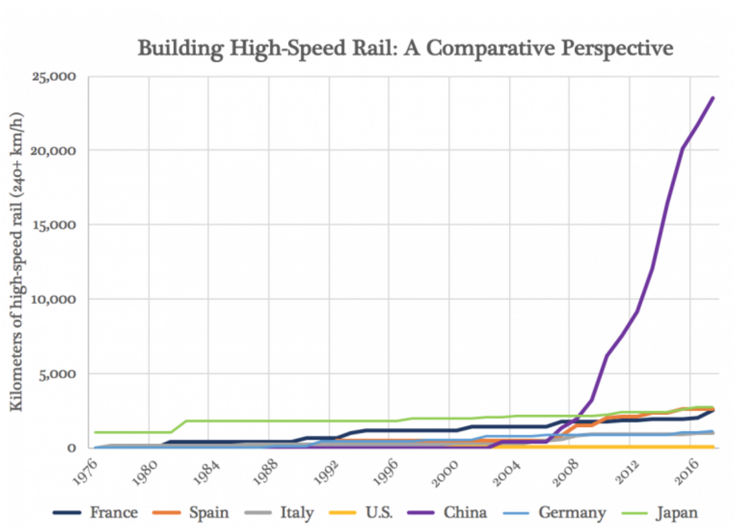
But such concerns didn't prevent the French, Italian, and Spanish government from completing more than 2,000 kilometers of high-speed rail lines since 2009. Moreover, American claims from early in the Chinese development period that "the Railway Ministry still can't get anyone to ride its trains" now seem irrelevant given that millions of people ride the system each day. And though it is certainly true that the rail system was, in part, built on corner-cutting, over the six years since 40 people died in the terrible 2011 Wenzhou train crash, more than 160,000 Americans died on their precious roadways.

It turns out that it's actually not that complicated to conduct transport policy in a manner that adapts to change. You don't need competitions to gather the input of "geniuses." You don't need magical new technologies when we have systems that work today. You don't need to encourage speculation from the private sector, whose primary interest is in making high returns on their investment, not the public interest. You need a (reasonably) long-term commitment to individual projects, across political lines and among multiple political jurisdictions. You need to amass the public resources to pay for them. And then you need a competent workforce to design, construct, and operate the lines. American society has not shown itself capable of any of those things.

President Trump's claims over the past year have suggested significant interest in supporting improved infrastructure for the U.S. Democrats were willing to compromise, for better or worse, to make such projects happen. But then the administration revealed its budget, which cut a gaping hole in existing infrastructure programs. And the president has failed to even propose an appointment for the head of the Federal Railroad Administration, among many other positions.

The U.S. lost an entire generation of potential investment in high-speed rail to half-hearted proposals and political back-and-forths over whether to fund better services. There's no evidence we're any better off because of it; while other countries have developed new transportation systems that truly improve the ability to get between their cities, we've just become further mired in traffic, whether at the airport or on the highway. The current president gives us little reason to believe the coming years offer anything different.

There are, thankfully, still reasons for hope. Florida's Brightline project, a private initiative that would be difficult to replicate elsewhere because it is being completed by a private company that already owns the right-of-way, nonetheless suggests that it is possible to develop what appears to be a competent, well-run new railroad in the U.S., though it is not truly high-speed rail. And California's high-speed rail line, though years from completion and under continuous barrage from congressional Republicans, is actually under construction and it retains significant political support. Change could yet be on its way.



Sources for graphs: Wikipedia, U.S. Bureau of Transportation Statistics, World Bank, Amtrak. Photo at top: TGV near Bordeaux, from Flickr user Adrien Sifre (cc).

By Yonah Freemark on July 1st, 2017 | Listed: Amtrak, High-Speed Rail, Intercity Rail, President | 60 Comments

Trump's budget hits transit hard »

60 Comments | Leave a Reply »

Marc Brenman
1 July 2017 at 11:17 · Reply

11 Billion Euro in capital costs alone is not "a drop in a bucket." Spain is a bad example of successful HSR projects, since the costs helped bankrupt the country, and the adverse effects are still being felt. It is incorrect to say that ARRA contained significant funds for HSR in the US. ARRA actually contained a lot of money for bogus "shovel ready" pothole filling road projects. HSR in the US competes with regional jet, which is a relatively efficient system. There are only two HSR segments in the world that pay for themselves at the farebox; all others require huge tax subsidies and very high fares, as well as openness to terrorism. When airport type security is added to HSR, as it inevitably will, then the speed of through-put will decrease to be about the same as regional jet, portal to portal. Political support for California HSR is dropping, in part because, like all other megaprojects, it is hundreds of percent over budget and schedule, and takes away money from what is really needed in California.

Alvaro Castro
1 July 2017 at 18:32 · Reply

Saying that Spain is a bad example "because it helped bankrupt the country" seems to me an unfounded claim. Considering the low population density of the country (by Europe's standards), infrastructure like this is key to connecting the less industrialized areas and providing better connectivity with a radial structure. In my opinion, is a good investment for the country, and many Spaniards benefit from it. It's also one of the best experiences I've had when using it, compared to many European countries too.

flierfy
1 July 2017 at 19:01 · Reply

High-speed lines are more to Spain than just the roadway to fast passenger services. These lines are Spains access to the standard gauge network of Europe. The development of this network allows the country to reduce its dependence on the prevailing road transport. Neither did its construction cripple Spains economy. For all those reason did the country continue to expand this network in the last decade despite the economic difficulties.

Rob
1 July 2017 at 23:15 · Reply

"When airport type security is added to HSR, as it inevitably will". My answer to that is: why is that so inevitable? And if it is, where does it stop? Will we have "airport-type security" on regional trains next? Subways? At the end we'll just agree it's better not to leave the house at all anymore, which, if we look at the positive side, is at least good for the environment…

Mike
2 July 2017 at 03:59 · Reply

Complete bullshit. ALL infrastructure is heavily subsidized. While you are whining about money being used to fund rails, $165 billion per year is being poured into our aging highway system. Roads are far more expensive, and unsustainable.

Thomas Dorsey
1 July 2017 at 12:39 · Reply

Well stated, but new/infrequent visitors to TheTransportPolitic should be reminded of two caveats.

1. Brightline private ownership is to be commended for making a positive impact on intercity passenger rail. But, Brightline is not true HSR because over 80% of the line will be 79 mph and service can not run as frequent as grade-separated 125+ mph HSR.

There was opportunity for up to 15% private investor participation in the 185 mph Florida HSR-only project whose frequent service would have tripled/quadrupled Brightline's projected ridership. Politics prevented Florida from having 185 mph HSR-only tracks in Orlando-Tampa corridor by 2015. Connecting with the first HSR line at Orlando International Airport, the 185 mph HSR-only Orlando-Fort Lauderdale-Miami corridor would have been under construction today.

2. Ohio Republican Governor Kasich rejected the Cleveland-Columbus-Cincinnati passenger rail project because average speed would have been under 60 mph. Some time after rejecting funds for that project, he requested that the same funds upgrade existing the Amtrak Youngstown-Cleveland-Toledo corridor to 79 mph and more frequent service.

Though Kasich botched the politics and timing, many, like myself, argue that he was right. Kasich believes that existing Amtrak service must first improve to win more patronage. The ridership boost is needed to build voter support in a "Purple" state. With backing from more voters, he/next Ohio governor could approve a follow-up project to further upgrade speed and frequency. Pennsylvania governors took that approach upgrading to 110 mph in the Amtrak Philadelphia-Harrisburg corridor, now planning a 125 mph upgrade. More recently, that measured-but-firm approach helped the Michigan Republican governor get support for the 110 mph Amtrak Chicago-Detroit upgrade.

Kasich's approach could have accelerated the day when frequent 125 mph service runs in the Amtrak Philadelphia-Harrisburg-Pittsburgh-Youngstown-Cleveland-Toledo corridor. Combined with growing patronage in the 110 mph Amtrak Chicago-Detroit corridor, the project would trigger demand for a 110-125 mph Amtrak Toledo-Detroit HSR route — its only a 58 mile gap.

barry
1 July 2017 at 13:16 · Reply

America is disfunctional on this issue for several reasons. One is that a lot of the upper class that once agreed to tax themselves for US investment (e.g. in no-cost or low cost public higher education, road building and other infrastructure) has apparently lost interest in helping the US, now they only want to help themselves, and don't care where they invest, make products, or escape taxation. Highest marginal tax rates have dropped from about 91% for the very rich to 39% or so and even that is too much for the poor dears who want to lower it further and even eliminate estate taxes so their wealth will never be taxed. To help them, they have an army of rightwing radio and TV hosts, bloggers, and commenters to serve as their lackeys and have convinced most Americans that they shouldn't pay taxes. So all our infrastructure suffers, but as roadway and aviation costs are hidden in many externalities, rail travel has a hard time competing. In addition, much of the right-wing hates rail travel as they know it is relatively energy efficient, its workforce is highly unionized. Now that they are in control of everything, there is little hope for more civilized travel in the US.

John Brave
2 July 2017 at 14:20 · Reply

Somebody needs help understanding the repercussions of heavy taxation:

The Tax System Explained in Beer

Suppose that once a week, ten men go out for beer and the bill for all ten comes to £100. If they paid their bill the way we pay our taxes, it would go something like this…

The First Four Men (The Poorest) Would Pay Nothing.
The Fifth Would Pay £1.
The Sixth Would Pay £3.
The Seventh Would Pay £7.
The Eighth Would Pay £12.
The Ninth Would Pay £18
And The Tenth Man (The Richest) Would Pay £59.
So, That's What They Decided To Do.

The ten men drank in the bar every week and seemed quite happy with the arrangement until, one day, the owner caused them a little problem.

"Since you are all such good customers," he said, "I'm going to reduce the cost of your weekly beer by £20." Drinks for the ten men would now cost just £80.

The group still wanted to pay their bill the way we pay our taxes. So the first four men were unaffected. They would still drink for free but what about the other six men? The paying customers? How could they divide the £20 windfall so that everyone would get his fair share?

They realized that £20 divided by six is £3.33 but if they subtracted that from everybody's share then not only would the first four men still be drinking for free but the fifth and sixth man would each end up being paid to drink his beer.

So, the bar owner suggested that it would be fairer to reduce each man's bill by a higher percentage. They decided to follow the principle of the tax system they had been using and he proceeded to work out the amounts he suggested that each should now pay. And so,

The fifth man, like the first four, now paid nothing (a 100% saving).
The sixth man now paid £2 instead of £3 (a 33% saving).
The seventh man now paid £5 instead of £7 (a 28% saving).
The eighth man now paid £9 instead of £12 (a 25% saving).
The ninth man now paid £14 instead of £18 (a 22% saving).
And the tenth man now paid £49 instead of £59 (a 16% saving).

Each of the last six was better off than before with the first four continuing to drink for free.

But, once outside the bar, the men began to compare their savings.

"I only got £1 out of the £20 saving," declared the sixth man. He pointed to the tenth man, "but he got £10."

"Yes, that's right," exclaimed the fifth man. "I only saved £1 too. It's unfair that he got ten times more benefit than me."

"That's true" shouted the seventh man. "Why should he get £10 back, when I only got £2? The wealthy get all the breaks."

"Wait a minute," yelled the first four men in unison, "we didn't get anything at all. This new tax system exploits the poor."

The nine men surrounded the tenth and beat him up.

The next week the tenth man didn't show up for drinks, so the nine sat down and had their beers without him. But when it came time to pay the bill, they discovered something important – they didn't have enough money between all of them to pay for even half of the bill.

And that, boys and girls, journalists and government ministers, is how our tax system works. The people who already pay the highest taxes will naturally get the most benefit from a tax reduction. Tax them too much, attack them for being wealthy and they just might not show up anymore.

In fact, they might start drinking overseas, where the atmosphere is somewhat friendlier.

For those who understand, no explanation is needed. For those who do not understand, no explanation is possible

David R. Kamerschen, Ph.D. – Professor of Economics.

Larry Roth
2 July 2017 at 23:13 · Reply

This comment is too cute by half, For one thing, you're repeating an internet meme of dubious provenance. You might want to see what Snopes has to say about it.

http://www.snopes.com/business/taxes/howtaxes.asp

More to the point, this is hardly 'proof' of anything – it's a story, nothing more. There's little to no hard evidence the rich flee high taxation. Why flee when they can afford to find so many loopholes or get new ones enacted into law?

My understanding is that the top rate in the U.S. is currently 39%. In the 1950's it used to be 91%. That just happens to be around the time we really got rolling on building the interstate highway system, a massive infrastructure investment. By all accounts the 1950's saw serious growth across the whole economy for everyone. For that matter, we built some pretty amazing stuff at the height of the depression.

At the present time we have inequality at record levels in the U.S. and the rest of the world as well. The rich are hardly suffering – not so the rest of us. Hard evidence is that tax cuts do NOT pay for themselves, do NOT create jobs, OR grow the economy – but they do make the rich even richer.

Now if you're a billionaire, I can see why you'd want that story to be spread around. It's in your interest after all. If you're not a billionaire and you think that story applies to you, you've been played. You need to spend less time thinking about beer and more time studying economics and history.

John Brave
3 July 2017 at 00:42 · Reply

The US federal tax law reached its highest during WWII at 94%. 50s-70s about 70%.

That's not even relevant. So what if it was very high in the past. That doesn't make it any fairer. How would you feel if you worked hard and only kept 6% of what you've made?

Each person have their own view on what's fair depending on where in the income bracket they fall. The poor want everybody else to pay as much as possible, even 110% of their income as taxes in order to allow the government to relieve them of their own burden. Everybody wants everybody who's in the income bracket above them to pay more and for themselves to pay less. Everybody. When you're in the top bracket, then there is nobody above.

How do you really define what's fair? Really. I'm asking you. How do YOU define fair?

I posted the story as it very clearly illustrates what the tax system actually means. Was it fair that the story's richest dude paid $59 for his beer? How would you feel if you went to a store and grabbed a gum stick and the clerk charged you for it according to your income? so you paid something like $20 per stick of gum instead of the normal price $0.25, would that be fair?

Yes, you're right, I am in the high income brackets and where I am, after all the taxes are added up I end up paying over 70% of my income as taxes. I don't think it's fair. What do I get for this giant contribution? I only get people asking that I pay even more; it's never enough.

I get the same government-provided services as the person who pays no taxes. On my house I pay more than a middle class man's yearly salary as property tax. What do I get for it? the exact same garbage collection service as the poor neighborhoods. Nothing more. I pay thousands of dollars weekly to get a couple of garbage bags taken away by a garbage man that leaves me a condescending note when my bins are too heavy for him to carry (anything over the limit of 30 lbs per bin). I get a persistent police escort that protects me with a ticket from when my foot slips off the brakes and my car goes 4 KM over the speed limit while overlooking somebody in a cheap car going over 15 KM over the speed limit. And when I point it out I'm clearly told it's ok, I can afford the damn ticket.

What is fair? Personally, I'm fine with splitting my income 50/50 with the people. I make a dollar, I'm fine with equal share with the government. When you take from my effort more than what I get to keep, then in my view it's not fair anymore. And yes, I am seriously contemplating moving my business elsewhere.

Krzystoff
3 July 2017 at 08:52 · Reply

John, you ought to know, Property Taxes are not merely collected to pay for garbage removal service (in fact, you can pay a private contractor to do that if you so wish);
Property Tax payments (also referred to as Rates), go to a number of important programs. Education is the biggest one in most jurisdictions, road construction & maintenance, and local government staff salaries within the community. Any municipal employees, such as police, fire fighters, and the local public works department is also paid through your property taxes.

Your property taxes help to pay for much of the organized recreation in your area, including parks & recreation areas that are constructed and maintained within your community. Any of the public lands in your community that aren't owned or funded by the state are generally paid for by the property taxes in your area as well. Traffic and street lights, sidewalks, recreational trails and local public transportation are all paid for through local property tax percentages that your local government collects each year.

John Brave
3 July 2017 at 11:58 · Reply

Thank you for the civics lesson.

Of course me being a clueless rich man I don't know what the wonderful people at city hall pretend to do with the money they take from me.

My point is about the unfairness of the system that those who don't pay huge amount don't appreciate.

Being a hard working business man, I don't have the time to be in the local government to have a say in things despite having over five hundred people relying on my business skills and hard work for their livelihoods.

So those who get jobs in city hall, that are paid by myself and the likes of me, get to decide when they want more money and they make the decision to simply raise my taxes and if I complain I only face hostility and get generally lectured how everybody contributes in their own capacity and since I'm rich I can afford just a little bit more (it's only 1% or only 2% more, come on, I can't complain about such a minor and fair increase).

It's just a little bit more out of my pocket every time one of the government changes and now it's up to 70% of my income that goes into the various governments pockets despite all those retched 'loopholes' that allow my to funnel my money away from the needy and the poor.

Larry Roth
3 July 2017 at 20:51 · Reply

You know what? I'd be happy to pay 94 dollars, pounds, what have you out of every hundred if my country was in the middle of a world-wide war with everything on the line – and I wouldn't begrudge it knowing that some people were giving 100%, up to and including their lives.

After that, 70% would look like a bargain – especially if my country was rebuilding itself and the rest of the world to try and ensure that kind of global conflict wouldn't happen again. Between the G.I. Bill and the Marshall plan, we did damned well – including the rich.

"The poor want everybody else to pay as much as possible, even 110% of their income as taxes in order to allow the government to relieve them of their own burden. Everybody wants everybody who's in the income bracket above them to pay more and for themselves to pay less. Everybody. When you're in the top bracket, then there is nobody above."

Actually the poor don't want everyone to pay for them – they want decent jobs at decent wages so they don't have to be looked down on by anyone. They want access to a decent education and a chance for their kids to do better than they did. They want to work, they want to be rewarded for that work with a living wage, they want respect. And maybe, if they work really hard AND get lucky, they could be in a position to whine about how much of their money goes for taxes.

Stuff happens to good people as well as bad. In the U.S. the leading cause of bankruptcy before Obamacare was for medical reasons. Others include losing a job for whatever reason, divorce, etc. One bad car accident, one bad diagnosis, and the choices become pretty stark. You complain about having to pay for the safety net, never thinking it could be you it might have to catch someday. (And meanwhile, we now have a government bought by the rich who are planning to leave millions of their fellow citizens without healthcare so they can give tax cuts to the rich. They're okay with them starving too.)

You think you're getting ripped off because you are being deprived of some of your money. You see it going to others, and you get nothing in return. Nothing?

That garbage collector you help pay for is one reason you don't have plagues sweeping through your community. Those police who give you tickets? They're also there if you get robbed, get in an accident, need help in an emergency – and they're there for anyone else who might need them. Those property taxes? Don't you like being able to drive down roads anywhere – not just in front of your house – without having your car destroyed by potholes? You like streetlights? Water and sewer? Parks? Clean air and water? The rule of law?

It's called civilization. Don't think of it as an expense – think of it as an investment and an insurance policy against the worst that can happen. Don't like it? I hear there are plenty of opportunities in Somalia without burdensome government.

If you got to keep 50% of your money, or even 60% or 90% – would it make you 50, 60, or 90% happier and more satisfied with your life? Would it do a damn bit of good for anyone else? How hard have you worked to make your high taxes unnecessary, by doing things to give others a leg up? Have you fought for a living wage, secure retirements for everyone, healthcare? How good are the schools in your community, the housing, the job opportunities? Are there any decent public libraries near you?

Okay, maybe you don't have time for any of that. Did it ever occur to you that is one reason why we have government – "to promote the general welfare" among other things, as well as see to "the common defense". You don't say what your business is – who exactly are your customers, and how hard would it be for the rest of us to get along without you?

I'm afraid you've come to the wrong place if you want sympathy for how terrible it is to be cursed with too much money. You're certainly working the "rich victim of the unfairness of it all" card pretty hard. Well, we've tried letting rich people keep more and more of their money. All it ends up with is them becoming even richer, and the rest of us poorer as they leave us to pick up the bill for keeping things running.

You know a little bit about economics. May I suggest you broaden your mental horizons a bit? Try these for a start:

The Spirit Level: Why Greater Equality Makes Societies Stronger
https://www.amazon.com/Spirit-Level-Equality-Societies-Stronger/dp/1608193411

Prosperity without Growth: Foundations for the Economy of Tomorrow
https://www.amazon.com/Prosperity-without-Growth-Foundations-Tomorrow/dp/1138935417/ref=sr_1_1?s=books&ie=UTF8&qid=1499129313&sr=1-1&keywords=prosperity+without+growth

John Brave
3 July 2017 at 21:55 · Reply

Great job on the expected lecture and the awesome virtue signaling. That's exactly what I said I would receive. Good job on proving my point.

Few points in answer as this is getting boringly predictable and repetitive.

1 – I have served in the military and I was ready to lay my life just like all the heroes before me.

2 – I didn't start my life rich. I worked hard. Nobody gave me a leg up and nobody helped me. I did it myself and I'm very damn proud of that.

3 – I didn't say I didn't want to pay my fair share. I said exactly that I wanted to pay my FAIR share, re-read my post. I defined my fair share as 50% of what I make. I make 2 dollars I give one and keep one. To me that's what's fair. You didn't answer my question to you: what is my fair share? Will you ever consider anything less than what only leaves me with the kind of money you get to keep fair? Can you give a straight firm answer or can you only do vacuous moral grandstanding? Think hard: if you were the tax man, what would you set my fair share at?

4 – My house did get burgled while I slept with my kids in it. The police told me that I'm lucky I didn't get hurt during the incident and good thing that I had good insurance. The very well fed officer shrugged and told that it's unlikely they'll ever get my things back or catch who did it. Yay to the police for effectively using my money. Now I pay thousands per year for private security and it's not even claimable.

5 – I'm very satisfied with my life providing work for over five hundred people with good working conditions and good wages. What have you done other than moral grandstanding and berating the likes of me for having more?

6 – I know about life and economics way more than you ever will. People like me build countries and make them work. My knowledge, skill and hard work create a lot of economic benefit to a lot of people, including you. What do self-righteous, virtue signaling whiners like yourself create? You seem to think that you're better than me, why haven't you done as much as I have?

Larry Roth
4 July 2017 at 10:57

You don't like the lecture? Too bad, since you started with one.

Thank you for your service. I can appreciate that because both my father and my father in law served – members of the greatest generation. I never served – but I didn't burn my draft card either. I currently have two of my children in the service; one has been deployed several times to both the middle east and Afghanistan.

You made it all the way up from nothing, and nobody helped you? I suspect the teachers you had in school would have something to say about that. Did you grow up in a church? Ever see a doctor? Ever make use of roads or sidewalks? Unless you grew up on a desert island, you had a lot of help – even in the military.

Yes, you put your life on the line. But in exchange for that you got food, housing, clothing, transportation, medical care, education, and you got paid for it. All of that was supported by taxes – you were living the socialist dream. ;-) It wasn't cheap, but you were apparently okay with it.

You make a big deal about your "fair share" the way YOU have defined fair. You don't say where you live or what the tax structure is. See, the way it works is you don't get to decide what your fair share is all by yourself – no more than you get to join a club and tell them what dues you're willing to pay. You want to be in the club, you have to abide by their rules. Don't like the rules? Persuade the rest of the club to change them – or get out and find another club. Go shrug somewhere else, Atlas. No one is stopping you.

You're angry because all your money didn't buy you police protection that would have kept you and your family safe from being burgled? I'm sorry to hear that – nobody should have to deal with that kind of thing. At least the police came when you called. Try living in the wrong kind of neighborhood and see how that works. The odds are even worse there. (That crack about a well-fed cop is a tell. You want someone who puts his life on the line every day to be working for starvation wages? Maybe he couldn't do anything for you – but he could have gone on to his next call and ended up lying gut-shot in a pool of blood.)

You're very proud that you employ over 500 people at good wages, and you should be. More businesses fail than succeed, so you must be doing something right. That makes you a good business man. (Although I also bet you're the kind of boss who reminds his workers every day how grateful they should be to be for working for him.)

Being successful in business doesn't make you an expert on everything though – and don't try to tell me you know more about life and economics than I ever will. Instead you should be asking what I know that you don't – unless you believe you have nothing left to learn from anyone, and nothing matters except how much money someone makes.

I've held a variety of jobs over the years, everything from factory to retail, full and part-time, as well as trying running my own business. I've helped raise three kids, all of whom have made it out of the house and into lives of their own. I've done my share of community service – and still do.

As it happens, I've spent almost 40 years of my life working in public health. Yeah, a civil service job working for the government. Depending on when and where your kids were born, I might have been one of the people who did the tests to see if they were born with a serious medical condition that needed immediate treatment. Last summer I was one of the people who helped with testing the thousands of Zika specimens that came in, because we were one of the few labs in the country that could do the tests when the outbreak hit. I work every day with some pretty nasty blood borne diseases; there's an element of personal risk and potentially bad consequences for the patients if we don't get the tests right.

So while you've been busy building up your business and racking up the dough all by yourself with no help from anyone, I've been doing my part to make it just a little bit better world for you to do that in. You have 500+ lives in your hands? I've touched thousands of lives in my time. Does that make me better than you – or just different?

I will say for someone who has been as successful as you claim to be, why are you the one doing all the whining?

p.s. You really should check out those two books I suggested above. There are some big problems out there that can't be solved with just business skills. You may know more than I do about certain things – I'm not arguing that – the question is, what do you not know that you really need to know?

Yonah Freemark
4 July 2017 at 11:06

Folks: Let's tone it down a bit. Comments on this website aren't meant for interpersonal insults or questioning of individual service/knowledge. Keep to the subject at hand, or I'll cut off commenting on this article. Thanks.

Jimm Roberts
4 July 2017 at 14:52

The nation desperately needs more wealth makers like John Brave so dedicated civil servants like Larry Roth have funds to provide their various services to the public.

If I had to add a criticism, it's Mr. Brave is generous to a fault. The governments that tax him (local, state, Federal) shouldn't take more than 1/3 his earnings.

The more he keeps, the higher the probability he'll use the surplus to create more wealth. The Federal government, unable to live within its means and deep in the hole because of this failing, needs more wealth-makers.

Among other revenues they provide for government use, they are responsible for the great majority of tax-paying jobs. Since governments don't create wealth; they consume it, we urgently need more John Brave's.

David P Lubic
4 July 2017 at 16:02

"The more he keeps, the higher the probability he'll use the surplus to create more wealth. The Federal government, unable to live within its means and deep in the hole because of this failing, needs more wealth-makers."–Jimmy Roberts

Maybe, maybe not. The big problem from a business owner's standpoint is he also needs customers. If pay has stagnated since the 1970s (and it has), then eventually there are no customers to buy his products or services. If he wants more profits, he has to get them somewhere else.

Today that means cost cutting. It's gotten to the point where I think everyone has what I call Wal Mart disease. That's when you go to the Wal Mart, and it has 30 cash registers, but only two are open, and there are 50 people in line at each one. It's trying to do too much with too little for too long.

It's a silly story, but it helps illustrate what I'm speaking of.

Back in the 1920s, a farmer somehow became acquainted with what were then called "efficiency experts." The two were friends, trusted each other, and one day the farmer admitted to the expert he was hurting financially, partially due to a downturn in the price of his commodity.

The efficiency expert said, "Well, in your position, you essentially have two choices. One would be to be able to charge more for what you raise, but sometimes a market won't allow that. The other option is to cut your expenses somehow."

The efficiency expert said he had an appointment to make that would take him out of town for a couple of weeks, but he wanted to get back to his farmer friend to help him out.

After the trip, the efficiency man came back and asked the farmer how he was doing.

Farmer: "I tried what you said, but it didn't turn out well."

Efficiency Man: "What happened?"

Farmer: "Well, I tried to cut expenses. I quit feeding my horse. It helped out for about a week, but about the time he got used to not eating, he up and died."

Well, I did say it was silly!

I think we may have to find if there is an ideal ratio between executive pay, employee pay, and other things that so far haven't been addressed.

Jimm Roberts
4 July 2017 at 17:49

David,

You missed the point. Here's some background: the Federal government went into debt by a trillion dollars in the last ten years! It did so to jump-start the economy.

As interest rates rise, so does the cost to service that debt. This means, all else equal, there will be less money for services of the kind Larry Roth provided.

To acquire additional tax revenue without having to increase marginal tax rates above 50%, the point where John Brave will be discouraged to take further risks to grow his business, more wealth creation by private sector risk takers and job makers is required.

More wealth and more jobs means more revenue for the government to tax. Stagnant wealth creation means more status quo, an unsustainable state of the government making ever deeper spending cuts; slapping on ever increasing taxes, and taking on evermore debt, or a combination of all three.

If the status quo endures, you can forget massive public works projects like HSR

David P Lubic
5 July 2017 at 00:56 · Reply

But are these tax rates the big problem?

I honestly think we argue too much about the wrong things.

Let's consider some examples.

We can recall Mitt Romney's unfortunate remarks in when he was running for the presidency in 2012, in which he said 47% of the population didn't pay income tax, and he wasn't worried about them.

The implication was that the 47% was a bunch of welfare cheats and lazy bums.
Well, I guess those guys are in there, but the 47% includes:

People on retirement.
People on disability.
Kids who are too young to work yet.
People who work but whose pay is too low to pay income taxes.
(I was a state payroll auditor for 36 years; I saw a lot of W-2s like that.)
Businesses with profits too low to pay income tax.
(I saw the business income tax statements as part of what I did, too.)
Part of the rich 1% who have really good accountants and lawyers.
(This includes the current president.)

That statement got me interested in the corollary. If 47% of the people don't pay income taxes, that means 53% do.

That got me curious about the ratio of taxpayers to the population back when "America was great," like the 1950s. What I found was information from 1960 (which would be end of the 1950s data).

In 1960, only 49% of the population paid income tax, vs. 53% today.

I think that makes sense. In 1960, most women didn't work. In 1960, the Baby Boomers were still babies (and a bunch of them hadn't been born yet; the Census Bureau classes the Baby Boom as running to 1964).

So much for that.

At about the same time, there was a proposal to raise the marginal tax rate from 35% to 37% on income over $450,000 per year. That of course got certain people pretty mad, such as Rush Limbaugh.

The top marginal rate in 1960 was over 90% on income over $300,000 per year.

Now a couple of things need to be kept in perspective. I think that $300,000 might have been comparable to $1.5 million today. That top rate was also the last of something like two dozen rates then, vs. the six or so we now have. And you could deduct the interest on your car and credit cards then as well.

The point I'm getting at is that based on these talking points from 2012, and their implied remedies or criticisms of the time, we should have had an economy in the tank in 1960 and we didn't, and the economy should be good for everybody today and it isn't.

This tells me we spend a lot of time arguing about the wrong things–and a lot of our troubles are from things we don't talk about at all.

I'll have something to say on that later.

David P Lubic
5 July 2017 at 01:01

One of the things some people say that hurts the business climate might be excessive regulation. That might be true–and it might also not be.

A friend of mine used to work for the National Park Service in Harpers Ferry, W.Va. He was one of the rangers there who dressed in Civil War era clothes and told stories about Harpers Ferry for the tourists.

One of them was about the business climate in Harpers Ferry.

Harpers Ferry was the home of the Harpers Ferry Armory (officially the United States Armory and Arsenal at Harpers Ferry), a large Federal armaments plant that rivalled the famous Springfield Rifle Works. This armory was the objective of John Brown in his famous raid that was to be the precursor of a slave rebellion in 1859.

That armory provided a lot of money to Harpers Ferry in 1859. The average pay for an armory employee was $30 per month, or $360 per year, which was pretty good at a time when the average American farmer had a cash income of only $125 per year (this also says much about inflation since 1859).

This meant Harpers Ferry was much like a town outside a large military installation today. . .all that government money coming in, and the people earning it need to spend it. . .everybody wants a part of it.

The result was that Harpers Ferry was a boom town. . .dry goods stores, haberdasheries, boot shops, pharmacies, and lots and lots of saloons. The business climate was quite competitive. . .my friend said the average life expectancy of a new business was only about six months.

Jump ahead 150 years or so. At least until relatively recently, the Small Business Administration would tell you that, on average, the failure rate for new small businesses would be about 50% in the first year. That sounds an awful lot like a six month life expectancy.

And it's interesting that the business life expectancy wasn't any better when there was no minimum wage, no unemployment insurance, no workers compensation insurance, no income tax, no sales tax, no Social Security, no Medicare, no Obamacare, in short, "no nothin' ."

What this tells me is that, at least in this case, regulations don't make much difference when it comes to success or failure in business.

That actually depends on two things.

One is you–your drive, your vision, your discipline, your work–everything that makes you a business owner, an entrepreneur.

The other is a bit of luck at being in the right place at the right time.

I retired last November after being an auditor for 36 years. I can say, as can any accountant or bookkeeper, that you can have good people, smart business people, who do everything right, have a good plan, work hard. . .and the business blows up anyway and they lose everything, while some other guys, as dumb as rocks, can wind up millionaires.

Nothing else but luck can explain that.

David P Lubic
5 July 2017 at 01:36

If my comments about regulation and taxation aren't the real sources of our problems are legitimate, then what might our problems really be?

I would argue that opportunity is running out.

This might best be illustrated by some examples.

Back a century ago, there were dozens, even hundreds of automobile companies. As late as 1920 there were over a hundred, some names that were well known, such as Graham, Franklin, A-C-D (Auburn-Cord-Duesenberg), and Studebaker, and others forgotten, such as Marmon, Erskine, and Cartercar.

Almost all but the biggest—GM (Chevrolet, Buick, Pontiac [former Overland], Oldsmobile, LaSalle, Cadillac), Ford (at the time, Ford and Lincoln only), and a then new Chrysler (Chrysler, Plymouth, and the former Dodge Brothers), along with a number of independents—Studebaker, Hudson, Nash, Packard, and Willys—would survive the Depression. They would be joined by a number of attempted startups in the postwar era, among them Tucker and Kaiser-Frazier. Weak market positions over time would result in only GM, Ford, Chrysler, and American Motors (the product of a merger between Nash and Hudson, and later the Jeep line purchased from Willys) surviving after about 1963.

What this means, is between the collapse of a lot of companies and mergers, is that there is less opportunity in building cars. We've gone from over a hundred presidents, a hundred president's secretaries, a hundred chief designers, a hundred chief engineers, and the staffing that went with them, to three.

There is also the matter of technical maturity. In 1908, Henry Ford's Model T had 22 hp and a top speed of maybe 35 mph, if you could find a road that good then. Today you can buy a Corvette with over 600 hp, top speed probably well over 150 mph.

Yet, sadly, that marvel of engineering (its aluminum frame looks like a work of modern art) won't get you to work faster than a 1955 Volkswagen "Bug."

How would you improve on that today? Could you design a car better enough, or at least different enough, to go into the automobile business, and take on GM, Ford, Mercedes-Benz, Toyota, Honda, and the rest?

And what about just plain market saturation? Does anybody in this country who needs a car not own one?

What about porcelain fixtures. . .bathtubs, toilets, sinks, and so on? The founders of American Standard and Kohler, to name two, made huge fortunes when people were able to get indoor plumbing. But almost all houses now have that feature. How would you improve on what is available, and could you take on American Standard, Kohler, Delta (faucets), and others?

I remember computers and calculators getting crazy small some years back. Sure, they had more power and more functions. . .but the real limit of how you could use them was how fast you could type. That's not going to change very much!

And I remember some that had buttons so blooming small, you had to use a stylus or pen or something to press them, because fingers were too large! How is that an improvement?

This and other things are telling me are are hitting, if not limits, at least diminishing returns in technology.

In some cases we have hit limits. Jet airliners fly essentially in the same narrow high subsonic range as the first commercial jets of the 1950s. To go faster means going supersonic, and if you're going supersonic, it can't be just marginally faster, it must be a good deal faster. That brings up problems of hugely increased power demands (meaning increased fuel consumption), problems with heat, complexities in engines (such as variable inlet configurations to keep shock waves out of the compressor), more stresses with cabin pressurization due to higher altitudes needed in supersonic flight, not to mention the nuisance of booming shock waves at ground level. . .there are reasons the Concord was retired, and indeed never really entered series production.

All of these things and more—electricity, telephones (both landline and wireless), the distribution networks for oil and other products, for merchandise, for things that go with a lot of this, such as tires and batteries for cars, batteries for small devices, kitchen appliances, other appliances, parts for all of these things—weren't just once in a lifetime opportunities.

They were once in forever.

If this is the situation we face—if we live in an America that is, as one now forgotten person said on the internet, "built out," then that could well explain a lot of the things we see.

Put yourself in charge of a large retailing operation, perhaps the biggest in the country, maybe the biggest in the world. This large retailer actually started out working in places that were abandoned by other such firms as being in markets—towns—that were "too small" to justify a storefront presence. Your firm has built from that small, marginal, difficult beginning to become the powerhouse it now is.

But it has also gone to public ownership, and now the investors, the institutions, are looking for more growth, more growth, always more growth, always more profits.

But you are already in a huge number of markets. You are now facing the problems your predecessors faced, as growth per store slackens, revealing you may be hitting a saturation point. You also still have competition, even though it isn't anywhere near as dominant as you are. In short, it's hard to grow profits by growing the business. What might you do?

Well, Ben Franklin was quoted as saying "A penny saved is a penny earned." Profits are profits, after all. Well, how can you save on expenses?

There are several options. You can find lower cost suppliers in other countries, where wages aren't as high. You can invest in efficiency of your infrastructure, though that's mostly going to be in any new stores you open; it's not always easy to retrofit an existing structure. You can work to keep your labor costs down; that means keeping the pay rates as low as you can get away with, and it also means not using any more labor than you really need.

The latter can be a real problem eventually. You don't have enough people to give adequate customer service or maintain the store. It eventually drives customers away.

It's called doing too much with too little for too long. Readers undoubtedly recognize the retailer, and the condition I call Wal Mart disease—a store with 30 cash registers but only two open, and 50 people in line at each one.

I personally think this also explains a lot of the shenanigans on Wall Street and with banks in recent years.

Put yourself in the shoes of an investment banker. Any new product is risky. . .more so if the improvement over something else is perhaps marginal. In such a world, something like currency or even stock manipulation will be both more profitable and less risky. Be part of a bank that's "too big to fail," or possibly be desperate enough to show some sort of growth, and outright fraud may well be, in perception and in reality, less risky.

Not all of this is necessarily evil or conspiratorial. In many ways it's natural and logical.

But think of the squeeze all this can put on smaller business owners.

How many mom and pop grocery stores do you see today? How many have been replaced by chain convenience stores, or by the grocery section of Wal Mart or Target?

How many mom and pop restaurants do you see today, vs. the McDonald's, the Burger Kings, the KFCs?

I understand there is a street intersection in New York City with four coffee shops, one on each corner. All of them are Starbucks.

Where is the room for the independent business owner in these fields?

What if the only way to get ahead in the future is to wait for the manager of the local Dairy Queen to retire–and hope you are his successor?

None of this is necessarily bad, as I noted, at least not in intention. . .but it still leaves a lot of us out in the cold.

Krzystoff
5 July 2017 at 08:23

David, that was an excellent commentary, I have a few responses to your (rhetorical) questions:
"Could you design a car better enough, or at least different enough, to go into the automobile business, and take on GM, Ford, Mercedes-Benz, Toyota, Honda, and the rest?" Elon Musk can answer this one, perhaps taking on Tesla is the biggest challenge for new automotive companies.

"…Does anybody in this country who needs a car not own one?"
Probably not, but Tesla has carved out a new niché — electric, self-driving vehicles, which have indisputably upset the car-ownership model of the past, and inevitably means that there are now 100's of millions of potential new customers in this market now that GM/Ford/etc are desperately scrabbling to get a piece of.

"…How would you improve on what is available, and could you take on American Standard, Kohler, Delta (faucets), and others?" Kohler now offers a range of Japanese-style 'intelligent' automated cleaning toilets with a range of functions most Americans would not have imagined a few decades ago, at $7-10,000 they are unlikely to be a big seller just yet, but it's certainly a new market for the USA.

"computers … buttons so blooming small, you had to use a stylus or pen or something to press them, because fingers were too large! How is that an improvement?"
Convergence means that the performance and capacity of a 1960s mainframe server room now fits in the palm of your hand and costs relatively little. The applications of that growing power are still being realised, but the next leap (10-20yrs away) of mobile computing with do away with much of the tactile input and screen space, instead using gestures for control and optical implants/lenses for the image, at that point the size will be reduced much further, perhaps to a Star Trek sized lapel pin.

The opportunities for new business are not vanishing just yet, until robots are available to replace all human labor, generations from now — at which point humans will merely manage the automatons that work for us — in the interim, robotics and related fields will become a massive yet untapped industry in America and around the world.

John Brave
5 July 2017 at 08:31 · Reply

Can't reply to the other message. So I'm replying here.

So, no number for fair share. That means it's never enough. Thanks for proving my point. Goodbye.

LG
2 July 2017 at 23:19 · Reply

Ah, yes. The magical napkin-doodle of the Laffer Curve strikes again, this time as a nonsensical story that makes no sense even in context. It has no bearing on the situation. But that doesn't stop folk from bringing it up. So let's look at some facts instead of fantasy:

1. We're nowhere near the point where taxes decrease economic activity. The consensus among economists is that the optimum revenue-maximizing effective income tax rate is somewhere around 70%. NOT the marginal rate, but the average rate. The mean effective income tax rate for the top 1% in the US is about 20%; raised to 30% if we include various other mostly-regressive taxes that disproportionately affect lower-income taxpayers. We would have to almost triple the income tax rate before we have to worry about decreasing economic activity.

2. The US had much higher marginal tax rates in the past, and its economy was both more stable AND distributed the benefits to workers rather than siphoning them off to hedge fund managers and overpaid CEOs. The top marginal tax rate was:

81% in 1940
88% in 1942
91% in 1951
77% in 1954
70% in 1971
50% in 1982
and is 39% today

Amusingly, 1971 is also when median household income detached from economic growth. Since 1971, median household income has been stagnant when adjusted for inflation, despite a doubling of worker productivity. So cutting taxes for the super-rich doesn't apparently lead to more growth as the Captains of Industry strive to Improve the Economy for everyone. Turns out cutting taxes for the super-rich just allows them to pocket more of other peoples' labor.

Eric
1 July 2017 at 15:35 · Reply

You should add a “kilometers of HSR per capita” graph.

John Rockefeller
1 July 2017 at 16:26 · Reply

Would you mind including Taiwan and Japan in your graphs? Both have high speed rail and it would be interesting to see how they stack up.

Tom
1 July 2017 at 17:50 · Reply

I’ve heard that in the US public transport (a sign of a progressive nation IMHO) is almost non-existent and everyone needs to have their own vehicle, which I find quite surprising in this day and age. I feel like the US is still very much a developing country (especially when compared to Europe) and this is becoming increasingly apparent to other nations around the globe with the unfolding of recent events. Based on all of that I find this news rather unsurprising.

Ryan
2 July 2017 at 03:33 · Reply

Tom I completely agree on the comment about the US being a developing country in many ways. For a long time the economic and world political power kind of masked this, but now that europe has completely dug out of the second world war, it’s more and more obvious that the US is not the wonderland of development that it appeared to be for so many decades. Socially and culturally the US is way behind Europe, and honestly even a lot of asia. There is no sense of society in people’s minds, and no feeling that there is some larger fabric that individuals are a part of that is worthy of investment and development.

Eric
2 July 2017 at 06:21 · Reply

The thing is, the US is extremely unequal. The US is the best place in the world to be very rich or talented (Silicon Valley, top universities, etc). However it’s a pretty bad place for the masses to live in.

Eric
2 July 2017 at 06:42 · Reply

Dense parts of the US, like NYC, have plenty of public transportation. (Though it tends to be badly run)

However, most Americans live in low-density suburbs. The public transportation there is very slow and infrequent, this is inevitable for geometric reasons, even though often the community is supportive of public transportation. Pretty much the only riders are poor people who can’t afford cars there.

Rob Anderson
1 July 2017 at 18:07 · Reply

Right! The California HSR project was poorly conceived and funding was a fantasy, including the notion that there would be enough money from the federal government and private sources.

“In the U.S., President Obama’s initiative was met by Republican governors elected in 2010 who, for reasons that had little to do with sanity, resisted free federal money to fund the completion of intercity rail projects their (Democratic) predecessors had developed. Lines in Florida, Ohio, and Wisconsin were scuttled.”

Wrong! Those governors understood that, in spite of seed money for those projects from the feds, their states would be solely responsible for construction cost overruns and for operation expenses if/when the projects were built.

The best analysis of the dumb California project has been done by these folks:
http://www.cc-hsr.org/financialReports.html

Larry Roth
4 July 2017 at 11:03 · Reply

“Those governors understood that, in spite of seed money for those projects from the feds, their states would be solely responsible for construction cost overruns and for operation expenses if/when the projects were built.”

Um, isn’t that what normally happens when you build something? Somebody has to pay – but they didn’t want to be the ones. This is why we can’t have nice things.

Garl Boyd Latham
1 July 2017 at 22:12 · Reply

Thank you, Yonah, for your thoughtful and timely remarks.

I respectfully disagree that Obama's rail-based proposals were "visionary"; in fact, when it came to passenger train services, his own administration proved time and again that it hadn't a clue! Moreover, of the three specific lines you mentioned, only one – Florida – would have met your own 150 m.p.h. standard for excellence.

Not that those other two proposals (Wisconsin and Ohio) weren't needful. They simply wouldn't have met the criteria necessary for definition as a true high-speed operation – even considering improved services along existing infrastructure (125 m.p.h.).

The most poignant reminder of reality was your view of what these United States have become. Despite our veneration of technology and general self-satisfaction regarding our presumed greatness, we've become a people "fundamentally unprepared to change."

Of course, preparation requires planning and planning requires direction. Twitter notwithstanding, it's difficult to deal with change on a large scale when basic policies have never been established. As of now, we're but three days short of our 241st anniversary; yet, in that time, we've never ONCE developed – much less set into motion – a uniform, comprehensive transportation policy! That in itself is a failure beyond comprehension, unconscionable in scope.

Without a national transport/energy/environmental policy in place, we cannot realistically hope to see the change we – and our progeny – so desperately need. Instead, we'll continue blindly waving the flag and regurgitating platitudes, while becoming "further mired in traffic" and choking on our own waste.

The single most depressing thought is also the one which keeps me going, even in the worst of times:

IT DOESN'T HAVE TO BE THIS WAY!

My sincere best wishes.

Lamont Cranston
2 July 2017 at 04:01 · Reply

Before you can build high speed rail to connect cities and regions you first need to build rail inside those cities and regions. Otherwise how do people get to the HSR and how do they get around when they arrive?

Whole cities, their suburbs, and surrounding region in America totally lack, metro and commuter trains, streetcars/trams/lightrail, regional and interurban trains. Think of LA, Houston, Dallas, Phoenix, Atlanta, and plenty more.

Often a city and its burbs is disenguously broken up into several isolated municipalities, each with their own little transit fiefdom. Maybe a single token lightrail 3 miles long in the gentrified downtown here, a brt there, some greyhound coaches over there, and perhaps an Amtrak locomotive twice a day.

Fixing this and building the infrastructure and manufacturing the rolling stock would go a big way towards recovering Americas economy and putting people back to work. All those rust belt auto plants being closed could be retooled to manufacture the rolling stock and their towns that depend on them revived.

Thomas Dorsey
2 July 2017 at 05:24 · Reply

By the time California HSR opens between downtown SF and LA in 2029, both metro areas will have comprehensive Memorial systems similar to Washington Metro.

"
2 July 2017 at 05:25 · Reply

Memorial should have been Metrorail

Ken Duble
2 July 2017 at 19:04 · Reply

"Whole cities, their suburbs, and surrounding region in America totally lack, metro and commuter trains, streetcars/trams/lightrail, regional and interurban trains. Think of LA, Houston, Dallas, Phoenix, Atlanta, and plenty more."

This isn't true. Houston and Phoenix have light rail, Atlanta has heavy rail and streetcars, and Dallas and LA have all three — heavy rail, light rail and streetcars.

David P Lubic
5 July 2017 at 01:55 · Reply

"Fixing this and building the infrastructure and manufacturing the rolling stock would go a big way towards recovering Americas economy and putting people back to work. All those rust belt auto plants being closed could be retooled to manufacture the rolling stock and their towns that depend on them revived."–Lamont Cranston

Indeed. This may well be one of the few new opportunities left in America today, after having built as much or more road system as we can use, with the saturation in many products we have, with the diminishing returns we are getting in technology today, at least on the consumer level, without also having to reengineer the consumer (such as wiring brains for direct internet access–an idea I don't like at all!)

Of course, though, that means taking on the oil interests, the car business, the road building and paving lobby, the airline industry, etc. . .not an easy job when you have some very wealthy and powerful interests that like things just as they are.

P.S–I see someone else here likes classic radio! Who knows what is in the minds of men? You know, Mr. Cranston, heh, heh, heh, heh!!

Seb
2 July 2017 at 04:46 · Reply

You've missed Germany. There was also a new rail connection opened between Berlin and Munich. I think it'll start to be used by the public before the end of the year.

Krzystoff
2 July 2017 at 08:58 · Reply

When it boils down to it, it's hard for progressive transport policy to compete with the idea of a US automotive manufacturing recovery, so subsidies and funding are flowing to that sector and the roads they utilize. Of course, what the wealthy don't consider is that by getting the poor/middle class off their highways and onto rail, the roads will be faster, safer and vastly less congested, and they won't have to share their aircraft with them either; improved rail transport all enables people to live on or beyond the suburban fringes in more affordable housing, thus reducing urbanization and the growth of homelessness, a tragic feature of most American cities today. Better rail = improved lifestyle, vibrant livable cities, more efficient road networks and cleaner air = better for all!

Larry Roth
2 July 2017 at 09:52 · Reply

Follow the money. What the countries have in common that have expanded their rail networks is an acceptance of the role of government in making things happen. That is not the case in America.

What happened in the U.S. in the 1980s was the rise of Ronald Reagan who declared war on the very idea of government. Republicans have been doing their best ever since to cripple the ability of government to do anything. They are obsessed with cutting taxes and cutting spending, while they have blind faith in the power of "free markets and competition" to solve any problem. Funded by the super rich, they've pursued this vision right into the ground – as per example, what happened to Kansas. **https://www.usatoday.com/story/opinion/2017/06/25/kansas-failed-tax-experiment-editorials-debates/102889398/**

Railroads are just one symptom of what is wrong with America these days. It is in the hands of a cult of fanatics who control all three branches of government. It will not end well.

James Matthews
3 July 2017 at 18:01 · Reply

Back in the '70s, Arthur Laffer came up with the Laffer curve, which imagined tax revenue at each tax level. If you charge 0%, you'll of course get zero revenue, but if you charge 100% you'll still get zero revenue because all the production will go underground. He then assumed that somewhere between 0% and 100%, there'd be a tax level that produced a maximum revenue level. So far, so sensible.
Laffer's leap was to assume that the US tax right was to the right of the peak and that reductions would bring revenue closer to the maximum possible. The problem is that all the hard evidence (e.g. comparison with other developed economies) strongly suggests that the US rate is well to the LEFT of the peak! But most Americans want to believe that they're overtaxed, and are willing to ignore inconvenient evidence…
The William Safire types have pointed to the increase in revenue after Reagan's tax cut (or after JFK's tax cut in the early '60s) as proof that Laffer's theory worked, but that's an example of the "post hoc ergo propter hoc fallacy." The mistake is to assume that the economy wouldn't have grown at all without the tax cuts. In reality the economic growth of the '80s was due mostly to lower oil prices, and without the tax cuts revenue would have increased even more!

MARVIN KENNEBECK
2 July 2017 at 14:03 · Reply

I can only paraphrase Mr. Charlton Heston who famously said (not an exact quote) "I'll give up my gun when they pry it out of my cold, dead hands." Americans would sooner sacrifice one of their children than give up their cars.
Mr. Freemark, keep up the good work reporting on what other countries are doing. Maybe my great-grandchildren will see a real transportation system.

David P Lubic
4 July 2017 at 16:09 · Reply

This is stupid. Who has ever said anything about taking away anybody's car?

I know that attitude is out there, but it's silly nonetheless.

Max Wyss

2 July 2017 at 14:13 · Reply

Quatsch mit Sauce! (forgive my French…). I could not find one single statement in this comment which is even close to reality.

Several HSL have already paid off all construction cost, and run at good profits. Others, mainly pushed by regio-political reasons do a bit less well, agreed. In many cases, it is not really possible to determine the profitability of a HSL, because services either use it only partially, or use it only as part of the service. So, such "profitabilty" calculations are never exact, and can be made up and/or interpreted in any way the "upmaker"/"interpreter" wants it.

Regional jet operation is about the least profit-making part of an airline, and there are airlines who would be happy to get rid of those services, also in order to free up slots at the major airports. There are certain destination pairs in Germany, where all Lufthansa flights are actually operated by Deutsche Bahn, in form of reserved seats in ICE trains (Stuttgart – Frankfurt and Köln – Frankfurt).

"Airport type security" is something which seems to have to do with English language, because it is essentially the USAns and the Brits talking about and/or requiring that theater. OK, with the Brits (aka Channel Tunnel), it also has to do with the lack of ability and willingness of the border police to do immigration checks on a moving train (something which has been common for at least half a decade in Europe, but no longer done because of the Schengen area).

Ah, yeah, and if someone wanted to do something funny with the Channel tunnel, he would not use a passenger train, but simply put some load in a truck going through the tunnel…

And one more thing… they say that back in its era, the construction of the Golden Gate Bridge was a similar "failure" as California HSR…

"
3 July 2017 at 03:51 · Reply

Larry Roth, Milton Friedman economists don't sooner call the Kansas experiment Fake News than except empirical evidence.

Thomas Dorsey
3 July 2017 at 03:52 · Reply

Larry Roth, Milton Friedman economists would sooner call the Kansas tax experiment Fake News than except empirical evidence of failure.

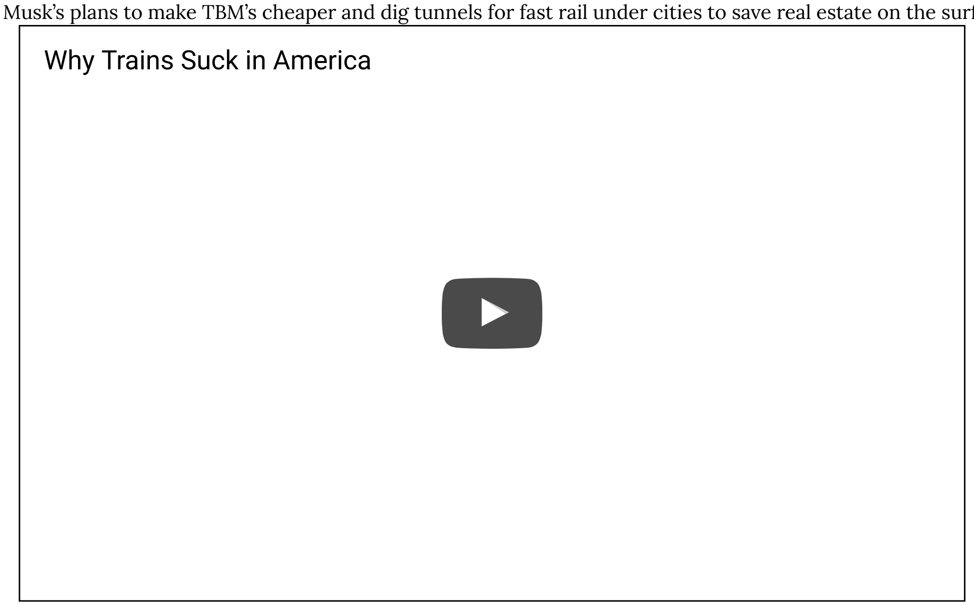
Eric
3 July 2017 at 04:48 · Reply

"Fake News"

It's funny how many "intellectual" conservatives get all of their rhetorical devices from the retard in the White House…

Eclipse
3 July 2017 at 06:07 · Reply

But how much spending? This video claims it is a matter of urban densities not being high enough to justify the expense. It also goes on and on about how much real estate would cost on the surface, but does not analyse any of Elon Musk's plans to make TBM's cheaper and dig tunnels for fast rail under cities to save real estate on the surface.



C.
3 July 2017 at 12:43 · Reply

The U.S. is run from the top down by psychopaths. These diseased individuals, by definition, are unable to care genuinely about anyone except for themselves.

Within the psychopathic mindset, Life is simply a winner-takes-all, zero-sum game. According to this delusion, any material gains enjoyed by one party are only possible through the taking from a separate party.

For our self-appointed psychopathic 'leaders', any genuine attempt at improving life broadly for the general public (i.e., high quality public transportation) is the greatest form of evil, and must be fought continuously. The American 'elite' believe falsely that by hoarding and misallocating resources that they are only clawing their way to the top of the pyramid, when in fact America is racing to a bottom of disfunction and failure.

Allan
3 July 2017 at 15:04 · Reply

I am sorry but trains are past technology watch any Star Wars episode and its all about the flying car. Why waste even one more dollar on a public transportation system unless you are some liberal trying to control the general public. However you add it up a train never takes you where you want to go rather it takes you where its going. The cost alone prohibits the construction let alone the maintenance such a structure requires year after year, its just a big waste like everything that is government.

Further more the government lies about the real cost, just as in Portland, Oregon nothing is ever said about the complete lack of police protection on the trains, never factored in it adds another 1/3rd to the cost of operation. The local police jurisdictions say that 85% of the crime through out the area is within 1/4mile of the train.

How efficient is a train? I would have to drive over 40 miles just to get to it at the cost of 1+ hour of time, then the dollars to park, make my way to the train, ride the hour plus to Orlando from Tampa. Then the cost of transport at the other end, so go rent a car and drive the other 40+ miles to my destination for an investment of 3-1/2 to 4 hours, I could have drove to Orlando in less than half that time. So in essence the train serves no one except maybe 3% of the population, what a waste, then when they become available flying cars one could be to Orlando in less than an hour.

krzystof
4 July 2017 at 23:47 · Reply

@Allan, actually if you are going to wax about the science fiction universe of Star Wars, you should know that there was a train in Episode I and Episode II, an elevated maglev train was a maglev train used on the planet Coruscant, (Imperial Center during the reign of Emperor Sheev Palpatine) — so perhaps HSR should be considered future technology?

James Matthews
3 July 2017 at 18:06 · Reply

One simple way to boost passenger rail in the US would be to change the protocol and give passenger trains the right of way over freight trains. (As things stand now, passenger trains have to move aside to let freight trains pass, causing long delays.) But the railroad companies have lots of clout in Washington (like the airlines), while Amtrak is an orphan like PBS.

David P Lubic
3 July 2017 at 23:38 · Reply

"One simple way to boost passenger rail in the US would be to change the protocol and give passenger trains the right of way over freight trains. (As things stand now, passenger trains have to move aside to let freight trains pass, causing long delays.) But the railroad companies have lots of clout in Washington (like the airlines), while Amtrak is an orphan like PBS."–James Matthews

Better still, make sure the motorist pays his way. This is something the driver has never done.

Today, the driver pays maybe 60% of the cost of the road system. The remaining 40%, which works out to about 60 cents per gallon, comes out of property, income, and sales taxes.

In contrast, a railroad is supposed to pay all its bills, generate a profit, pay income tax on the profit, and pay property tax on its right of way. None of that is required of the highway system, and indeed, the publicly owned highway property is actually removed from the tax rolls.

By the way, the numbers I'm describing are essentially cash flow accounting. If you used full cost accounting, which would include depreciation and the deferred maintenance we have, the picture would look even worse. . .maybe we would have to tax gasoline an additional dollar or more per gallon.

And we haven't even begun to talk about external costs, like oil wars.

But never mind that. Let's just make the road system truly self supporting, no subsidy.

How much would that change things?

Highway Revenue and Expenditure, Cost Flow Accounting

https://www.fhwa.dot.gov/policyinformation/statistics/2014/hf10.cfm

Ron Stuart
4 July 2017 at 09:07 · Reply

I am not an economist or a transportation specialist. However, our transportation maladies are just a small example of challenges we face as a country. It's a good thing our federal government does not have the mandate of running itself as a business or a household – i.e. you cannot continue to spend more than you take in. In my humble opinion, the single biggest answer to our multiple challenges is education, and we aren't doing the job that needs to be done. Our dear president thinks the way to have more jobs is to bully companies into having them here. The reality is that people buy the products and services that have the best value. If you want your citizenry to have the best jobs and be able to compete globally, then educate them. Admittedly, it's a long term project, but critical if we are to have a country that helps ALL its citizens take care of themselves, if they are able, and to take care of those that are not able. However you decide to split up who pays for it……well,

Ron Stuart
4 July 2017 at 09:19 · Reply

Sorry…submitted before finished. Who pays? Important but not as important as stiffing the business who supplied the beer. The whole story about the cost of the beer going down is fantasyland. You cannot continue to have tax cuts and spend more. Getting out of this multi trillion dollar debt is not going to happen without a lot of pain, which the vast majority of our citizens won't stand for. Most politicians want to run on a "reduce taxes" campaign, because that's what gets them elected – and re-elected. Reality is they don't care about the deficit because they don't have a deficit. They are too busy taking lobby and campaign money from anyone who will give it (thanks, SCOTUS). Personally, I don't care what form of transportation there is as long as it works – be that rail, bus, plane, whatever. It's all a balance between time, cost and aggravation. Living in Dallas has taught me that the people here want their cars – period. The number of people using the light rail system is so small it's minimal impact. Now they want high speed rail between here and Houston. We'll see how that works. In closing, we need a mix of opinions from the people that are going to make the decisions on transportation, and run some test things in different markets. In the meantime, we better wake up to the fact that education is the key to our children's and grandchildren's success.

Larry Roth
4 July 2017 at 11:10 · Reply

There's a great piece by Tom Sullivan that gets into the whole problem of why America can't do big infrastructure any more. It's from 4 years ago, but it's truer than ever.

http://digbysblog.blogspot.com/2017/07/we-rugged-individuals-by-bloggersrus.html

"…Or the U.S. Constitution, one supposes. Anyway, it reminded me of this post I wrote at Crooks and Liars four years ago after my last visit to the Golden State. (I had to fix one dead link.)

An America In Retreat?

Has America – and the American Dream itself – gone into retreat? Once the largest, most prosperous in the world, the American middle class is faltering, crumbling like our nation's schools and bridges.

Flag-pin-wearing American exceptionalists tell crowds this is the greatest nation on Earth, and then repeat "we're broke." They hope to dismantle safety net programs, telling Americans working harder than ever – at jobs and looking for jobs – that they don't have enough "skin in the game." Wake up and smell the austerity. America can no longer afford Americans.

Some of us remember a time when America's dreams were boundless."

Read the whole thing, then ask WTF happened?!?!!

Larry Roth
4 July 2017 at 11:29 · Reply

Here's another reason why America can't build anything: population versus representation in Congress, the Senate in Particular:

http://digbysblog.blogspot.com/2017/07/what-kind-of-democracy-is-this-anyway.html

"According to the 2010 census, it is now the case that half of the United States' population lives in just nine states, with the other half of America living in the other 41 states. While the voters in these top nine states have equal representation in the House with 223 Representatives (the other half has 212), in the Senate it is a different story. Because of this population distribution, the half of the U.S. living in the largest nine states is represented by 18 Senators. The other half of the country living in the other 41 states has 82 Senators, more than four times as many. You don't have to be good at math to see how much less representation in Congress those living in the big states have today.

Let's take a closer look at this dynamic by examining California. With a population of about 37 million, California has more than 66 times the population of the smallest state, Wyoming, which has 563,626 people. California has 53 Representatives, and two Senators; Wyoming, one Representative and two Senators. So despite having 66 times the population of Wyoming, California has only 53 times the number of Representatives and an equal number in the Senate.

Furthermore, the four smallest states combined have eight Senators, giving California only a quarter as many Senators as Alaska, North Dakota, Vermont and Wyoming, even though California has 14 times the population of these states combined."

China is investigating that weird, traffic-straddling bus, which in retrospect was totally a scam « Diarra Eg Diarra
4 July 2017 at 17:21 · Reply

[…] its notorious traffic congestion and pollution. Here in the US we're too addicted to our cars to put any real thought into ways to expand and innovate on public […]