

Inquiring Minds topic - May 12, 2017

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INFRASTRUCTURE

What is infrastructure? Who needs it? Why should we have it? Who should pay for it? Who should manage it?

What does the word mean? My 1939 Shorter Oxford English Dictionary does not show it as a word. My 1966 Random House Dictionary of the English Language refers to it only as "the permanent military installations and facilities belonging to NATO..."

The word has been evolving.

The April 10, 2017 issue of TIME magazine spent most of the issue on various types of infrastructure which included highways and bridges, water and sewer works, electricity and how it reaches us, research, schools and the internet. This is not intended to be an exclusive list. The magazine is a possible reference but is not necessary background.

Government has been involved constantly:

The interstate highway system was authorized under the Eisenhower administration. A tax on gasoline was to finance it. Congress has failed to adjust the tax to inflation although costs have gone up with inflation.

Land-grant colleges and railroad expansion were authorized under the Lincoln administration. Financing was provided by land whose only other claimants were Indians they were happy to displace.

Monopolies were granted to utility companies. Regulation was supposed to control them for the benefit of the public.

There appears a significant shortfall in the maintenance of what we have. Mr Trump said, while campaigning, that he would get \$1,000,000,000,000 to invest. He did not say on what it would be spent or from where the funds would come. Congress refused to approve projects proposed by Mr Obama.

What is the value of infrastructure? It is claimed there are huge benefits. The means of moving people and products such as highways, railroads, airports to support air travel, harbors and canals to support maritime commerce, and so forth are supposed to make the economy flourish. Education to make possible discoveries and innovation are supposed to have a similar benefit. If wonderful benefits are derived from infrastructure, why is it hard to get infrastructure financed?

Should we use tax dollars? Should we sell opportunities such as the radio frequencies? Should we sell highways (toll roads)?

Can we connect benefit to the provision of the cost?
How do we select the important projects to finance?

Government is created by people to do things individuals cannot accomplish on their own. It is almost self-evident that a road to let you go from here to where you may want to go may cross the property of someone else. Government sets of a structure to allow this to occur and to pay for it. Conflicts are created by this process. The social value used to be self-evident. Where are we now and what should we do?

