

Australia Dossier by Robert Barwick and Allen Douglas

New life for infrastructure?

The biggest threat to promising new projects is the ideology of "private enterprise."

After months of debate, the Federal cabinet gave its approval on Aug. 22 to a new rail line to run from Alice Springs, in the center of the country, to the port of Darwin in the north. The cabinet also pledged \$100 million as "a sign of good faith" toward the cost of the 1,500 kilometer, \$1.1 billion project.

The Alice Springs-Darwin line is one of several major infrastructure projects currently under discussion, including a very fast train link from Sydney to Canberra, the Federal capital; two major water projects, including the second stage of the Ord River project in the northwest, which would open huge areas to irrigated agriculture, and the Clarence River scheme in the northeast, which would divert the northward-flowing Clarence, which dumps into the sea, south into the continent's parched interior; and, most crucially, a \$10 billion fast rail line which would link Melbourne, in the southeast of the country, to Darwin.

The Melbourne-Darwin line, dubbed the "Asian Express" by its architect, University of Melbourne Emeritus Professor of Engineering Lance Endersbee, would be a fast freight service to the almost 500 million inhabitants of the member-nations of the Association of Southeast Asian Nations on Australia's northern doorstep. Trains would run at up to 250 km per hour, and would cover the entire distance in only 24 hours. Combined with Australian-built super-fast catamaran ferries from Darwin, freight from Australia's southern states could be in the Indonesian capital of Jakarta (the terminus of the southern route of the Eurasian Land-

Bridge) in under two days, thereby linking Australia into the great "river of steel" which will girdle the globe (see *EIR Special Report*, "The Eurasian Land-Bridge").

In Professor Endersbee's design, the "Asian Express" is not merely a rail line, but a "development corridor" reminiscent of what Lyndon LaRouche and his associates have proposed for the main routes of the Eurasian Land-Bridge, in which roads, pipelines, and communications infrastructure will run parallel to the new rail lines, in corridors 50 km wide on either side of the rail. Endersbee proposes, for instance, to construct a gas pipeline along the route, so that natural gas from the rich Timor shelf can be piped back to power industry. He also sees major water projects such as the Clarence River scheme, as integral to his Asian Express proposal, a perspective he outlines in a paper, "Planning for National Development: Three National Projects." There, he says that a grand vision of infrastructure-driven agro-industrial development is "vital for the continued prosperity and security of the nation."

After decades of neglect, it is exciting to have grand development projects back on the table. The sticking point, however, is funding. The Federal government is dominated by a gang of Mont Pelerin Society "free market" fanatics, who insist that these schemes be mainly financed by private sources. The \$10 billion for the Melbourne-Darwin Asian Express, for instance, is supposed to be raised by the Australian Transport and Energy Corridor, a private consortium. ATEC spokesman Everaldo Crompton says

ATEC will soon begin a \$1 million feasibility study, and claims that it "will have no trouble" raising the \$10 billion from private investors.

Though the federal grant of \$100 million for the Alice Springs-Darwin line will be matched by similar amounts from the South Australian and Northern Territory governments, that project, too, will be built and operated by a private consortium, as a "BOOT" scheme. (Under BOOT, private enterprise builds, owns, operates, and then, after a couple of decades or more, transfers ownership of the deteriorating asset to the government.) The projected after-tax return on investors' funds of 17.5 to 20.6% means high prices, which will naturally restrict usage of the line and be a net drain on the economy.

Infrastructure projects are necessarily a function of government, because of their cost and extent. Left to "private enterprise," such projects will either never be built, or, like the first private toll-road of the modern era, the "Greenway" (a.k.a. the "Ghostway," for its lack of users) in northern Virginia, U.S.A., will fail, and then be dumped on state and Federal governments at enormous taxpayer expense.

Such major infrastructure projects as Australia does have, like the east-west transcontinental railroad along the continent's southern border, or the massive Snowy Mountains Hydroelectric Scheme of the 1950s and 1960s, have been financed and built by the Australian government. As Endersbee, who worked on the wartime Allied Works Council during and after world War II, which designed Australia's post-war reconstruction scheme, as exemplified by the Snowy Mountains project, remarked to *EIR*, "I'm an old Snowy Man. The government should just do it—borrow the money, hire the contractors, and get on with it."