

Australia Dossier by Robert Barwick

National development runs off the rails

By insisting on private enterprise, the Howard government may kill some exciting new rail projects.

Amid much fanfare, Australian Prime Minister John Howard on June 23 announced his government's approval of a feasibility study for a \$10 billion high-speed rail project, to be built from Melbourne in the southeast, to Darwin in the center of Australia's northern coast, opposite Indonesia. Known as the Inland Rail Expressway System, Howard emphasized its importance as a "nation-building" project, by invoking Australia's proud history of grand infrastructure projects, typified by the Snowy Mountains Hydroelectric Project: "There has always been within the Australian community, because of the vastness of our nation, a hunger for long-term national development projects," he said. "It's one of the deepest things in the emotion of the Australian people."

The scale of the project is impressive: Expected to be the largest infrastructure development project in the country's history, the system will be 4,000 kilometers long, double-tracked, and carry high-tech, gas-fueled trains capable of speeds of up to 300 kilometers per hour (kph) for passengers, 200 kph for light freight, and 120 kph for heavy freight. The project would create 5,000 permanent jobs, and cut 10-12 days from freight delivery time from southern Australia to Southeast Asia.

The Inland Rail Expressway System is one of four major rail projects currently under serious consideration, including the Alice Springs to Darwin line up through the center of Australia, expected to begin construction next year for completion by 2003; the Sydney to Canberra very fast train, currently in tendering stage; and a high-

speed Melbourne to Sydney line, linking Australia's two most populous cities.

The Transrapid Consortium of Australia, which is promoting magnetic levitation technology, or maglev, for the Sydney to Canberra link, includes some of Australia's largest industrial conglomerates, including BHP (Australia's largest company) and Pacific Dunlop. According to Janet Holmes a Court, a member of the consortium and chairwoman of John Holland Construction, the project would source up to 80% of its materials locally in Australia, including 600,000 tons of steel plate from BHP, and 50,000 km of cables from Pacific Dunlop. This would represent both companies' largest orders ever for those materials, and provide a critically needed stimulus at a time when both companies are suffering huge losses. BHP recently announced a \$1.3 billion loss, only the second in its 113-year history, as well as the closure of its Newcastle steel works.

Despite the obvious benefits of the new rail projects, Howard's timing has left him open to charges of pork-barrelling. His June 23 announcement came just seven days after the stunning electoral success of Pauline Hanson's One Nation party in rural Queensland. "Purely coincidentally," Howard said, the proposed Melbourne-Darwin route will travel through many of the same rural election districts that had deserted his Liberal-National Party coalition for One Nation.

Ironically, the loudest howls of outrage at the announcement came from Howard's philosophical overlords in the British Crown's Mont Pel-

erin Society, the source of his government's free market, globalization policies. In the June 25 *Sydney Morning Herald*, Mont Pelerin Society member Padraic P. McGuinness lambasted the Melbourne-to-Darwin proposal as a "fast track to nowhere." "It is catering for the populist notions of nation-building, which have always had a lively existence on the loony left and right," he whined.

Given the deepening global depression, Howard's insistence that private enterprise carry out these huge projects may well kill them, particularly the ambitious Melbourne-to-Darwin line — which would, in effect, constitute the southern terminus of the great Eurasian Land-Bridge from Rotterdam to East Asia and Southeast Asia. Without a formal tendering process, Howard handed the project to a small consortium, the Australian Transport and Energy Corridor, made up of his Liberal and National Party cronies, after the route was adjusted to make it more beneficial to Queensland.

Both the route changes, which will raise costs significantly while slowing down freight delivery to Darwin, as well as its private nature, have infuriated the author of the plan, Emeritus Professor Lance Endersbee, a veteran of the Snowy Mountains project and one of Australia's finest engineers. "It's crony capitalism," he told *EIR*. "The project demands government overview and facilitation. It is most inappropriate for the Australian government to avoid responsibility for such a huge national undertaking of such importance to national development." Instead, Endersbee insisted that the government must follow due process, and place the administration of the project into the hands of a national construction authority appointed for the purpose, to be called the Asian Express Construction Authority. "It is in the national interest," he said.