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## Interview: Dr. Boguslaw Liberadski

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# Infrastructure and the political crisis

*Dr. Liberadski is undersecretary of state in the Ministry of Transport and Maritime Economy, Warsaw, Poland. This interview was conducted in Prague during the Pan-European Transport Conference, on Oct. 30, by Angelika Beyreuther-Raimondi.*

**EIR:** Our news agency put out two years ago a major infrastructure program, the so-called "Productive Triangle" proposal, to promote all-European industrial development and real production. We were happy to see a conference like the one here in Prague taking place. Can you tell us more about Polish infrastructure plans, the timeframe for them, and the Polish position toward these issues in general?

**Liberadski:** First of all, it is very good that we are having this pan-European conference on transportation. There are many, many issues and problems which have to be taken up, and in some cases even formulated, right now, and solved in the future. For all these issues, we are considering two timeframes—first, the short term; and the second, a longer perspective. The second is of strategic importance, and involves big money—more than \$100 billion—and also the capacity to get it done on time. What does it mean, on time? In the short term, it is very important to make better use of the already-existing infrastructure.

We hear many words about integration, the necessity of integration. But yet the old prejudices still exist between the eastern and the western, more advanced, Europe exist. Western Europe neglected eastern Europe in terms of infrastructure. But this negligence is not so obvious. . . .

Organization will be of the utmost importance, since in this we are lacking. The organizational factor has to be brought from western Europe, because we have not got the



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ability, the skills, the people prepared to introduce quite new and more efficient organization.

You could hear during this conference many words; almost every country presented itself as a country of transit—except maybe Portugal. That is partly true; it depends what scale you are talking about. In that scale of consideration, we have to agree on a continental approach to select infrastructure of continental importance, and then to identify what the economic and transportation regions of Europe are. The regional approach is very, very important; one of the reasons for the success of the European Community is indeed its regional approach.

Plus, in a few countries in eastern Europe, we are under the threat of disintegration, disintegration between countries and disintegration inside countries. Yugoslavia is an example; the Soviet Union is another example; even in Czechoslovakia we have some tendencies to split between Czechs and Slovaks. These developments are not so pleasant, from the point of view of future prospects. We have to work out a kind of integration of these countries. And such an integration could be brought about by formulating a bloc of regional infrastructure projects, which could provide the overall European concept and the particular activities and projects which, in my opinion, have to be developed. But we encounter the barrier of financing, financial arrangements. I approach this, to create free general sources of finance for infrastructure. The first one is a governmental source, for giving for a very basic element—land—for infrastructure. Second, international banks and financial organizations, such as the World Bank, the European Bank for Reconstruction and Development, and the European Investment Bank—all with very limited budgets for eastern Europe. These banks may give the seed money, which, if good feasibility studies are made, and also good prospects are possible, may prove that private capital sources may make their own inputs and profitable infrastructure based on concessions, licences, etc. . . . We have to find real investors, which are still lacking. . . .

**EIR:** You said in your speech, and I agree fully, that infrastructure investments are very productive and multiply effective.

**Liberadski:** Yes, of course. They also have the effect of a signal, to create jobs right now, and new possibilities. It was expressed nicely in one of the presentations at this conference, that if there is transportation, there are workers—and workers need transportation. So we have to start from something; if we start from infrastructure and transportation, we get work for the nation. And the work for the nation will justify that investment.

**EIR:** Everybody here agrees that infrastructure is the key for development. But there is no clear plan for financing, and we cannot wait. We cannot wait for another two years and have nothing significant happen. Are there discussions about

financing big infrastructure projects, in a big way?

**Liberadski:** The discussions about financing, to some extent, were disappointing to me; I expected more sound proposals and statements. I tried to express my point of view, that international financial organizations may encourage commercial banks to add their own money. Plus, probably you are surprised, but there is so much to be done in infrastructure, that if you could find figures, [it would add up to] about \$200 billion or ECUs. Everybody was surprised, but it takes 15 years, so it's nothing to be surprised about.

If it is done in a good way, as an investment and not just an expenditure of money, we may very soon get some portion of the money back. This is very important. For instance, Poland is ready to establish a law to build and operate highways as toll roads. If we start to do it—of course, getting the money from different sources, including our budget—after two years, we may get our first returns. So it could be operated as an investment.

But there is still remaining mutual distrust, which has to be overcome.

**EIR:** Another proposal which we put into the debate, and I discussed it with many delegations here, is that actually sovereign nations have the right to issue credit for productive investments like infrastructure, and this is not inflationary, but necessary to develop infrastructure on a national scale. It is a debated and controversial proposal, but I think it could work, especially if all governments agreed to it now.

**Liberadski:** I think you are right; however, probably the western countries have forgotten about their situation 40 or 50 years ago, during the big crisis of the early 1930s, and such programs, when they were called public works. Today it is inappropriate to get it done as public works, as was done before the Second World War, but now it could generate an economic acceleration in our countries, plus it gives our countries much more accessibility—in a physical sense—to West European companies, and interests them in coming here to make business. There are tremendous opportunities indeed, but the first step has to be taken, and probably this was a weakness on the part of the eastern European countries, that we did nothing yet to prove that this is true. I believe on both sides there have been some sins committed. But we would now like to take away these sins—that is my first confession.

**EIR:** Hopefully, this conference is a first step in that direction.

**Liberadski:** This conference gives a kind of personal feeling about people. In my opinion, this is also important, if somebody listened to my presentation, and got a feeling that, "Okay, this man is all right, and I can do business with him." Because you don't know the people right now who are in power in the eastern European countries, and it is also important to know that.

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## Interview: Vitali V. Yefimov

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# Build railroads from Europe to Asia

*Mr. Yefimov is minister of transport of the Russian Republic. He was a speaker at the Pan-European Conference on Transportation, held in Prague, and was interviewed by Angelika Beyreuther-Raimondi there on Oct. 30. Both he and another speaker from his country, U.S.S.R. Deputy Minister of Railways V.N. Butko, emphasized that discussion of pan-European infrastructure development should not leave out of account the vast potential represented by Asia, and particularly the potential role of the Soviet trans-Siberian mainline. "Railway transport has prevailing significance for the East-West axis," said Butko in his speech, "since it successfully competes for long distance transport where road network infrastructure is insufficient." The Soviet railway system constitutes 12% of the world's railway network, carrying 50% of the world's ton-kilometers, he reported.*

*What follows is an unofficial translation of the interview with Mr. Yefimov, which was conducted in German and Russian.*

**EIR:** I followed your speech with great interest. You pointed out the fact that time is very pressing, and that Europe is acting with too much hesitation in the face of problems which are only too apparent.

Two years ago, our news agency prepared a detailed proposal as to how a joint European infrastructure project might look, and we have publicized this widely. In this proposal, we say that it is from Europe that the reconstruction of the entire world economy must proceed. An essential point here is that we must connect the republics to this new Europe via infrastructure. How would you see the steps to be taken by which the republics might now be joined to Europe?

**Yefimov:** Together with Europe, and in particular with Germany, we have worked on getting rid of the old system, above all what was called the Iron Curtain. The goal is the formation of a joint economic region, cultural relations, commercial cooperation. But our cooperation with Europe has shown that Europe has limited itself to the western borders of the U.S.S.R., and only very carefully goes beyond them—for example, beyond the Polish border.