

Report from Bonn by Rainer Apel

New potential emerging from crisis

Big infrastructure projects could help overcome pragmatism and the monetary straitjacket impeding economic progress.

The monetary, economic, and political disarray that is presently dominating Europe may last for a while, because politicians have no real idea of what to do about the crisis. Europe's monetary and economic order is about to split between the devout free market worshipers led by Britain, and the core of the old European Community—France, Germany, and the Benelux countries plus Italy.

The monetary turbulence of the past five weeks has shattered the design for a single West European market (the Maastricht scheme), but it has not eliminated the ideology of pragmatism which dominates political leaders like German Chancellor Helmut Kohl and French President François Mitterrand.

But the treatment accorded Britain's Chancellor of the Exchequer Norman Lamont by his European colleagues in Brussels Sept. 28, the deepening confrontation between the British and the Germans on monetary issues, and the increasing criticism in France of British conduct are indicators that profound policy changes are likely.

Europe must pay more attention to the East and launch some big infrastructure projects, to liberate themselves from the monetary straitjacket that has strangled most long-range designs for technological and scientific progress over the past 20 years. Indeed, the present disarray in Europe has helped accelerate certain projects that have been debated for years but kept under wraps for 10, 20, or more years.

The opening of the German Rhine-

Main-Danube Canal on Sept. 25 offers just such a "big projects" perspective. Built over 30 years (construction began in 1962), the 171-kilometer canal links the Main and Danube rivers in southeast Germany, thereby creating an uninterrupted waterway over 3,500 kilometers across the continent between the Romanian port of Constanza and the Dutch port of Rotterdam.

The canal, a project first designed by Charlemagne and begun in 793 but never completed, reduces the water transport distance between the European North Sea coast and the Black Sea by 1,500 kilometers, and will create a huge incentive for economic development. The relatively underdeveloped regions between eastern Bavaria and Romania could draw immense benefit from their new access to direct waterway links into the industrial heartland of central Europe.

As of this moment, the volatile political situation in the Balkans and in other regions of eastern Europe limits the great potential of the canal from being fully realized; the availability of the new waterway may create incentives for politicians, however, to think of designs that can lead Europe out of the economic depression which affects all countries, including "strong" economies like Germany, France, and Austria.

Austrian engineers, for example, have proposed the construction of new ports that could serve as regional centers for the redistribution of commodities brought into Southeast Europe and the Balkans by barges along the Danube. They have calculated that the new canal will be profitable because it

can handle the annual cargo volume of 41-45 million tons that is already expected along the Danube by the year 2000. Trains and trucks alone (which handle most transport right now), definitely could not manage the transfer of such volumes of goods into Europe's East. Relevant Austrian investments in Slovakia, Hungary, Slovenia, and Croatia are now being proposed.

Another big project that is being accelerated is the long-delayed design for two new tunnels through the Swiss Alps, the New Railway Alps Transversal (NEAT). A referendum on Sept. 27 in Switzerland resulted in an impressive majority of almost two-thirds of the electorate (63.5%) voting in favor of the NEAT plan. The plan envisages the drilling of tunnels through the base of the Alps at St. Gotthard (34 miles in length) and Loetschberg (21 miles in length).

The tunnels will allow the daily transit of 550 high-speed cargo trains which will transfer whole convoys of heavy trucks from Europe's North to the South. The project, which will cost an estimate \$12 billion and will help double truck transit (trucks loaded on special trains) across the Alps, is scheduled to be completed by the year 2010, and will receive funding from the European Community.

Another big project was also signed on Sept. 28 by the transportation ministers of Germany, Denmark, and Sweden, for the creation of rail routes for high-speed transport between the European mainland and Scandinavia (see *EIR*, April 12, 1991). The project includes the construction of a tunnel for combined truck-rail transit across the Greater Belt strait and of a "dual use" (passengers and freight) bridge as well, that will connect Denmark and Sweden across the Oresund strait.