

# Business Briefs

## Health

### Austerity budgets kill Australia hospital care

Staff from at least two major hospitals in New South Wales have given up trying to cope with the overload of patients which had forced them to treat life-threatening cases in corridors and in emergency waiting rooms, as the hospital system collapses because of the Mont Pelerin Society-dictated austerity measures.

Staff at the emergency department of Royal North Shore Hospital in Sydney, declared that no more patients would be treated in corridors—whatever the need. The head of the emergency department, Dr. John Vinen, described the struggle to cope with more patients on budgets that get smaller (under the guise of “efficiency savings”), as “much worse” this year.

The Newcastle Mater Hospital north of Sydney also had at least 10 patients being cared for in the emergency department. The senior manager had been unable to move them to empty beds in the medical wards, because she was told that under no circumstances could she overrun her budget.

“The situation comes to a point where you are unable to unload ambulances when they turn up,” said Dr. Vinen. “They close beds to save money or because of lack of staff.”

## China

### Taiwan forbids certain investment on mainland

On July 15, Taiwan’s Ministry of Economic Affairs announced the implementation of its new edition of “principles for examination of investment or technological cooperation on the mainland,” forbidding investment in infrastructure and other development projects in mainland China, the newspaper *Chung-Yang Jih-Pao* reported. Under this insane policy, the only investment allowed will be in hotels, amusement parks, and other “service” industries.

The principles forbid investment in 13

kinds of capital construction projects, including railways, highways, ports, city water, sewerage, airports, rapid transit systems, and incinerators (capable of handling more than 300 tons of garbage daily), and power generation (except gas-electric type and hydroelectric plant with a capacity under 20,000 kw), power transmission, power distribution, and industrial development projects. Housing projects, banking, insurance, and 17 kinds of manufacturing industries, including ethylene, have been redefined as “forbidden projects.”

The ministry said that 756 kinds of “manufacturing” projects will be allowed, including “cement, hotel, tourist service, amusement park, warehouse, business agents, bath house, rental service, designing, photo printing, and other recreational and service industries.” The total amount of investment will also be limited—not to exceed 60 million new Taiwan dollars for individual and small and medium-size enterprises.

## Iran

### Rafsanjani sums up his reconstruction effort

Speaking to the Majlis (parliament) on July 22, outgoing Iranian President Ali Akbar Hashemi Rafsanjani expressed his hope that the Majlis would cooperate with incoming President Mohammed Khatami, as it had with him. Referring to the past eight years of his Presidency, known as the reconstruction era, Rafsanjani said that although his five-year plans (which began in 1988) had been considered “ambitious” in some quarters, in reality all the planned projects have been implemented.

The most severe problem Iran faced initially, he said, which was lack of manpower, had been overcome. The budget deficit, which had been 51% in 1988, had dropped to zero, and Iran now had a budget surplus and foreign currency reserves. Inflation, he said, stood at 1.5% monthly, and unemployment had dropped from 16% to 9.1%.

Rafsanjani said that Iran was among the top countries worldwide in “the implementation of projects in the areas of gas, oil, petrochemicals, dam building, urban sewage,

power generation, agriculture, fisheries, animal husbandry, poultry farming, forestry, heavy and light industries, security, road building, laying railways, airport establishment, transportation, and defense,” the Iranian daily *Ettela’at* reported. He identified projects in social insurance and health care services, as those to be followed up by the incoming government.

## Egypt

### Mubarak government abrogates land reform

All hell has broken loose in the Egyptian countryside, since the Mubarak government made known that it would implement measures in October to disenfranchise farmers. The decision had been made five years ago, on demands of the International Monetary Fund (IMF), to abrogate the land reform which Egyptian nationalist Abdul Nasser had introduced, but only now has the government said it will take effect. The measures dictated by the IMF have been accepted by the Mubarak government in the context of a broader privatization agreement. Six million Egyptians, including farmers and their families, will be directly affected.

Under the reform, no landowner was allowed to possess more than 50 feddayns of land. This measure in recent years has not been applied, but it was still on the books. Tenant farmers were protected by rent ceilings; they had the right to cultivate what they wanted, and they could not be thrown off the land. Now, rents will be liberalized, to follow the “laws of the market.” Landowners will have the right to expel tenants, without cause. And, the new measures include lifting all subsidies and government guarantees. Tenant farmers will no longer enjoy subsidized prices for inputs (seed, fertilizers, machinery), nor will the government buy up a certain percentage of the harvest, at fixed prices.

Mass protests have broken out all over the country, particularly in rural areas, led by the opposition parties—the Labor Party, the Nasserites, and the Group of Progressive Forces. Hundreds of peasants and activists have been detained by the police as a result.

**TURKEY'S** Deputy Prime Minister Bulent Ecevit said that the Developing-8 agreement forged by the previous government of Necmettin Erbakan, will be expanded by the new government, in an interview with *Hurriyet* on July 22.

**THE NUMBER** of appeals to the Salvation Army from gamblers in the state of Victoria, Australia, has risen 400% in the last four years, to the highest level in 100 years, a spokesman said. Victoria's Premier and Mont Pelerin Society darling Jeff Kennett has heavily encouraged gambling, which now provides the state more than 12% of its revenue.

**THE LABOR-INTENSIVE** policy of "sustainable development will lead to the death of 2 billion people worldwide," if implemented in agriculture, Prof. Erling Strand, "the old man" within the agricultural establishment in Norway, wrote in a letter to the editor in the Norwegian paper *Aftenposten* on July 24.

**A DEVELOPMENT** center was set up in Yinchuan, the capital of China's northwestern Ningxia Hui Autonomous Region, on July 17. It will build a "Western science and technology corridor," develop new industries, attract foreign investment, and increase cooperation between western and eastern China.

**GEORGIA** and Turkey have agreed to build a 127-kilometer, \$250 million rail link between Akhalkalaki, Georgia and Kars, Turkey, Interfax news agency reported on July 26. Work will be completed in three years, and it will carry an initial 10 million tons of freight annually. Costs are expected to be recouped in five years.

**SOUTH AFRICAN** JCI Ltd., the world's sixth-biggest gold mining firm with net assets of \$2.3 billion, is poised to establish a big presence in Australasia beginning in August, and expects strong expansion in the region. "There are some incredibly cheap companies around, particularly in the gold sector," one official said.

The Labor Party is circulating a petition to reverse the decision, for which they hope to collect a half-million signatures. Broad popular support for the farmers is visible. Black flags are being hung on houses, as a symbol of protest. Under this pressure, some landowners have opted for ad hoc negotiated agreements with farmers, on a local basis.

Adel Hussein, of the Labor Party, stressed in remarks to *EIR*, that, if the government were rational, it would use this spontaneous social resistance, to say no to the IMF. Instead, it seems to be going for confrontation. Hussein also said that the opposition movement is calling for cooperation between Egypt and Sudan, for food production.

## Labor

### South African unions strike against austerity

Over 100,000 public sector workers took part in strikes in Pretoria, Cape Town, Durban, the Free State, and the Eastern Cape, on July 25. Although the strikes are nominally over wage increases, the trade unions are strongly opposed to the British-instigated economic plan now being pursued by the government of President Nelson Mandela.

At the end of its executive committee meeting in June, the Congress of South African Trade Unions (Cosatu) announced a series of regional and national strikes as part of its campaign to push its demands before the Basic Conditions of Employment bill becomes law. The bill is part of the government's Growth, Employment, and Redistribution (GEAR) austerity program, and would allow Labor Minister Tito Mboweni wide discretionary powers to lower labor standards.

Cosatu argues that it is the overall macro-economic policy that is primarily responsible for the lack of jobs and job losses. The Central Statistical Service said in July that 71,000 jobs were lost in 1996; the GEAR scenario forecast an average of 270,000 new jobs a year.

In July, the Pan Africanist Congress

backed Cosatu, insisting that the country's growth strategy under GEAR is "totally unsound." In a policy document, the political party insisted that the state must "participate in the economy as an owner of economic assets which are used to drive economic development to promote the economic and social empowerment of Africans," and must "engage in well-defined infrastructural investment programs."

## Central Asia

### Turkey's Demirel backs new Silk Road

Turkey's President Suleyman Demirel spoke of the importance of the "Silk Road," in a speech at the "Issyk-Kul '97 Forum," sponsored by Unesco, in Bishek, Kyrgyzstan, on July 17. Demirel said that a stable, peaceful, and prosperous Central Asia will be a bridge for cooperation and friendship between Europe and China. Central Asia, he said, constitutes a geographic and economic link between China and the Mediterranean region, and it will again play its historic role, and harmonize different cultures and contribute to international peace.

Meanwhile, the directors of railway companies of Iran, Turkey, Pakistan, and five Central Asian republics signed an agreement on rail cooperation in Istanbul on July 17, the Iranian daily *Ettela'at* reported. The agreement included exchange and supply of freight cars and containers, and cooperation in stabilizing charges for rail services and equipment. Special tariff rate-reductions of 70% were granted to Turkey, Syria, Iraq, Lebanon and Iran, and Kyrgyzstan and Uzbekistan will also get preferential rates, said Hormoz Qotobi, deputy head of Iran's State Railroad Company. He added that the meeting was intended to facilitate transport of goods via Iran to Central Asia and to Europe.

Turkish Railway Company director Tekin Cinar said that the agreement will further expand relations, and that the Mashhad-Sarakhs-Tajan rail link is the most important one for Turkey to Iran and Central Asia. Nations signing the pact included Turkmenistan, Kazakhstan, Azerbaijan, Uzbekistan, and Tajikistan.