BRITAIN

The sick man of Europe

EIR is launching a new column on the disaster known as the British economy to document what we assert in our reports: that the British Political Economy advocated by the Mont Pelerin Society and Keynesians doesn't work.

The British government's wage policy which institutionalized "zero growth" in workers' living standards by prohibiting wage increases above 5 percent has finally achieved its goal: the elimination of "useless eaters" and the subjection of the rest of the population to economic triage.

Up to one half of the National Health Service hospitals in Britain are now providing only emergency services because of sporadic strikes by ancillary workers such as porters, kitchen staff, and laundry workers. About 1,100 out of a total of 2,300 hospitals across the country have been forced to deny new admissions. Cancer hospitals have been turning away new patients. Britain's largest childrens hospital has been brought to a standstill by "lightning" strikes lasting 4 to 24 hours.

In those hospitals which are still operating, meal service has been curtailed because of protests by food-catering workers. Patients receive only one hot meal per day if they are lucky. Others are reportedly preparing their own meals using ward facilities.

"The risk of patients who may die as a result of the delays in treatment goes by the board," said one hospital spokesman.

COMMODITIES

Panic, price hype part of London's war game

London metals traders geared up this week to set off a mood of both panic and euphoria — a "hype" as insiders call it — on the international commodities and metals trading markets. In essence, the line is that the world is headed for a commodities price boom rivaling 1974. This was quickly picked up and recirculated by London's New York friends, including Conti Commodities and the New York Times' H.J. Maidenberg, who are out to encourage investors to get out of currencies and rush onto a potentially "booming" commodities and metals market.

On Feb. 5, Barron's magazine ran a lengthy, London-date-lined article spewing the story out in full. "What oil is to Iran, a half-dozen strategic metals are to southern Africa," London correspondent Neil Behrmann begins. "Now that Iran has gone the way of chaos, the West has begun to turn its attention to other vulnerable sources of supply."

Behrmann also quotes David Hargreaves, consultant for J.H. Rayner of the London Metals Exchange: " 'It is highly probable that another major political disturbance could be witnessed in 1979. An obvious flashpoint is central Africa, while the Iranian crisis could also lead to a run-up in commodity prices.' "

On the surface it seems that the London exchange is simply trying to make a fast buck off the possibility of a crisis flare-up spreading from the Persian Gulf into Africa. The truth is that the sole purpose behind London's reports of a pending commodity price boom is to generate financial chaos.

In a recent interview also with Barron's, Peter George, South Africa's most publicity-oriented investment analyst, emphatically predicted that by August 1979, financial markets in Europe, Japan and the U.S. will blow out. To batten down the hatches in preparation for an August collapse, George recommends: "I would be into commodities, I would be into bullion, Krugerrands, gold shares, and short-term money assets" outside the U.S.

George's remarks point to the fact that London is also striving to directly sabotage major efforts undertaken in the recent period by West Germany and France, founding members of the new European Monetary System, to reach agreements with raw materials producers

Newspaper reports have confirmed that the effect on hospital waiting lists for routine operations will probably last for years.

Built-in breakdown

The British government, the "employer" in all the nationalized industries, including health care, brought this situation about by refusing to pay their public sector employees the wages necessary to maintain productivity, ensuring a "built-in" point of breakdown.

Not only are hospital workers, sewage workers, and water workers now staging industrial action, but they have been joined by school caretakers, janitors, gravediggers, morticians, and garbagemen — to name a few. The apparatus of city and local government is expected to grind to a halt when civil service workers stage a one-day strike later this month. Wage demands range from 10-15 percent as public sector employees seek to reverse the erosion of their living standards and try to keep one step ahead of inflation.

As a consequence, British life is becoming a sickening parody of the 14th century "Dark Ages" when plague and pestilence depopulated Europe and turned the clock back on technological progress. Medical authorities in Liverpool have warned that if striking gravediggers do not return to work soon, "we will seriously have to consider burial at sea." Two hundred embalmed bodies are now being stored in an abandoned factory waiting burial; 60 bodies cannot be embalmed because medical examiners who conduct the post mortems are on strike.

With garbagemen on strike, piled up refuse is already beginning to pose a health problem. One woman dryly commented: "I expect the rats will be clearing it if the weather gets any milder." In some areas, residents have been warned to boil drinking water because the sewage works are shut down.

But it is in health care that the situation is most acute, posing an immediate "life and death" choice. Striking ambulance workers are answering only the most urgent calls for help. Hospitals are ill-equipped to provide even the most basic of patient care. The government, the employer, is essentially in a position to determine who will live and who will die.

What does this say for U.S. Senator Edward Kennedy, whose national health insurance bill is, as experts in the medical field have confirmed, based on the British system of nationalized health care? Like in Britain where the "voluntary" ceiling on wages has given the vast majority of the population no other choice but the National Health Service for their family's medical care, Kennedy's bill would be accompanied by a series of deep cuts in federal welfare and jobs programs, slashing the real incomes of the poor and working class of the United States.

—Marla Minnicino

---

a means for stabilizing prices and knocking out the speculative commodities markets entirely.

In the framework of renegotiating the 1975 Lome II Accord, a price stabilization agreement between the European Economic Community and 56 developing countries, the European Community has begun to lay the groundwork for dismantling London's broad-sweeping control over raw materials. Arab sources report that the Community has proposed that collaboration on fullscale energy development for the Third World be an included, special feature of the new Lome agreement. Similar arrangements are being discussed between Japan and its major Asian trading partners. The anti-London approach centers around linking stable raw materials prices to such commitments to industrialize the Third World.

Supply-demand hoax

The chief commodities which London traders are now trying to hype, outside gold, are copper, platinum, chrome, cobalt, and other specialty raw materials which come, overwhelmingly, from the southern region of Africa and the USSR.

H.J. Maidenberg's column attempts to convince the reader that current prices for these materials are determined by the forces of "supply and demand." In his Feb. 5 play-up of platinum, Maidenberg asserts that "fears of a global shortage of platinum" have suddenly made this "dull metal" attractive. Citing alleged shortages of silver and copper too, Maidenberg notes that such "fears (have not been) expressed since the 1973-74 Arab oil embargo cast a cloud over all key commodity supplies."

The "supply-demand" argument also has recently relied heavily on rumors that shortages will be forthcoming because France and West Germany have announced plans to increase government stockpiles of raw materials.

The French-West German announcements, however, are directly connected to the Lome renegotiations, and plans to channel investments from the European Monetary System into industrialization of the developing sector.

A highly informed U.S. official recently reported that while France and West Germany are "very concerned" about the situation in South Africa, they were striving to implement "not military scenarios, but economic scenarios" to secure their raw materials supplies. This economic development approach recently resulted in the announcement by South Africa that it would link its currency, the gold-backed Rand, to the EMS as a prelude to increased cooperation with Europe as a whole.

If the EMS members succeed in stabilizing South Africa politically through industrial investments, ironically, the effect will be to improve mining technologies, raise total raw materials supplies, and eventually cheapen the price despite the enormous increases in both supply and demand such a policy would entail.

—Renée Sigerson