

BSE-infected cattle, might represent a serious threat to the public health. Yet there was already ample evidence pointing to a very considerable danger to humans.

Beginning in the 1950s, it was demonstrated that two diseases causing spongiform encephalopathies in humans — Kuru and Creutzfeldt-Jakob disease — could be transmitted to chimpanzees, by injection of brain tissue from Kuru and CJD victims, causing a similar disease in the chimps. There was also evidence that CJD could be spread from human to human by surgical procedures. Thus, Kuru and CJD were known to be *transmissible*, and in other respects similar to spongiform encephalopathies of animals which had been shown capable of performing species jumps. Finally, there was experience that once a virus or other pathogen, has made *one* species jump, a kind of evolutionary acceleration often occurs, which makes further jumps, to other species, easier and more probable.

On this background, and amid much public concern, the British government (as well as others) took some reluctant action to prevent the most highly infectious parts of BSE-infected cows — above all, brain tissue and spinal column — from getting into the human food chain. The chronology of British bans on the sale of so-called “risk parts” of beef, is rather revealing:

**June 1989:** Risk parts are banned from baby food in Britain.

**November 1989:** General ban on human consumption in England and Wales.

**January 1990:** General ban in Scotland.

**March 1990:** Ban on exports of risk parts to countries of the EU.

**July 1991:** Ban on exports to developing countries.

Thus, for *two years*, the Thatcher government saw no problem in continuing to export BSE-contaminated beef to the Third World, although it officially acknowledged the threat to British children! In reality, nobody knows how much BSE-contaminated material is still finding its way onto the world markets, including the huge market for raw materials for gelatin and other processed food products, medicines, etc.

In 1994, the first handful of cases of nvCJD appeared in Britain. To date there have been 84 verified cases of nvCJD there, and the number appears to be growing rapidly. This disease clearly belongs to the same general family of spongiform encephalopathies as BSE, scrapie, and classical CJD itself, but it differs from classical CJD both in the young average age of the victims, and in the detailed pattern of destruction of brain tissue. Attempts to treat the disease have little or no effect; like classical CJD, scrapie, and BSE, nvCJD appears 100% lethal. A most frightening aspect, is the probably *very long incubation period* of nvCDJ, which is implied by the time-lapse between the first large-scale exposure of British consumers to BSE-contaminated products (in the 1980s) and the first cases of nvCJD in 1994.

Assuming that nvCJD is in fact the result of a species jump of BSE to humans through consumption of contami-

nated products — which appears very likely, if not virtually certain — an article published in the British science journal *Nature* in August 1999 projected, that a total of 63,000-131,000 cases of nvCJD would probably occur in Britain in the coming decades. However the author, Roy Anderson, admitted a very large margin of error, especially if the number of nvCJD were to accelerate faster than expected in the coming months. The latter has in fact occurred. Instead of his expected total of 15 new cases in 1999, there were 17, and then an additional 24 cases appeared in the first three months of 2,000 alone! Revised estimates now foresee as many as 500,000 cases — assuming, of course, that no further exposure to BSE-contaminated products occurs, and that *no additional transmission routes appear*, that might create a self-sustaining epidemic among humans. Experiments have pointed to the likelihood, that nvCJD might be transmitted by blood, and precautions are already being taken by the United States and other countries, to exclude possibly nvCJD-infected persons from donating blood.

## Globalization: 1980s Origin of ‘Mad Cow’

by Marcia Merry Baker

The record shows emphatically, that the first spread of BSE (bovine spongiform encephalopathy) disease, during the radical “free markets” reign of the original Mad Cow, British Prime Minister Margaret Thatcher (1979-90), was preventable. The companion article, “Mad Cow Disease Hits Europe; How Globalization Is Poisoning Your Food,” describes the scope of today’s livestock and meat supply crisis, and the process leading up to it.

It is important to go back, and name the names of those persons and companies responsible during the critical 1980s period. Seeing this clearly, also throws the spotlight on today’s “who’s who,” of those menacing the food chain.

*EIR*’s June 21, 1996 issue contained a 17-page dossier, titled “Maggie Thatcher’s Economics Spread ‘Mad Cow’ Disease,” including a timeline of events from the 1970s to the 1990s, and corporate profiles of the livestock suppliers, renderers, and others involved. We here summarize some key points, and also note today’s counterpart companies, demanding “free market” rights to subvert farming practices and endanger food supplies.

No mere question of mega-companies getting “too big” and “going bad,” what we are seeing is the lock-up of food, and other essential commodities (energy, metals, minerals, even water) in the control of those positioned to make a killing off shortages, and guarantee economic breakdown.

In particular, as of November 2000, a merger fight is under way involving the two largest meat processors in the world:

Smithfield, Inc. (largest pork processor and producer of hogs) is vying to buy IBP (world's largest beef processor). These companies are nominally based in the United States, but operate internationally among the predominantly "BAC" (British-American-Commonwealth)-controlled commodity cartels. They politically intersect both the rigged Bush and Gore non-choices for the U.S. Presidency.

Understanding the origins of "Mad Cow Economics" can aid in the strategic battle to restore *national-interest economics* to govern agriculture and other policies, before it is too late.

### Maggie's 'Markets' Fanaticism

There has probably never been a more open-and-shut case proving how deadly *laissez-faire* economics is, than the story of the Thatcher government and BSE.

In brief, both before and during Thatcher's prime ministership (1979-90), infectious animal by-product from British slaughterhouses was recycled by giant food-processing conglomerates — *without being decontaminated* — into the livestock feed chain. The recycled offal included sheep remains from flocks known to have scrapie (the sheep and goat form of transmissible spongiform encephalopathy, TSE), and cattle remains.

In September 1979, just four months after Thatcher became Prime Minister, her Cabinet *decided to set aside 1978 draft proposals for tightening animal feed standards*.

This deregulation continued when, in 1981, Minister for Agriculture, Fisheries, and Food Peter Walker signed the "Diseases of Animals (Protein Processing) Order," which *allowed the tainted feed practices to continue and expand*.

The rationale given was straight free-trade dogma: The rendering and feed industry has the right to self-regulate. It must be free to use the least costly methods (low temperatures, low pressures, low fuel costs). "Market forces" must be free to decide what animals eat.

In 1986, the first official case of BSE was recorded in England. The consensus among veterinarians and epidemiologists, is that tainted feed was a leading co-factor. Yet, tainted and suspect feed mix continued to be distributed, and was also exported. In 1990, the first BSE case occurred abroad; by 1996, over 384 official cases were recorded, in ten countries where tainted feed, and/or live cattle, had been exported from Britain.

Only in 1988 did the Thatcher government make BSE a compulsorily notifiable disease. In 1989, six thousand BSE-infected cows were reported in the U.K.; in 1990, thirteen thousand; in 1991, twenty-five thousand; and in 1992, thirty-seven thousand (the peak year).

Only in 1988 did the Thatcher government issue a ban on recycling U.K. animal wastes into livestock feed; and that was not enforced. Moreover, *after tainted feed products were banned at home, Britain more than doubled exports* of bone meal and other abattoir by-products for feed.

The chain of events leading to tens of thousands of BSE-infected cattle, and now, to growing hundreds of human beings infected with lethal "new variant" Creutzfeldt-Jakob disease, was thus set in motion by a series of specific decisions. Those decisions fell under the general economic policy of "deregulation," virtually invented by Thatcher's British governments.

### What Are 'The Markets'?

Exactly who are the "industry" and "market forces" referred to? The prominent companies and individuals involved were all from the top echelons of the House of Windsor's financial empire. The predominant British livestock feed companies included the following names:

**BOCM Silcock**, a top 1980s livestock feed merchant company, was a sub-division of Unilever PLC, the Anglo-Dutch food cartel company.

**Prosper de Mulder Ltd.**, in the 1980s owned over 70% of all rendering in the United Kingdom. In 1990, the firm admitted that at least one of its five factories was processing offal at 115-120°C, at least 10°C below the lowest safety threshold recommended by the European Community. Between 1968 and 1975, de Mulder had bought up 79 smaller businesses involved in the meat trade, establishing a "monopoly of the cattle feed trade" in Britain.

**BP Nutrition** was, in the 1980s, one of the world's largest commercial feed companies, and a wholly owned subsidiary of British Petroleum. At the time, it owned Purina Mills in the United States. (BP Nutrition was subsequently broken up, and sold off by British Petroleum, in a series of transactions during 1992-93).

**Dalgety PLC**, in the 1980s, was the single-largest commercial feed company in the United Kingdom. It owned the largest pet-food-producing company in Europe. Its subdivision, Martin-Brower, was the wholesale food supplier to McDonald's fast-food restaurants in North America. As of 1995, it placed 18th in the world ranking of food and beverage companies, by dollar volume of sales.

When Peter Walker resigned from government office, after serving in Thatcher's Cabinet as Agriculture Minister (1979-83) and Energy Minister (1983-87), he became a director of Dalgety PLC. He also joined the board of the newly deregulated British Gas PLC. Thatcher's deregulation and privatization extended to all kinds of infrastructure and vital services, gutting the physical economy. In 1992, Walker was named Lord Walker of Worcester, MBE, PC (royal Privy Council).

For the record, Dalgety PLC no longer exists. Its vast agriculture and food divisions were spun off to other firms over the 1990s. The remaining core division, PIC (Pig Improvement Corp.) International Group, the world's foremost swine genetics firm, is now officially headquartered in California. Still on its board is one Brian Baldock, affiliated with Guinness, which merged in 1997 with the gigantic British

Grand Metropolitan, to form a new London-based mega-company, Diageo PLC. Diageo — meaning “daily” (dia) “world” (geo) — is the world’s largest producer of alcoholic drinks. It also owns international food-processing operations, ranging from Burger King (10,000 locations) to Pillsbury and Green Giant.

### ‘Global Sourcing’

These few facts, raised by the role of deregulation and monopolization, in the case of Mad Cow disease, characterize every aspect of the world’s food chain today. Small numbers of individuals and firms control vast concentrations of food processing, and far-flung “free” (rigged) trade routes. It’s called “global sourcing” in World Trade Organization parlance. One indicative example: From U.S. slaughterhouses, animal guts are packed, and shipped over 5,000 miles to China, where they are cleaned, and shipped 5,000 miles back, as sausage casings for delicatessens. Another example: Kraft/Philip Morris ships corn from the U.S. Midwest, 500 miles to Mexico, for milling and processing into taco shells, which are then shipped back to U.S. consumers. In September, “Taco-Bell” brand products were re-called for showing traces of a corn strain not approved for human consumption. U.S. cheese and other dairy products, increasingly contain imported milk protein concentrates.

### Mega Meat Cartels: Smithfield, IBP

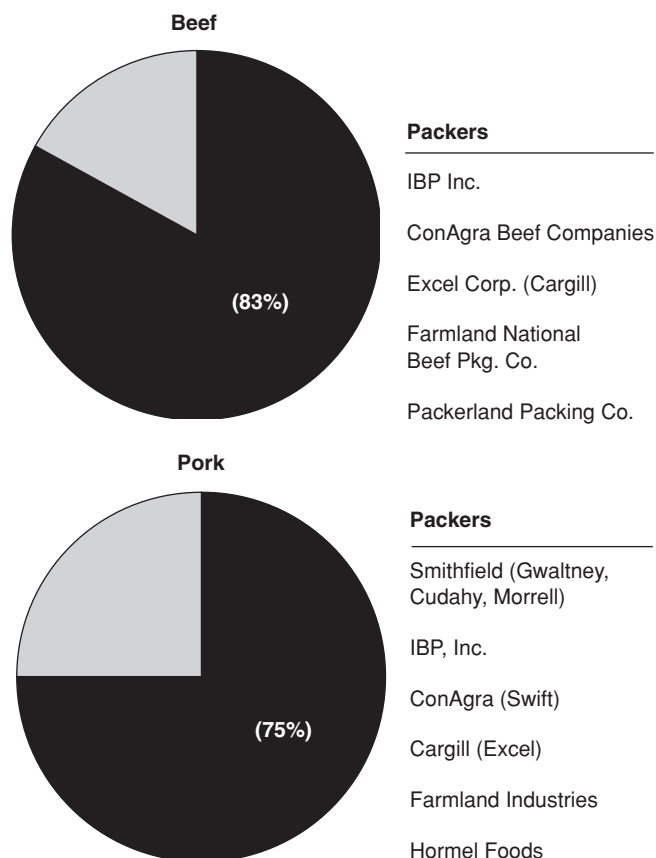
Look at the U.S. meat supply, in terms of concentration of control over supplies. **Figure 1** shows the share of slaughtering of cattle and hogs controlled by a handful of companies. Over 83% of beef comes from only four companies, the largest being IBP, Inc. (headquarters, South Dakota). Over 75% of pork products comes from five companies, the largest being Smithfield Foods, Inc. (headquarters, Virginia). The concentration is similar for poultry, grains, and other basics, including seeds and livestock genetics.

Moreover, the cartel packing companies are now themselves raising a high percentage of their livestock, directly or indirectly, in “factory farm” confinements and feedlots. For example, Smithfield, as of 1996, produced over 75% of the more than 10 million hogs it slaughtered in the United States. A high percentage of the stock is from NPD genetics, from the National Pig Development firm in Yorkshire, England.

The American System of high-tech family farms, with farmer control over animal husbandry, and regional and local processing and consumption, has been subverted out of existence by deregulation and free trade. For safety and supply, the links in the world food chain have never been weaker, as the spread of BSE shows.

Prof. William Heffernan of the University of Missouri, whose Rural Sociology Department keeps track of this cartel food concentration, recently warned, “There’s a lot of uncertainty about what results from the homogenization of breeds, the entropy of the gene pool, the concentration of production

FIGURE 1  
**Meat Cartels, Share of U.S. Market Control, 1999**



Source: Report to National Farmers Union, 1999, by Drs. Heffernan, Hendrickson, Gronski, University of Missouri.

that generates new pathogens” (“The Last Farm Crisis,” *The Nation*, Nov. 20, 2000).

On Nov. 14, Smithfield made its takeover offer for IBP. Smithfield boasts of its “track record of translating acquisitions into shareholder value.” Its major acquisitions:

**Vertical Integration:** Hog factory farm companies, Carroll’s Foods, Inc. (1999) and Murphy Farms, Inc. (2000).

**International Positions,** takeovers or big stakes: Schneider Corp. (Canada, 1998); Mitchell’s Gourmet Foods (third-biggest pork processor in Canada, 1999); Société Bretonne de Salaisons (largest private-label maker of hams and bacon in France, 1998); Animex (67% joint venture, with the largest meat and poultry processor in Poland, 1999); Société Financière de Gestion et de Participation (France, 1999); Agroindustrial del Noroeste (50% joint venture, Mexico, 1999).

**U.S. Acquisitions:** Gwaltney’s, 1981; John Morell, 1995; Lykes Meat Group, 1996; North Side Foods Corp., supplier of pre-cooked sausage to McDonalds, 1998.