

Hoof-and-Mouth Plague Grows: Again, Globalization Kills!

by Rosa Tennenbaum

Smoldering pits filled with animal carcasses, blockades and checkpoints on roads and highways, empty stockyards; a ban on all public meetings, all sports events cancelled, many schools closed: This is Great Britain under quarantine. As the 21st Century dawns upon this industrialized country, scenes as if from the Middle Ages now predominate. The United Kingdom has re-entered the Pre-Industrial Age.

For two weeks, hoof-and-mouth disease (HMD) has been raging, and despite drastic anti-epidemiological measures, the feared epidemic spread quickly throughout the country. All efforts to cut its transmission lines failed, and this outbreak could become even worse than the last major plague in 1967. The British daily, the *Guardian*, on Feb. 22 published some memories of that nightmare: "Farms found to have the disease were immediately sealed off, with no one allowed on or off the premises. Police were stationed outside the gates. It closed everything. . . . Nothing happened in the villages because no movement was allowed off the farm. Children could not go to school, women could not shop. Food and milk was delivered to the farm gate. . . . The epidemic devastated the region economically and traumatized thousands of farmers for years. . . . Pedigree flocks and herds were lost. . . . By the time the allclear was sounded on June 4, 1968, there had been 2,364 outbreaks and 433,987 animals had been slaughtered."

Britain's current downfall began in 1979, with Maggie Thatcher's rise to power. Her new slogans were "productivity," "cost-effectiveness," and "competition." Short-term material gain was worshipped as the ultimate aim of national policy. As a result, today, the minimum size of farms in the hilly central regions, is 150 hectares (370 acres), while the lowlands are dominated by huge 1,500-hectare farms that are owned by international businessmen. And just as elsewhere

in Europe, fruits, vegetables, and meats come in from distant lands, while domestic orchards are laid waste in order to make way for apples from New Zealand, Chile, and Argentina. Yes, this has indeed yielded a profit—for the trading companies and for the legions of middle-men who all have a piece of this absurd system.

And for a time, this system even meant tidy profits for the British farmer himself. But then came the crash. In the last five years alone, net farm income has collapsed by 70%, according to the Ministry of Agriculture's statistics. Other estimates by independent institutions set that figure even higher, at 90%. The reasons given for the collapse, include the drastic drop in prices paid to the producer, especially for cattle and pigs, and also the British pound's high price on international currency markets. Since the European Union bureaucracy in Brussels calculates all payments to EU farmers in euros, British farmers have been receiving 40% less than if they had been paid in their own currency. But now, with the hoof-and-mouth crisis, farmers are cut from any income whatsoever, since the embargo on transport of agricultural products prevents them from selling anything. Producer prices are in free fall.

"Britain First!" So went Thatcher's election slogan—one that has now come gruesomely true. The British long thought that they could set up free trade to work to their advantage; all you had to do, was be quicker and more ruthless than the next guy. The principle of "get big, or get out" was implemented with a vengeance. Of the 1,400 slaughterhouses that existed in the U.K. in 1990, only 1,000 now remain, and the shutdown rate is still increasing. The ones that remain are giant, centralized plants, to which cattle must be transported over hundreds of miles, making them excellent transmission-

belts for spreading an emerging disease throughout the country.

Following the British Goat

Globalization became a popular British export item. The European Commission willingly followed suit, adjusting its guidelines accordingly. As a result, 250 million animals in Europe are now sent on long trips each year; English suckling-pigs are fattened in Spain, slaughtered in Holland, butchered in Germany, and then are consumed in some other part of the world. Why? Well, feed is cheaper in Spain, and you can save a bit of money on top of that, if you have the animals slaughtered in Holland. Profit margins have become so tight, that even minuscule margins are exploited to the hilt. And if any maneuvering room does crop up, you lower your prices in order to increase your market share. And so, even though Great Britain is dependent to a considerable degree on imports of meat, over the past year it *exported* 850,000 live sheep and pigs, almost all of them for slaughter and not for breeding. In turn, the United Kingdom had to import ever greater quantities of lamb and mutton from Australia and New Zealand. The system has been one long nightmare.

Of course, along with the globalization of trade, came the globalization of its dangers. The UN Food and Agriculture Organization (FAO) now warns of a worldwide spread of hoof-and-mouth disease. The latest epidemic began in 1991 in South Asia, spreading westward through the Arabian Peninsula and Turkey, reaching Europe in 1996. In the past two years alone, there were outbreaks in over 60 countries, many of which had been entirely free of the disease for generations. In the last two weeks of February alone, the disease has erupted in Argentina, Paraguay, and Kyrgyzstan. Globalization has become the world's greatest threat to the health of man and beast alike.

All past experience with HMD demonstrates that even the most rigorous measures are ineffective in entirely preventing its spread. This virus is so infectious, and can be transported so easily over large distances, that it cannot be eliminated though isolation and extermination. But despite that, the British have so far restricted their efforts to just those two measures. The most effective means of blocking potential transmission routes, is vaccination; but Britain has not taken that step.

When Denmark entered the European Union in 1993, they were required to cease all vaccinations against hoof-and-mouth disease and swine fever, so as not to endanger Denmark's meat exports. Traditionally, Denmark exports pork to Japan and the United States; but these two countries declared that they would only import meat from countries which did not vaccinate their animals, arguing that vaccination leaves traces of the disease behind. Great Britain supported this view. All EU countries were likewise intent on instituting uniform procedures within the framework of harmonizing the policies of the EU member states. And so, given the fact that EU

countries had not had any animal-disease epizootics for years, the Danes felt secure in abolishing all vaccinations.

Antibodies and Anticompetition

But the real story about vaccination, is its implications for trade policy, and therefore financial policy. Antibodies in the blood of vaccinated animals are indistinguishable from those left in the wake of a hoof-and-mouth disease outbreak, thereby making it much more difficult to detect any new outbreaks. But on the other hand, the animal is protected against the disease. And so, the argument cited by Washington against vaccination, turns out to be yet another excuse to set up an unfair trade barrier. And meanwhile, Washington has had no qualms about continuing to import meat from Argentina, where there has also been an outbreak of hoof-and-mouth disease: Some 5,000 of its cattle are ill with the disease, and at least 11 million animals are set to be vaccinated. But Argentina, unlike the European Union countries, is not seen by Washington as a competitor, and therefore it does not come under the U.S. embargo.

In Europe, whenever there is an outbreak of hoof-and-mouth disease in one country, that country immediately ceases all export of meat, milk, and milk products. In a globalized economy, where exports are the main measure of economic success, this inflicts enormous damage upon the affected country. In England, the losses caused by the agricultural trade embargo alone, are estimated at £150 million (\$220 million) per week. Immediately following the outbreak, it was predicted that at least every second farm would not survive the crisis. In Germany, it is estimated that any outbreak would cause at least 2 billion deutschemarks (\$95 million) in damage.

The countries on the European continent are concentrating their efforts on preventing an outbreak within their own borders. Cattle markets have been suspended, and restrictions have been put on the transport of animals. Any animals that had been imported from the United Kingdom within the previous four weeks, have been exterminated, and other possible routes of infection are being carefully monitored. In Germany, they are prepared to start vaccinating. According to their crisis plan, immediately following a single confirmed outbreak of hoof-and-mouth disease, all animals on farms located within a radius of 3 kilometers of the affected farms, are to be vaccinated. Through immunization and drastic preventive measures, they hope to localize its spread and minimize the economic losses.

But despite these measures, the effects are going to be devastating. Many tens of thousands of animals have already been exterminated and burned, with many more to come. In Great Britain, 4.5 million cattle have already been destroyed because of "Mad Cow" disease (bovine spongiform encephalopathy, BSE).

And now will go, on account of HMD, another few hundred thousand, plus about the same number of sheep and

pigs. On the continent, hundreds of herds have already been destroyed. All these animals can yield us neither milk nor meat; they have been entirely lost for human consumption, and for breeding. The politicians describe this euphemistically as “taking them out of the food chain.” All told, 1.2 million cattle will end up being destroyed in the wake of the BSE crisis, and now another 1.7 million will follow them.

Now, this is indeed a huge quantity of food—of meat, milk, and milk products—and if Europeans had not been able to procure what they lacked from other parts of the world, they had long since died of hunger.

But, for many years now, one instrument of international agricultural policy, has been the creation of artificial food shortages. And now, on top of this comes the new epidemic. The industrialized countries have seen food become increasingly scarce and thus more expensive. And so, the days when agricultural products held down inflation, are drawing to a close, and soon the exact opposite will be the case.

The crisis unleashed by this new epidemic, is a clear warning to us all. It gives us a graphic picture of the failures of our recent economic and agricultural policies—globalization, deregulation, maximization of profits—and literally cries out for a fundamental reorientation. And this will have to be precisely the opposite of what German Consumer Protection Minister Renate Künast and, more recently, British Prime Minister Tony Blair, have been preaching. It is not a matter of “reshaping globalization,” and injecting a bit more “circu-

lation economics.” Rather, there must be a radical break with the current policy.

National Food Security

The first and foremost task of any nation’s agricultural policy, must be to provide food for its own citizens; only after that, should export come into play. With this weighting of policy priorities, the worst dangers confronting us right now, would be solved. A further step to be taken, is the establishment of a system of parity pricing. Farmers must receive a guarantee that the prices paid to them will at least cover their production costs, and give them a small profit for reinvestment purposes. These two small changes could turn today’s absurd system topsy-turvy—i.e., back onto its feet. Agricultural policy would suddenly become transparent and manageable.

The “ecologization,” however, which is currently being pushed throughout Europe, is only making matters worse. It has brought a flood of new regulations, laws, and subsidies, and has not had the slightest effect on the process of globalization. It is merely serving to further curtail food production, and is applying more heat to a now-impending explosion of consumer prices.

We are at the end of an epoch, and the question now, is: Which direction shall we take? Will we follow Great Britain into the Post-Industrial Age, which has all the trappings of the old feudal order? Or, will we make a daring break, and open up at least a distant view of a more friendly future?

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