of the human race—Europe before the 14th-Century Black Death—is shown in **Figure 2,** which foreshadows the actual current direction of population in Figure 1. The population of Europe had been undergoing a slowly accelerating growth for more than 600 years—since the final collapse of the Roman Empire—when at the end of the 13th Century, economic "globalization" was imposed. The imperial financial center then was not London or New York, but Venice, which used its maritime empire to gain control of currencies, and domination of production of the most important commodities, over all Europe and even over the murderous Mongol Empire to the East. Venetian oligarchs pumped money into the banks of Florence, making them banking conglomerates on a world scale never seen before. As this globalization intensified, food production per capita declined; by 1300, the healthy European population growth levelled off and gave way to an eerie "equilibrium" that lasted almost 50 years. This was the prelude to complete collapse: of banks, of trade, of productive economic activity, of human health, and of population.

This financial and economic disintegration—finally reversed by the launching of the 15th-Century European Renaissance—is, as Lyndon LaRouche has insisted in many articles on the current crisis, the only model history offers us for the economic collapse we face today. This is true demographically, as well as for economy.

The U.S. 'Exception'

There has been great fanfare surrounding the apparent exception of the United States; the U.S. Commerce Department released on Dec. 29, 2000 its decennial census count, as required by the U.S. Constitution, and announced that the population of the United States had grown by 13.3% from 1990 to 2000. This represents an annual rate of growth of about 1.25%, much higher than the rate for the world as a whole, if it is still continuing. And in fact, the indications are that the rate of population increase in the United States, was actually itself increasing in the last years of the decade: The American population as counted by the Census Bureau, was more than 2 million higher than the United Nations thought it would be.

While the Census Bureau has not yet broken down the increase, a sizable part of this increase, perhaps a third of it, has been caused by immigration. Just as the American economy has been living on vast imports of capital from the rest of the world, and on massive imports of cheap products shown by its huge trade deficits, so labor has been following that capital into the United States, to be cheaply employed in most cases.

But this entire process is now coming to an end, with the dollar blowout which has begun to be revealed so suddenly since the November U.S. Presidential elections. The large immigration, and the higher-than-average U.S. population growth, is set to end with it.

Santa Did Not Come To Poland, Either

by Anna Kaczor Wei

Usually a festive time, this past Christmas in Poland was dominated by the news about a nationwide protest action by nurses, hundreds of whom spent Christmas Eve occupying the Health Ministry building in Warsaw, far away from their families. The protest had been going on for weeks, and it involved not only appeals to the government, picket lines, and threats to abandon patients, but also blockades of roads, border crossings, railroad links, and bridges.

All this did not bring the expected results. The National Nureses and Midwives' Union (OZZPP) demanded an increase in their shamefully low wages: 500 zlotys more per month added to the current 600-900 zlotys average monthly wage ($140-210).

The government claims that nurses' wages are no longer its responsibility, because after the 1999 reform of the health-care system, public hospitals and clinics (private ones hardly exist) are run and owned by local governments. These governments, in turn, claim that there is simply no money for wage increases, because many facilities face bankruptcy anyway. A few days before Christmas, however, the government suggested allocating some money in the 2001 year budget to increase nurses' wages by 200 zlotys ($48) monthly. The Sejm (Parliament) passed the bill, but some deputies suggested that the only way to get the money for this purpose is to increase taxes. The union decided to continue their protest since there was no guarantee that even this modest proposal would be actually realized.

According to the OZZPP statement from Dec. 30, some 162 hospitals and clinics all over the country announced readiness to go on strike, 35 were occupied by nurses, and in 25 there was a hunger strike going on. Nurses in over 100 health institutions were planning to leave patients for a few hours. In some locations—for example, Lublin and Gdansk—nurses were occupying local government buildings and insurance headquarters. A day before, 1,500 nurses from all over the country marched through downtown Warsaw to the Office of Ministers' Council. They were joined by a group of miners who tried to storm the building and became involved in a brawl with the police.

In an interview with the daily *Gazeta Wyborcza,* Longina Kaczmarska, chairwoman of the Mazowiecki chapter of the

OZZPP said provocatively that desperate nurses were getting even worse and more aggressive than Lepper (referring to farm leader Andrzej Lepper, whose trade union paralyzed the country with road blockades in 1998).

As of Jan. 2, the protest was continuing. The bill proposing wage increases for nurses was waiting to be confirmed by the President, but Bozena Banachowicz, the OZZPP chairwoman, expressed little hope that the money would ever reach them.

It's the Whole Economy, Stupid

This was not the first protest organized by Polish nurses. Since free market reforms were launched in 1990, there is no branch of the Polish economy that has not suffered a setback. Like everything else, the health system has been subjugated to shock therapy. It was not perfect in the past, but under a new regulation, it is supposed to be financed solely through health-care insurance fees paid by the impoverished population. As a result, there is no money for anything.

At the beginning of December, for example, a trade union weekly, *Kurier Zwiazkowy,* reported that Warsaw hospital administrators announced that they were not able to admit children to intensive care units, because insurance agencies were refusing to reimburse the cost of treatment. According to *Kurier,* most Warsaw hospitals are so indebted, that they face closure. Other press reported on a group of Warsaw doctors who started to issue "health services coupons" as a sort of black humor joke, to remind people of the food shortages and food coupons in the early 1980s. At that time, people had to line up at night to storm shops in the morning to buy whatever basic food products their coupons allowed. Today, getting into a hospital often requires putting your name on a long waiting list.

Whatever maneuvers the government will engage in, it does not really matter, as long as it sticks to free-market ideology. There will be no money for the health-care system, if there is no production and real economic growth. And change does not seem to be likely, given that the infamous free-market reformer, Leszek Balcerowicz, is back in business.

In mid-December, Balcerowicz was confirmed by the Sejm as a new chairman of the Polish National Bank, despite the fact that his name has become a synonym for creative destruction and International Monetary Fund economic liberalization. He had to resign as Finance Minister in 2000 (that was the second time he held this office, after a 1990 debut in which he implemented George Soros's plan for Poland). Then he was invited to go to Georgia to advise the government of this former Soviet republic on economic matters, but, unfortunately, did not settle in the Caucasus. His reappearance as head of the Polish central bank certainly justifies one more Polish joke: How many Poles does it take to destroy the economy of a nation of 40 million? 236—1 Balcerowicz and 235 Deputies to keep putting him back in office.

Jokes aside, the situation is becoming worse and worse for all Poles, not just health-care workers. One can sympathize with protesting nurses, but the truth is that all professions are affected by the crisis; even once-prosperous bank employees have gloomy prospects, more than 8,000 of whom will lose their jobs this year. The price of gasoline is going up like everywhere else, and in February the price of natural gas, imported mainly from Russia, will go up by 20%. According to an independent economic think-tank, Nicom Consulting, in 2001 unemployment may even reach 18%, and the collapse of real wages is expressed, among other things, by the 22% fall of car sales in comparison with 1999. This, of course, means trouble for car producers (all of them foreigners, anyway, since Polish car factories have been bought out on the free market). The South Korean Daewoo factory in Lublin (DMP), for example, did not pay wages in December, and already in November, announced that 1,200 employees out of 4,200 would be laid off, while production of DMP cars would most likely drop by 35% during the first six months of this year in comparison with 2000.

Additionally, Polish foreign debt continues to grow, and according to the Polish National Bank, it is now $65 billion, $6 billion more than in 1999.

The free-market school has one solution for all these problems: Let's join the European Union as soon as possible, and then we will flood Europe with our cheap goods. This, of course, is an illusion. If the present trend continues, there will be no production to talk about, by the time Poland joins the EU, and secondly, conditions imposed on potential new members by the European Commission seem to have just one purpose: to open new markets for goods and services from Western Europe. For example, the latest debate between the Polish government and the EC concentrates on the deregulation of the natural gas market. The EC praised Poland for fast privatization and deregulation of the energy sector, but the resistance to do the same with natural gas is now slowing down negotiations over Polish membership in the EU, the which has been used for ten years now as a big carrot to convince Poles to adopt suicidal economic policies.

Mrs. Banachowicz is right. Most likely, nurses will not see any real money any time soon. The only solution for nations like Poland, in the face of a global financial crisis, is a regional agreement, like the one in Asia around ASEAN-Plus-3, and eventually a New Bretton Woods system.

At the end of November, a Schiller Institute delegation discussed this matter again in Poland with the Parliamentary opposition, economic experts, and university circles (see *EIR,* Dec. 15, 2000). And all of them agreed that single issues do not matter any more. The economy as a whole needs to be rebuilt.