

U.K. depression means early death of Major government

by Mark Burdman

The Oct. 18 issue of the London *Sunday Times*' entire front page was bordered in black, a convention usually reserved for mourning the death of a revered public figure. On this occasion, it mourned the death of the British economy.

Since the Sept. 16 removal of the British pound sterling from the European Community's Exchange Rate Mechanism, a unilateral action by the John Major government, events have moved quickly in Britain, where the physical economy deteriorates by the hour, and government actions are forcing things from bad to worse. The Major government is not long for this world.

"John Major was at last picking up the intimations of his own political mortality." So commented the *Sunday Times* on Oct. 18, on the British prime minister's state of mind as he emerged from the Birmingham, England summit of European Community heads of state two days earlier.

In the forefront of the British economic crisis is the issue of closing the coal mines. Whether through clumsy miscalculation or a conscious design to torpedo the regime from within, Minister of Trade Michael Heseltine announced on Oct. 13 that 31 of Britain's remaining 50 or so coal mines would be closed, and that 30,000 of the 50,000 miners would be summarily laid off. The rationale? The government said that gas-fueled electricity would be cheaper, and would benefit British industrial "recovery." However, industry itself is rapidly shutting down.

In addition to the 30,000 colliery layoffs, some 100,000 further layoffs would result directly and indirectly in the communities where the pits are located, and among firms doing business with British Coal.

The firings were announced in the collieries in a medieval way. When veteran coal miners picked up their paychecks the week before, they found in the envelope job terminations giving two days' notice.

Political uproar

The Heseltine action triggered a giant political backlash throughout the U.K., most importantly within Major's own Conservative Party. Over the Oct. 17-18 weekend, it was made abundantly clear to Major by ruling figures within the Tory establishment, that he would lose a debate in the House of Commons, scheduled for Oct. 21, on the mining closures, because of a large-scale defection of usually loyal Tory parliamentarians.

By Monday, Oct. 19, Major huddled in an emergency cabinet session at 10 Downing Street. During the afternoon, speaking in the House of Commons, Heseltine announced a tactical retreat on the mining issue, speaking of closing fewer mines. On Oct. 20, senior Members of Parliament—the "1922 Committee" of Major's own party—met and demanded a rollback of mine closures from 30 to 10.

Then on Oct. 21, the Major government survived the House of Commons debate with a narrow 13-vote majority, by supporting fewer mine closures. Officially the issue has been postponed until January 1993, by which time Prof. Steven Littlechild, the Regulator of Electricity, is supposed to issue a review of whether gas or coal is cheaper for Britain's electricity generators, and advise on the speed of colliery closings.

On the streets of London, upwards of 50,000 people, across the spectrum of British life, were marching in solidarity with the miners. The United Democratic Mineworkers gave a cardboard cutout of a mineworker to Major, while in Nottinghamshire, UDM head Roy Lynk stayed for seven nights more than 1,000 feet down in Britain's deepest mine.

The National Union of Mineworkers and Trade Union Council announced a national rally for Oct. 25, hoping for 100,000 people.

In response, Major gave a number of interviews and state-

ments, promising a renewed government commitment to “growth” and “recovery.” The only problem, was that the commitment is devoid of any content.

The Major government is also going from disaster to disaster internationally. The last-ditch negotiating session on agricultural issues at the General Agreement on Tariffs and Trade (GATT) talks between the United States and the European Community failed on Oct. 21, with the U.S. intransigent against Europe’s concerns. Both Bush and Major—currently head of the EC under the rotation of the EC presidency—wanted to clinch a free trade deal for political and financial gains. Major also boosted the Maastricht Treaty plan for a unified European bank zone, a scheme desired by the City of London. But Maastricht is failing fast.

On Oct. 22, the Conservative 1922 Committee met to warn and urge Major to delay a decision on Maastricht.

Is it 1931 . . .

The black-bordered Oct. 18 *Sunday Times* was brutally frank on the British economy. Its lead headline, across seven columns, read: “Recession Turns into Depression; 200,000 Jobs to Go by Christmas,” under which the paper commented that “disturbing new evidence suggests that the economy is moving from recession into depression. Surveys out this week will show an alarming slump in business confidence.” The chairman of the National Chamber of Trade, Georgina James, was quoted: “The economy is bleeding to death. Shops are closing so fast you hardly have time to count them.”

In this context, what drives political opposition to the Major regime, is that extraordinary measures are needed, and Major can’t deliver.

And with the admission that Britain is in a depression, comes the drive to set up a “national unity” government, precisely as *EIR* last week warned would happen. Across pages 9-11, the same *Sunday Times* headlined, “Depression Britain: Major’s Road to Nowhere; Under the Shadow of the 1930s.” In the midst of this news spread, was a feature in bold-faced type entitled “Will the Next Step be a National Government?” This article alluded to the last time that such a phenomenon occurred in the midst of a depression, when the Labour government of Ramsay MacDonald resigned on Aug. 24, 1931, to be replaced by the “all-party National government.” Writer David Smith recalled that the 1930s brought fascism, protectionism, and a posture of government “interventionism” toward the economy.

There is even a call to bring back a new Neville Chamberlain, who as Chancellor of the Exchequer from 1931 to 1937 presided over brutalizing British citizens in the name of curing the Depression. A London *Daily Telegraph* commentary on Oct. 20 by former *Telegraph* editor W.F. Deedes, focused on the “many parallels between our economic plight and the Depression,” and praised Chamberlain, who, he said, “presided over our slow recovery through the 1930s. . . . He offers a lesson from those times to these.” Deedes, an

octogenarian active during the Great Depression, recalled that Britain’s Labour government was blown to pieces in 1931 by a report recommending massive cuts in public spending. That report, wrote Deedes, is a “reminder to the present government that, when public spending is out of hand, and desperate measures must be taken, it is hard to avoid wounding the weakest.”

As everything fell apart politically in 1931, in a growing strike wave, King George V commissioned Prime Minister Ramsay MacDonald to form “a National government, to restore our credit abroad and to save the pound.”

And since the weekend of Oct. 17-18, the word “depression,” as applicable to the state of the British economy, has become common usage in British political parlance—truly a remarkable turnaround from the years of British influentials’ derision of this publication and its founding editor Lyndon LaRouche, for warning that the world was entering a period of a new “Great Depression.”

. . . or 1915?

Other historical metaphors are occurring to Britons at this moment of historical crisis. Various Oct. 18 Sunday weeklies likened the devastation being wreaked upon British industry by the Major regime, to how British generals mindlessly sent British youths to be slaughtered in the battlefields of World War I. This is a highly charged emotional issue in Britain, since huge numbers of British young men, including many from elite families, were senselessly butchered in battles overseen by the likes of the crazy General “Butcher” Haig. This caused a profound cultural-philosophical crisis in the U.K. in the 1920s.

Writing in the London *Observer*, William Keegan charged that “we have a cabinet that increasingly resembles a group of First World War generals. John Major and his colleagues . . . display about the same amount of strategic understanding and sensitivity as the commanders who brought us the [battles of the] Somme and Passchendale.” The only difference is that today’s “butchers . . . don’t even have the excuse that there is an enemy out there.”

Keegan anticipated that Major could be out of power before the end of this year, and blasted the government for its obsession with “market forces,” for an “obedience to extreme market forces at the expense of nation and society . . . that beggars belief.”

The *Observer* also ran a cartoon, showing Major and cabinet ministers Heseltine and Norman Lamont (Chancellor of the Exchequer) in military uniform, lobbing bombs at wrecked industrial infrastructure. Major, holding a glass of champagne in his hand, is depicted exclaiming, “Oh, what a lovely war!”

The paper noted that the “Right Honorable” in Major’s formal title is now “only a convention. His definition of honor is most like what the rest of us call saving one’s face. He should be trying to save the country!”