

# Mass protests against U.K. austerity regime

by Mark Burdman

A crowd estimated at 200,000 people demonstrated in London on Oct. 25, in a show of solidarity with 30,000 coal miners threatened with losing their jobs because of government austerity measures. The demonstration was more than three times larger than the last mass protest in London, in 1989, when tens of thousands marched against the "poll tax" imposed by then-Prime Minister Margaret Thatcher. For Britons, the scene was reminiscent of the protests of the 1960s, or even of the manifestations of unity in the face of the Nazi threat during World War II. The Oct. 25 gathering brought together an unusual broad alliance of trade unionists, businessmen, members of the House of Lords, and spokesmen for all the major parties, as well as peace activists and pro-defense stalwarts marching side by side. This is all the more amazing, since in the Thatcher years, the miners had been systematically ostracized, cast as forces of disruption of the economy.

Now, 47 years after the end of the last world war, the enemy is within. It is the economic policy of a government that has become the object of opprobrium and ridicule, not only within large segments of the population, but even within the establishment.

As emotional as the support for the miners may be, they have become a symbol of the victims of an austerity regime run amok. While the Major government was forced into a tactical retreat on the announced policy of immediately closing 31 of Britain's remaining 50 mines, the layoff wave has been rapidly spreading into other sectors. Reports have emerged that 20,000 health workers are to lose their jobs, as a result of government plans to shut or merge several leading hospitals in London; that some 15,000 railway workers will be sent to the welfare lines, due to the phasing-out of rail construction plans by the mid-1990s; and that 75,000 workers in various manufacturing sectors will be laid off during the next three months, according to an estimate made public by the Confederation of British Industry on Oct. 27.

The satirical magazine *Private Eye* in its Oct. 23 edition ran a story, headlined "Government to Close Down Country; 56 Million Jobs to Go," which said: "The prime minister last night announced the most wide-ranging shakeout in Britain's history. As from this Friday, the entire country is to be closed

down. 'I deeply regret that we have to make this move,' Mr. Major explained, 'but the country is no longer economically viable.' "

An accompanying *Eye* piece lampooned Chancellor of the Exchequer Norman Lamont, who is "cited" making "the startling revelation that there had been a large increase in the manufacturing of figures over the past six months." The article "quoted" Lamont: "From the election onwards we have produced more encouraging statistics than any other western economy. And, as every economist knows, the upturn in figure manufacture has a kick-start effect on the whole statistical fabrication industry." The item was accompanied by a graph showing rising curves for "outlooks, predictions, forecasts, and analyses."

## A Major fiasco for Nov. 4?

It is being openly mooted that Prime Minister John Major could be out of power by as early as the week of Nov. 2, i.e., days after the election in the United States, where Major's fate should be providing object lessons. George Bush has modeled his campaign, in great part, on that carried out by the British Tories for their April 1992 victory in Britain's national elections. As for Bill Clinton, on Oct. 18, in an exclusive interview with the *Sunday Express*, he said he hoped to "be able to forge a strong and trusting relationship with John Major." Clinton may be better off continuing to forge close links with the late Elvis Presley.

Major's government has become a national embarrassment, ever since it pulled the British pound out of the European Exchange Rate Mechanism, on "Black Wednesday," Sept. 16. As recently as Oct. 14, the government was faced with a repudiation of its mine-closure plans in the House of Commons, until it made a last-minute retreat. But now the new "H-Day" (H for Humiliation) could be Nov. 4.

Major insists on scheduling a motion in the Parliament on that date, on the issue of the Maastricht treaty. The motion itself is unnecessary, from the standpoint of what passes for constitutional law in Britain, but Major insists on forcing it through, as a test of his regime's commitment to the unpopular treaty. So dogmatic is his support for Maastricht, that he has suggested that he would resign and force new general elections, were he defeated in Parliament on Nov. 4. During the week of Oct. 19, Major declared: "If people don't trust me, they should find someone they do trust."

Then, while he was away on a trip to Egypt, senior officials in London insisted that this was a resignation threat. It is not to be excluded that relevant senior officials, frantic to get him out, encouraged that interpretation of Major's words. The other interpretation is that he is bluffing, in order to have his opponents in the Conservative Party back down on Maastricht. That bluff may backfire. As Nov. 4 neared, some 40 Tories were planning to vote against the government, enough to ensure a defeat. There is even speculation that Major may withdraw the Maastricht bill, to avoid humiliat-

tion. But should he do so, he will be pilloried for a new U-turn.

### 'Throwing himself on barbed wire'

London *Observer* political commentator Simon Hoggart characterized Major's strategy thusly, in an Oct. 25 article entitled "A Whiff of Defeat in the Air": "It seems now that every time John Major sees a roll of barbed wire, he is seized by the impulse to throw himself upon it. . . . It is conceivable that he might not be prime minister two weeks from now." Hoggart derided Major for insisting, against all reason, that the Parliament approve his Maastricht policy, or he will resign.

Hoggart said that Major has made every possible mistake there is to make in the weeks after Black Wednesday. Since Sept. 16, Britain has had four different economic policies. Among the insiders in the Whitehall civil service, who occupy eminent posts as permanent secretaries in various ministries, the Major government is perceived as the most incompetent in memory. Indeed, the government "has been in a state of almost continual crisis" since Sept. 16, "exacerbated by a constant refusal to recognize how deeply in trouble they are." So despised are its policies that there is even a mood of nostalgia in certain quarters for Margaret Thatcher to come back as prime minister! According to Hoggart, Major is increasingly "emulating Field Marshal Haig," the World War I general who sacrificed the lives of tens of thousands of British youths in battles that never had to be fought: "Major has decided to hurl himself at yet more unnecessary enemies."

A similar view was taken by *Financial Times* commentator Joe Rogaly on Oct. 27: "No sane government ties a hand-grenade round its waist and threatens to pull the pin if it does not get its way. For Mr. Major and his colleagues to do so is a clumsy confidence trick." Until that, Rogaly noted, he had doubted that Major would be out of office soon, despite the big political-economic crisis in Britain and his loss of credibility. But now, "what point is there in Mr. Major carrying on" if the Maastricht bill is indeed defeated Nov. 4?

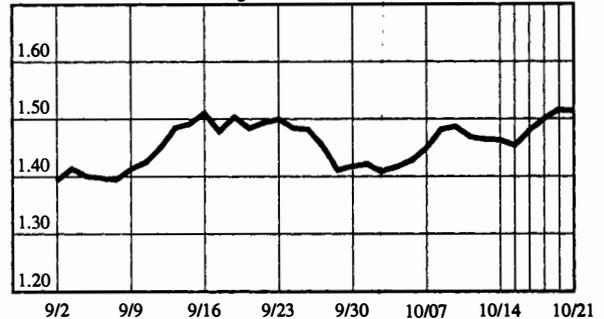
Britain's tabloids are having a field day, speculating that Major has become mentally unhinged. The *Sun* of Oct. 23 headlined, "Are You Going Bonkers in a Major Way?" The *Mirror* of Oct. 27 quoted one unnamed cabinet minister: "It could be the time for the men in white coats."

More seriously, a new Labour Party report entitled "Crumbling Britain," documents that Britain under the Tories has invested less in schools, roads, and housing than any industrialized country excepting Greece. Another relevant comment was that of London *Guardian* finance editor Will Hutton. He wrote on Oct. 27 that what is needed is "thinking about the interrelationships between public infrastructure spending, the real economy, and the consequent impact on public finances." Among his various proposals, he insisted that Britain create a "national investment bank."

## Currency Rates

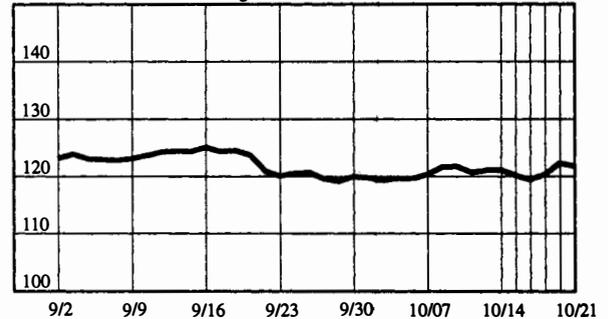
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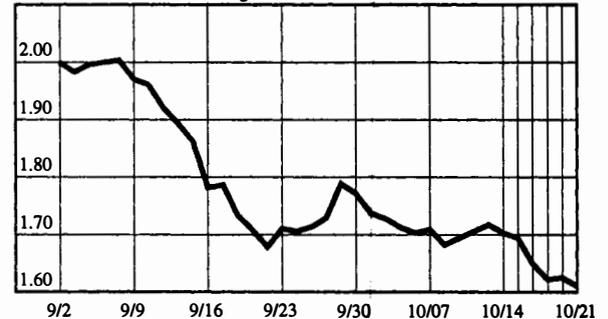
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New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

