

Bankers, Labourites deliver victory to Major

by Chris White

The outcome of Britain's general election, which took place Thursday April 9, has been portrayed as a surprising turn-about, with John Major's Conservative Party securing an overall parliamentary majority against all the odds. On closer inspection, there was nothing surprising about the result at all. Striking parallels between the management of the just concluded campaign in Britain, and the charade under way in the United States, pose the question, does democracy have any future in territories under the degenerate sway of Anglo-American financial and political power?

The current political lineup in Britain, as expressed by the institutional arrangements known as "political parties," is an outgrowth of the political settlement of World War I known as the Versailles System. Out of this settlement, directed at the destruction of perceived threats to Britain's world rule in Germany and imperial Russia, came the constellation of parties known today as the Conservative and Unionists, on the one side, and the Labour Party on the other, with smaller groupings, like Liberals and Communists attached. With the breakdown of the Versailles arrangements, typified by deepening worldwide economic depression crisis, and the political overthrow of communist dictatorships in Eastern Europe and the former Soviet Union, it ought not to be too surprising that appendant functions are in a process of breakdown too. What the British call "democracy," a periodic "choice" between two or three non-alternatives, is being replaced by the emergence of an increasingly monolithic power, at the center, ruling over a subject population through methods of social engineering, comparable to those employed in livestock management.

This process was reflected into the British elections very simply. For the last 13 years, since Margaret Thatcher's 1978

electoral victory over Labour, it has been clear that, in effect, the greatest ally the Thatcherites could ever have was the leadership of the British Labour Party. This was true between 1978 and 1983, when the leadership of the radical Michael Foot reduced the party's influence to less than 30% of the British electorate. It has been equally true since 1983, when in the wake of electoral debacle, Foot was replaced by his former parliamentary secretary, the Oxford University-trained workers' education specialist Neil Kinnock.

This time around, Labour's electoral campaign was designed, both with respect to its specific programmatic features, and its political-cultural packaging, to secure a Conservative victory, under conditions of widespread disenchantment and disgust, fueled by the evident depression collapse of the internal British economy. The means adopted were not so different than those employed by Democrats in the United States, in presidential elections in 1984 and 1988, and in state elections, such as Adlai Stevenson's destruction of a viable Illinois ticket in 1986, and the Virginia Democrats' support for Bush's Republicans in 1990. Though there is no mass-based equivalent of the "LaRouche Factor" within the United Kingdom's political arrangements to help crystallize what are called in the U.S. "bipartisan" arrangements, nor to focus opposition potentials into organized form. And thus the thoughtful, aware of crisis conditions, disenchanted with both major options, are left with no effective alternative.

To win this general election, the Labour Party had to defeat the Conservatives in rather more than 100 of the constituencies which had been won by Thatcher in 1987. Many of those constituencies, from the most vulnerable, York in Northern England, to those in and around the London metropolis, such as Basildon in Essex, and Battersea on the

south bank of the River Thames in London, are populated by voters whose ostensible profile would make them natural allies of a Labour-orchestrated anti-recession election campaign. It did not happen because there was nobody to organize any such campaign.

Self-defeating Labour budget proposals

Instead, the campaign adopted ensured Labour's defeat in two respects. First, the party's budget proposals, announced with much fanfare by shadow Chancellor of the Exchequer John Smith, right after the Conservatives had presented their own such budget. The two budgets became the bottom-line indicator of how campaign issues were to be discussed. Where Major's Conservatives proposed to reduce the number of people on the tax-rolls, by raising the income level at which taxation kicks in, to thus neutralize a section of Labour's anticipated vote, the Labour Party precisely targeted the 4.5 million Britons whose income falls between \$35,000 and 70,000 per annum for sweeping tax increases.

For example, Britain's decrepit national health service is financed by a 9% levy on the first £20,000 of everybody's income. Never the most competent way to do the job in any case, Labour proposed to lift the ceiling to £40,000, while changing income tax brackets in such a way as to increase the amount precisely the same people owed Her Majesty's Revenue. Presented as a plan to "redistribute" wealth, the Labour budget plan intended the biggest single tax increase in modern British history, targeted against a relatively select group as a social "leveling" package. It was bigger even than Denis Healey's 1978 "squeeze them till the pips squeak" plan which helped secure the shift in voter allegiances which got Margaret Thatcher elected in the first place, to then implement agreements with the International Monetary Fund which she inherited from their negotiator, Denis Healey. Drummed home in Labour's thematic efforts to make the election a referendum on the future existence of Britain's health service, "redistributionism" did its work.

If the Labour Party was to win, the four and a half million taxpayers so targeted ought to have provided the core for the vote increase they required. With friends like this, who needs enemies? John Smith, the designer of the package, is now tipped as the leading contender to replace the humiliated Kinnock, for whom two successive general election defeats have proven too much.

More decisive than so-called bread-and-butter or pocket-book matters was the cultural-political packaging of such themes. Key words familiar to Americans from this year's Democratic primaries were those most frequently employed, like "now's the time for change," Labour "the party of change," Kinnock, "the agent of change," and so on. Fair enough, it might be thought; after 13 years of Thatcherism, the promise of "change" might be a good rallying cry.

In Britain it never is, nor has it been for quite some time. Wat Tyler and Jack Cade did not rise up for change in the

14th century. Nor was the Civil War, the 350th anniversary of the outbreak of hostilities between Charles I and Parliament, at Hull now celebrated, fought for change. The majority of Brits haven't had the culture to deal with positive conceptions of change for a while. That doesn't mean they cannot be mobilized on behalf of change. It does mean that the change proposed has to be presented as a defense of the existing state of affairs, what some call "the British way of life," and has to be accepted as such; otherwise it will be assimilated as a threat. For the Brit, what is called "experience" shows that change always makes things worse. And thus with dogged determination he will resist "change," convincing himself, apparently each time he has to, that "the devil you know is better than the one you don't know."

Such qualities of the British population, in its electoral manifestation and otherwise, are all too well known. It can thus be assumed that any party which campaigns openly as "the instrument of change," without addressing the underlying habituated cultural outlook which has made the Brit relatively change-proof, does not intend to succeed, and it will not.

These, the thematic features of the Labour Party's electoral campaign were reinforced by Britain's mass media, especially, the country's two television networks which together with opinion polling outfits, produced the propaganda conditioning around prospects for a Labour Party victory, and in the final week of the campaign, prospects of no party emerging with an absolute majority in the next Parliament, the so-called hung Parliament variant, which strengthened all of the fears the Labour campaign had unloosed, while also helping to neutralize revolt in the periphery typified by the Nationalists in Scotland and Wales. They again learn the lesson that a vote for Labour in Scotland and Wales is not much use if it helps return the Conservatives to Westminster. Forty-three such opinion polls were conducted in the 10 days of the formal campaign.

This process, designed primarily to influence the 4.5 million taxpayers targeted by Labour, went so far that the BBC actually organized a selected voter "focus-group," for the duration of the campaign, equipped it with devices which permitted the individuals to signal their "feelings" about politicians and their statements, degrees of like and dislike on a scale of 1-10, to then have those electronically transmuted "feelings" dissected by the public relations experts of each of the three major political parties discussing in roundtable format how their "strategy" had worked, and how it would have to proceed, all this before the nightly nationwide news audience.

Through such means, the British commentators pompously insisted, despite all the odds, they had avoided the worst excesses of the Americans' election campaigns. Leaving aside certain culturally specific features—British politicians can still put whole sentences together without cue cards or audiovisual aids—the outcome was shaped in precisely

the way that American election campaigns have also come to be shaped in recent years, using methods and means that would perhaps have made Hitler's Propaganda Minister Josef Goebbels green with envy.

The dénouement at the Bank of England

What was all the orchestration designed to achieve? On election night, the Bank of England, like most trading houses in the City of London, stayed open all through the night. Beginning at 1:30 a.m. (Greenwich Mean Time) when Major's return was assured, the Bank began to sell British government debt. Between 1:30 a.m. and 7:00 a.m. about £2.5 billion of debt was sold to buyers from around the world. Between election night and April 14, the Bank had raised over £5 billion, about one-fourth of the amount required to keep the British government functioning over the next year. The flood of funds was supposedly flowing on the euphoria that Labour's defeat eliminated, for the moment, prospects of a sterling devaluation, of increased interest rates, and perhaps of exchange controls and other siege economy tactics, associated with Labour since the 1920s.

Internationally, there was more involved. Two days before the election, Major, in his nightly blue-lit address to campaign workers, accompanied by the strains of Elgar's Enigma Variations, stressed that he had information the "markets" were on the side of his victory, and that he was "stone cold certain" the Conservatives would be returned with an absolute majority. That was the day the U.S. Federal Reserve lowered its interest rates again.

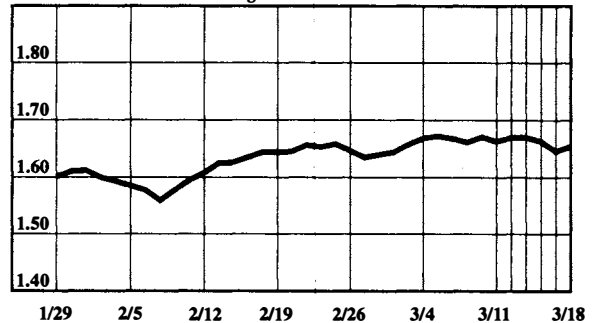
As of 1987, foreign banks, chief among them British ones, accounted for about 60% of new bank lending in New York. As U.S. interest rates have fallen, over the past period, British banks have been able to borrow, at low U.S. rates, to then relend, for example to Germany through the market for Germany's state bonds, to Italy, to Spain, where interest rates remain much higher than in the U.S., or even Japan. As, between 1978 and 1982, under Carter and then Reagan deregulation, and Volcker's high interest rates, offshore funds were moved into the U.S. to create the bubble known as the Reagan recovery, so now the financial muscle that backed Major's victory, is deploying with the intent to create another such debt bubble to parasitize the lifeblood out of the economies of primarily western Europe, with Germany at its center.

Does this mean that Bush and Company can take comfort from the Conservatives' victory, as press spokesman Fitzwater's statement claiming triumph and encouragement from the "stability" of "Anglo-Saxon democratic institutions" suggests? Far from it. The international usury Britain's Labour Party has protected feeds on chaos and instability of the sort now ripping through speculatively inflated real estate markets in London, Toronto, and New York City. Such usurers will also feed Bush's pathological lust to kill, to foster the same instability on which they insanely consider they thrive. Major's return renews that commitment.

Currency Rates

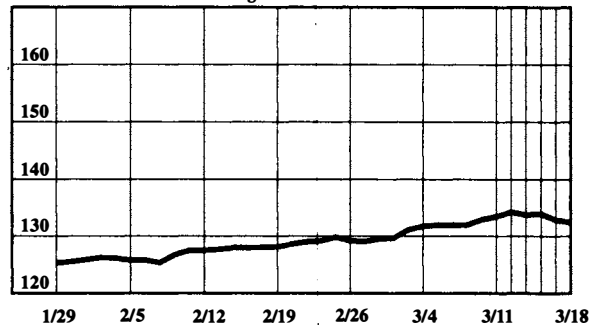
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New York late afternoon fixing



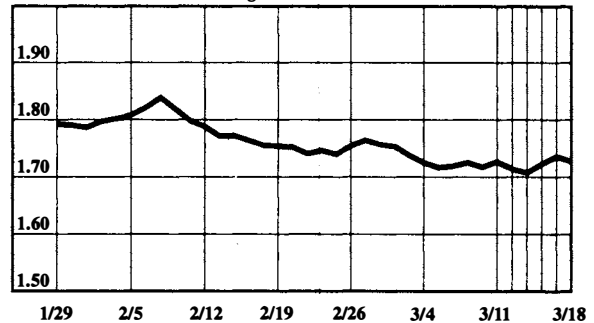
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The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

