



A Major Ultimatum

by Tom Bethell

The changes in England, since I left in 1962, have probably been as great as the changes here. Recently, I spent a few days in England and made a few notes on what has happened. For one, market forces have gradually expanded over the past generation. Britain more and more resembles an American colony. They even have (American) football on TV—Brits amaze me by seeming to understand the game. They have McDonald's and Kentucky Fried Chicken. Motorways take you so quickly across the country (England is smaller than Alabama) that if you miss your exit you are liable to find yourself in Wales.

There must be ten cars on the road for every one in 1962. Gasoline costs, oh, \$3.50 a gallon. It's not so easy to work out the price because they have changed the units of measure and money since I left. (Surprisingly, miles have not yet been converted to kilometers, but no doubt this change will soon be imposed on the great unwashed.) Pound notes disappeared overnight a few years ago, without reference to the popular will, and were replaced by metal slugs apparently designed for slot machines. Shopping centers outside town limits are coming next. I saw half a dozen under construction, near places like Chippenham and Trowbridge. With their more convenient parking, they will attract business away from existing shops and perhaps ruin the inner core of the old towns.

Paradoxically, the power and reach of the state has also greatly increased. The welfare state is far more extensive than it used to be—with its infinitely dreary leisure centers and housing complexes for the aged, its income support and social security and supplementary benefits: a vast

machine of income redistribution is now firmly in place. I read shortly before I left that they now have means-tested fines in England, showing the extent to which socialist ideas have continued to creep forward, unannounced and mostly unwanted.

In the past generation there has been a price inflation without precedent in British history. Nominal prices are twenty times higher than they were when I was growing up. Someone earning £2,000 a year in the 1950s would have to earn £40,000 to achieve a comparable standard now—perhaps more. This inflation has accommodated the massive expansion of government and has helped repudiate its debts at the expense of old-fashioned people who grew up believing that saving money was prudent and virtuous.

The most elusive change is in the composition of the ruling class. Formerly it comprised a landed gentry who were not so much hostile to capitalism as uncomprehending of it (Harold Macmillan comes to mind). These were people who genuinely believed that the most important things, like country estates, should not be for sale at all. The entertaining parody of Dennis Thatcher, which appeared for years in *Private Eye*, worked so well because it successfully captured the attitudes of a declining ruling class. Simultaneously, the old socialism, the true Bloomsbury faith, embracing the state ownership of the means of production, is also on the way out.

The new ruling class increasingly believes that the production of goods and services is best left to businessmen (carefully regulated, of course). They should be permitted and indeed encouraged to produce the goods, but they should also accept that half the gains of trade shall be skimmed off into the public coffers and put at the disposal of the nation's new ruling class. This is made up of people

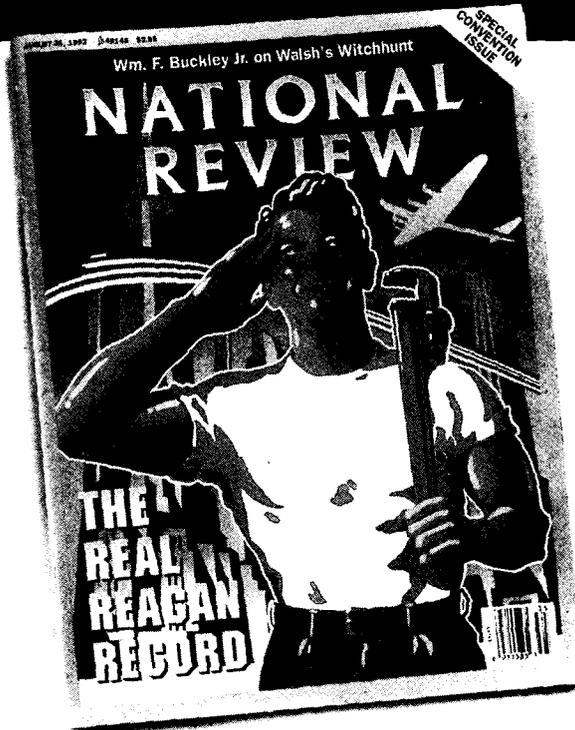
who work (for the most part) in the public sector, routinely fly to Brussels for meetings, send their children to boarding schools, and look forward to the opening of the Channel tunnel next year because it will speed their journey to their second homes in the French countryside.

The prime minister, John Major, is very much their man. Charles Moore, the new editor of the *Sunday Telegraph*, recently observed that, far from being a Thatcherite, Major has turned out to be the spokesman of an "international salariat of professional politicians and civil servants and bankers who are bored with parliamentary democracy and want to construct a form of government imperious to the wishes of the people."

This is where the European Community comes in. The big news while I was in England was the Conservative Party conference in Brighton. It was the liveliest in memory, the burning issue being the impending ratification of the Maastricht Treaty on European Union. British subjects (the perfect word) are only just beginning to find out how important this is to their lives. Union has been advanced by stealth, using code words and obscure terminology, precisely because those who engineered it, primarily the French socialist Jacques Delors, know that its goal is something far more ambitious than a mere free trade zone—the label under which it was originally promoted.

European union turns out to be a collaboration of elites whose real goal is the creation of a new layer of transnational government based in Brussels—a government largely unencumbered by democracy. Woodrow Wyatt wrote in the *Times* that Delors and his collaborators are driven "by a desire to rule, unelected and unquestioned, the largest number of subjects they can corral together." In general, European union is the most ambitious example of

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central planning in the continent's history, and like all central planning it is likely to end in disaster.

The first step was something called the exchange-rate mechanism, which was intended to lead to currency union later this decade. It has already come unstuck. Fixed exchange rates proved unworkable because the various member governments have retained their currencies and all pursue separate policies of taxation, spending, monetary creation, and so on. The Italian government pays its subjects with money lifted more or less straight from the printing presses; the French have a hefty wealth tax; the British rulers tax capital gains at a rate of 40 percent; the Germans don't tax capital gains at all. "Economies that have evolved in different ways, with different legal systems, different commercial practices, different levels of debt, cannot be forced into the same mold without breaking a lot of bones," Ambrose Evans-Pritchard wrote in the *Daily Telegraph*. These separate policies mean that some currencies—the Deutschmark in particular—are more attractive to investors than others.

Nonetheless, all these currencies were supposed to run around the economic track maintaining the same distance from one another. It turned out that most could not keep pace with the Deutschmark. But the attempt to do so imposed a severe strain on a number of European economies, deflating them with high interest rates. As a result, Britain has experienced the worst recession since the 1930s, housing prices fell three percent in September alone, and John Major has become very unpopular. In mid-September the British, Italians, and Spanish stopped trying to keep up with the mark and allowed their exchange rates to fall.

It was at this point that the Tories met in Brighton. They were treated to a fierce denunciation of Maastricht by Norman Tebbit, a former Thatcher minister. But as later speeches by Major and others made clear, the Conservatives are determined to ram the treaty through Parliament, even though two-thirds of the electorate now oppose the treaty. In Major's own district, only three out of ten support it. Major planned to get the treaty through Parliament with overwhelming Labour support. (In late October, however, Major announced that he would resign and call a new election if the treaty is

rejected. This has given Labour political grounds to oppose the treaty. All bets are now off.)

Labour's real goal, however, is to restore the "social charter"—an ill-defined mass of labor and employment regulations from which Britain has (on paper) exempted itself. The left's support for the treaty in more extreme form shows the extent to which it is really a socialist measure. And Major's original intention to collaborate with Labour against anti-Maastricht Conservatives in his own party reminds one of nothing so much as Bush's collaboration with Democrats against the Republican right.

According to the *Independent*, a newspaper which despite its name reliably expresses the point of view of the ruling class, the purpose of the social charter is "to prevent social dumping—the move of investment to countries with lower standards." In plainer language, the purpose is to prevent competition between the various jurisdictions of the European Community—to reduce a multiplicity of jurisdictions to one.

One might ask what is left of the treaty without monetary union (which at the moment does not appear to be in the cards). Quite a lot. According to members of the (anti-Maastricht) Bruges Group, even without monetary union the treaty would cede power to the European Commission in numerous fields, including taxation, coinage, education, immigration, judicial policy, health and consumer affairs, foreign aid, energy policy, and so on. Decision-making is stacked in favor of the commission, most of whose proposals may be agreed to by a majority vote of ministers but amended only by a unanimous vote.

While I was in England the European Commission in Brussels promulgated new outrages daily. These make a mockery of "subsidiarity," the idea that Brussels will only be empowered to do those things that cannot be done at the national level. In the space of a few days, the following Eurodirectives were reported in the *Daily Telegraph*: British sausages are said to be excessively pink in their uncooked state and so will have to be changed; Brussels announced its intention to "prosecute" the British government for permitting British farmers to shoot crows on their property (the French and Italian governments were likewise condemned); the 1.5 million canary owners in Britain will henceforth have to obtain licenses, and captive star-

lings and sparrows will have to be accorded the same protection as the Spix Macaw, of which there is only one left in the world.

It is a measure of John Major's abiding enthusiasm for Maastricht that he remains dedicated to the treaty despite such embarrassments, and at a time when its fate remains in doubt thanks to Denmark's narrow rejection of it last June. Notice, however, that the Eurocrats' concern about Denmark did not restrain them from issuing one more directive, this one decreeing that a popular brand of Danish apple, the Ingrid Marie, is too small by a centimeter or so to be admitted into the fabled European free trade zone. As a result of publicity, this directive was rescinded (with the finding that the Ingrid Marie was not in fact an apple at all, thereby exempting it from apple-size regulations). But it will not be surprising if the Danes reject the treaty by a wider margin if it is submitted to them again.

Meanwhile the governments of four countries—the so-called Poor Four (Spain, Portugal, Greece, and Ireland)—have been bribed to vote for everything that is cooked up in Brussels. They are the (supposed) beneficiaries of something called the Structural Fund, whose multi-billions are used in these countries to finance "projects in the fields of environmental and trans-European networks." One such project, expected to cost \$2 billion, will divert the waters of the Acheloois River from the west to the east coast of Greece through a tunnel underneath a mountain range. A British equivalent, according to one critic, would be "re-routing the Thames to the Bristol Channel via a tunnel blasted under the Cotswolds." The project will destroy "a river system regarded since Homer as the origin of all rivers," not to mention "one of the Mediterranean's finest protected wetland areas and home of two endangered species." Various environmental groups in Europe are up in arms.

One wonders how much longer the Germans will go on paying for this nonsense. At least they have now discovered that Maastricht calls for the abolition of the Deutschmark, Helmut Kohl having signed on to the treaty without telling them this significant fact. In conclusion, it's high time that all these European leaders were thrown out of office, while the voters still have the chance to do so. □

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For the non-fiction side, the best book around is Patrick Glynn's *Opening Pandora's Box*. The subtitle tells the story: "Arms Races, Arms Control, and the History of the Cold War." It is a brilliant account of the never-ending fallacies of arms control, starting with the myths surrounding Sarajevo, and a fascinating reassessment of many "key players" (such as John Foster Dulles) of recent years.

Of Robert McNamara's role with respect to Vietnam in the Kennedy and Johnson Administrations, and his efforts to undermine NATO strategy and promote a nuclear freeze during the Reagan Administration, Glynn has this to say: "In effect, having started a war that destroyed two presidencies, McNamara was now busily engaged in the de facto attempt to destroy a third." Now, how can you resist?

For fiction, it is time to turn back to some wonderful novels by Paul Horgan. *A Distant Trumpet* (1951) is simply the best book I've ever read about the extension of national power into the Old West, telling the story through the lives of extraordinarily vivid characters. Then his "Richard Trilogy" (1951-77), telling in three compelling novels the life story of a man born at the turn of the century, has more to teach us about New York politics, family values, and American society than ten textbooks or four thousand speeches.

For politics, Bob Tyrrell's *The Conservative Crack-Up* is more timely today than it was on its publication date. It is a pity that Daumier was not alive to do the illustrations, for his series on the Parisian courts captures many of the same characteristics Tyrrell skewers in these pages on

American politics: greed, ambition, sloth, stupidity, betrayal, ignorance. But Tyrrell gives us more: a wonderful depiction of conservatism's most recent decade, and a serious discussion of where it goes next.

Elliott Abrams is a senior fellow at the Hudson Institute. His book on the Iran-contra prosecution, Undue Process, was published this fall by the Free Press.

