

‘Ridley affair’ is fiasco for British Establishment

by Mark Burdman

The forces behind the Thatcher government launched a series of provocations against Germany during the month of July, which have been characterized by one British politician as a “Falklands without the bullets.” The provocations, highlighted by an interview given by Minister of Trade and Industry Nicholas Ridley to the Conservative Party-linked *Spectator* magazine and reports in the British press of highly derogatory comments about Germans made at a meeting held at Thatcher’s country residence earlier this year, have been so crude and brutal, however, that they have blown up in the faces of the British government. This has produced a crisis within the British political class, the most likely short-term consequence of which will be the dumping of Margaret Thatcher as prime minister over the weeks or months ahead.

It is, of course, a coincidence that all of this has happened in the wake of the English football team’s loss to Germany in the World Cup semi-final in Milan on July 4. But a term familiar to soccer fans is useful in summing up what is now happening: The British Establishment has scored an “own goal,” against itself.

What the British are learning, is that they simply don’t have the clout to take on the Germans in a direct way. The central reason is that the British economy is in a shambles, while West Germany’s economy is in much better shape, and a future unified Germany has the potential of experiencing a second postwar “German economic miracle.” From this standpoint, it is most instructive that Foreign Secretary Douglas Hurd, the man frequently touted as the Establishment’s favorite to succeed Thatcher, or at least to control policy within the Thatcher cabinet, told BBC television July 16 that the challenge the British now face is “the strength of the economy which the Germans have built for themselves, by doing the things we ought to have done and failed.” Of potentially greater importance, is a London *Guardian* commentary on July 17, favorably citing the German-American

“mercantilist” economist Friedrich List’s criticisms of Thatcher’s idol, “free trade” advocate Adam Smith. (See article, p. 7.)

A new “damage-limitation” coalition, representing a post-Thatcher policy consensus, is shaping up, centered around Hurd, Deputy Prime Minister Sir Geoffrey Howe, Chancellor of the Exchequer John Major, and possibly former Defense Secretary Michael Heseltine. The July 15-18 trip of British Labour Party opposition leader Neil Kinnock to the United States, where he was well received by President Bush and senior administration officials, is relevant in this context. What these types think is summed up in Howe’s July 16 assertion that “Europe is the most important game in town,” and Heseltine’s comment on the same day that “Britain’s interests lie in Europe. Anything that prejudices our ability to secure those interests is dangerous.” Such phrases represent the classical British view of manipulating Europe from the inside through “balance of power” games. But, as long as the British don’t completely dump their self-destructive monetarist and “post-industrial” policies, they will persist in launching wild provocations, which will either lead Europe and the world down the path to new wars, or will produce more “own goals” in the future.

A ‘Falklands’ mode

The decision by London to bash Germany was undoubtedly taken at least as early as the July 9-11 Group of Seven summit in Houston, Texas. This was manifest in the confrontationist behavior of the American and British delegations, backed up to some extent by the Japanese, against the continental Europeans, nominally on such issues as farm subsidies. Beyond the public display of fireworks, the Anglo-Americans were privately prediscussing that their insistence on imposing International Monetary Fund conditionalities on the Soviet economy, as contrasted with the policy of West

German Chancellor Helmut Kohl and French President François Mitterrand for immediate aid without conditions to the U.S.S.R., would massively strengthen the continental Europeans' hand with a Soviet leadership desperately in need of economic help, and unwilling and unable to impose Polish-style "shock therapy" on the Soviet population. For the Anglo-Americans to have agreed with the continental Europeans, would have meant giving up the past two decades' commitment to Adam Smith-modeled monetarist policies. Instead of doing that, they went into a "Falklands" mode against Europe.

On the eve of the summit, the confrontation with Germany was being launched in the British press. On July 8, Dominic Lawson, son of former British Chancellor of the Exchequer Nigel Lawson, wrote a column in the *Sunday Correspondent*, bemoaning the lack of news coverage in the British press of the "German threat" to the finances and currencies of Europe.

In his capacity as editor of the *Spectator*, Dominic Lawson had taped an interview with Nicholas Ridley, the cabinet minister who has been closest in all respects to Thatcher. The interview hit the newsstands on July 12, and caused an international sensation. In it, Ridley characterized moves toward joint European monetary policy as "all a German racket designed to take over the whole of Europe." The French, he said, were "behaving like poodles to the Germans." Asked by Lawson how moves toward European monetary union could be perceived as a German move to take over Europe, Ridley exclaimed. "The deutschemark is always going to be the strongest currency, *because of their habits*" (emphasis in original).

Ridley further ranted, that for Britain to give up its sovereignty to a German-dominated European Community would be out of the question: "I'm not against giving up sovereignty in principle, but not to this lot. You might just as well give it to Adolf Hitler, frankly."

Beyond this, Ridley defined Britain's mission in Europe: "We've always played the balance of power in Europe. It has always been Britain's role to keep these various powers balanced, and never has it been more necessary than now, with Germany so uppity."

The Hollinger-Maxwell connection

The interview and its publication resulted from cold-blooded calculations by the British Establishment. As one London insider pointed out, Ridley is "very much part of the Establishment, he went to Eton and Balliol College, Oxford, the *crème de la crème* of British Establishment institutions. He's the son of a viscount, his brother Matthew is the fourth Lord Ridley. He's very English." As numerous British sources have pointed out, his expressed views echoed Thatcher's own warnings about the imminent emergence of a new German "Fourth Reich."

And, there is the matter of the *Spectator*. The journal

certainly had the option of holding back the interview, or at least refraining from printing accompanying cartoons showing Chancellor Helmut Kohl with a Hitler moustache painted on his face. It chose not to. The *Spectator* is one of several publications in Britain owned by the Hollinger Corp., a Canada-based conglomerate owned by magnate Conrad Black. Members of the board include Henry Kissinger, Peter Bronfman of the Canadian Bronfman family, and Lord Carrington. Hollinger also controls the influential *Daily Telegraph*. In the days leading up to these events, Black had brought several influential individuals onto the *Telegraph* board, including Sir Evelyn Rothschild, former editor of the London *Economist* and nephew of the late Victor Rothschild; Sir James Goldsmith, business partner of the current Lord Jacob Rothschild; and Lord Carrington. It can hardly be an accident that on July 13, one day after the Ridley interview hit the newsstands, Carrington gave the annual lecture at the elite Ditchley Park estate in Oxon, England, on the theme, "Toward a new 'concert of Europe.'" Douglas Hurd attended the event. One senior London financial source told *EIR* that Hollinger board member Carrington had "engineered" the entire Ridley affair.

On July 14, the West German newspaper *Bild Zeitung* attributed the affair to "the *Spectator*, whose publisher Conrad Black is a close friend of Maggie Thatcher."

In a parallel development, West German Social Democratic influential Annmarie Renger, former deputy speaker of the West German parliament, wrote in the daily *Die Welt* July 14, that Ridley's comments recalled the anti-German remarks of British publishing magnate Robert Maxwell, when the latter met East Germany's dictator Erich Honecker in October 1989. Referring to Maxwell as "the former British occupation officer," she noted that Maxwell had told BBC on Oct. 3, 1989, that "a united Germany is a threat to Europe, to the Russians, the Poles, the Germans themselves, and to us. We don't want it. It is no good, neither for us nor for the Germans, and we do wish that there are two separate German states." Maxwell, Renger stressed, went on to praise the "remarkable achievement" of the East German communist state, stated that "we must not do anything that could destabilize this country," and praised Honecker as "a reformer throughout his entire life."

Renger expressed doubts that "the political blindness of this Englishman" was a "singular case," given that Ridley had said the same thing. Such comments, she warned, are a "dramatic sign of political mis-education, which documents a lack of standards in the very motherland of democracy that all Europeans must feel ashamed of."

The identification by these German sources of the Hollinger-Maxwell combination in the context of the Ridley affair is of singular importance. This same combination has been manipulating the Israeli public toward a new war in the Middle East, through its increasing control of the Israeli media. A Middle East war is one of the main options being reserved

by the Anglo-American Establishment for creating a global crisis that would, inclusively, rein in the increasingly ambitious continental Europeans.

‘More damage than the Luftwaffe’

The outcry against Ridley, in Britain, in West Germany, at the European Commission headquarters in Brussels, and elsewhere, was so vociferous, that it overrode the xenophobic “Falklands” effect that Thatcher and her friends were counting on. Indicative of the failure of the operation, is the reaction of residents of Coventry, the English town which was massively bombed by the Germans during World War II and which solemnly commemorates each year the bombing of its cathedral. Interviewed by the London *Independent* July 14, Coventry residents, reflecting on the city’s collapsed economy and infrastructure, offered such comments as “Maggie Thatcher has caused more damage here than the Luftwaffe,” “If the Germans want to take over here, mate, they’re bloody welcome,” and “Ridley is a bigger threat than the Germans.” One person commented: “Both of my parents were in Coventry during the war. That was all about the Nazis. Is Ridley saying the Germans are Nazis again? If you ask around this place, you’ll find a lot of people who think Thatcher’s more of a danger than the Germans.”

Under such pressures, Ridley had to resign, although the fact was not lost on observers that Thatcher refused to fire him. Meanwhile, the “Germany crisis” deepened over the July 14-15 weekend, when the July 15 *Independent on Sunday* and Hamburg’s *Der Spiegel* magazine leaked the minutes of a meeting that had occurred in March at Thatcher’s Chequers country residence, involving the prime minister, members of her cabinet, and six experts on Germany, four of whom were British. The minutes, compiled by Thatcher’s personal secretary Charles Powell, warned darkly of the potential reemergence of an expansionist-chauvinist Germany, and spoke of the ostensible characteristic negative traits of Germans, including, in alphabetical order, “*Angst*, aggressiveness, bullying, egotism, inferiority complex, and sentimentality.”

One Briton quipped on hearing this, “They must have been talking about Margaret Thatcher.” Commentator Geoffrey Wheatcroft, writing in the *Daily Telegraph* July 17, wondered who the British were to talk about negative character traits, since they had, at one point or another, attempted to exterminate the Irish, hunted down American Indians and Australian Aborigines, and run a substantial part of the slave trade. “Hypocrisy is certainly one of our national traits,” he commented.

This second crude verbal bombardment produced another wave of protests within Britain. By July 17-18, there was speculation in the British press that Thatcher would either face a new challenge to her leadership of the Tory Party in the autumn of this year, or would use the occasion of her 65th birthday in October to resign as prime minister.

Bush cripples Colombia’s drug war

by Andrea Olivieri

The governments of Colombia and the United States have locked horns over the question of whether the war on drugs will be waged with the deadly intent a real war effort entails, or whether it will remain forever crippled, a hostage to the free-market obsessions of the Bush administration. As Colombia prepares to inaugurate its new President on Aug. 7, the resolution of that question could well determine whether that country survives as a sovereign nation, or falls into the hands of Dope, Inc.

In the past weeks and months, both outgoing President Virgilio Barco and President-elect César Gaviria Trujillo have admonished the Bush administration that the war against the drug trade can never be won unless the industrialized nations—led by the United States—agree to shoulder the economic and financial burden of such a war. And yet, in the ten months since Colombia has declared all-out war against the cocaine cartels, the Bush government has virtually thumbed its nose at that nation. Instead of economic assistance, the U.S. has slapped discriminatory trade restraints on Colombia’s legitimate export products. It has refused Colombia the kind of military technology which could seriously compete with that of the drug cartels, and at least twice during those ten months, Washington has unilaterally plotted an “anti-drug” invasion of Colombia, which would violate every precept of international law and justice.

Cost-effectiveness vs. a war on drugs

On June 9, the London *Financial Times* identified the dilemma facing Colombia’s President-elect: “Mr. Gaviria is being driven to shift his thinking away from a military solution to the drug problem by the sheer cost of the current conflict and the limited nature of international financial backing.” That is also the position of the drug legalization advocates, whose “cost-effectiveness” arguments were engendered by such free-trade apostles as Milton Friedman.

It is that “limited nature of international financial backing” which Colombia has been desperately trying to reverse. President Barco spent two days in Washington June 4-5, trying to convince the Bush administration to cough up some serious economic concessions. Not only was he sent home