

## ARTICLES.

## ■ A TORY EDUCATION

## This Thatchered Land, This England

CHRISTOPHER HITCHENS

“Fortunately, in England at any rate, education has produced no effect whatever. If it did, it would pose a serious danger to the upper classes, and perhaps lead to acts of violence in Grosvenor Square.” Thus Oscar Wilde’s Lady Bracknell, in *The Importance of Being Earnest*. Britain has just endured one calendar year of neoconservative governance, and Lady Bracknell would have little difficulty in living with comfort and security on Maggie’s Farm. The slender influence of education on Tory policy is demonstrated daily. The old Keynesian nostrum, learned painfully over the decades, that high inflation and mass unemployment should not coexist, has been refuted in practice. We are in for a great deal more of both, and much else besides.

To deal with the boring and technical matter first: It was argued by Conservative monetarists, who based their policy

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on the doctrines of Prof. Milton Friedman and, to a lesser extent, those of Prof. Friedrich von Hayek, that a direct relationship existed between the excess money supply and the rise in retail prices. They claimed that retail price rises between 1967 and 1975 had been *identical* with rises in excess money supply during the previous two years (i.e., between 1965 and 1973). Their policy in office, of tremendous cuts in public expenditure, was designed to vindicate this “theory.” Alas, the returns are now in on the last period. Between 1975 and 1980, retail prices have risen by 25 percent more than the corresponding growth in excess money supply. This gap will widen on current projections, because in 1979, money supply only grew by 10 percent, and retail prices are certainly growing a lot faster than that.

This rather arid introduction is essential if one is to see what has happened to Britain under the stewardship of the New Right. Because the failure of their central policy has not deflected or deterred the Conservatives by one iota. As a result, unemployment and bankruptcy are climbing steeply; public services are being denuded; productivity is on the slide, and inflation is going great guns at an annual rate of about 22 percent.

There are changes, too, in what you might call the atmosphere. The idea of Britain as a family with the Queen at its head and various colonies as its junior relatives has never looked all that convincing. It tended to feature more as propaganda than reality even in the good old days. Now it’s a joke in bad taste. The other day, the leader of the Conservative Party in Yorkshire, facing questions on the abolition of school meals, the growth in class sizes, the cuts in welfare and health provisions, said publicly that “Nothing concentrates the mind like a little poverty.” The Minister for the Arts, when approached by London theaters, which face closure due to cutbacks, told them to seek commercial sponsorship (and thus increase the already depressing tendency to put on trashy and low-risk shows). The Minister for Industry has announced that from now on strikers will have their family allowances reduced as an encouragement to return to work. The Minister for Education, admitting that many schools were now having trouble buying and replacing textbooks, suggested that parents should get together and buy the books themselves. All these exhortations help to create the right spirit.

Of course, not everybody is affected by the new mood of belt-tightening austerity. The New Right strategy relies heavily on tax cuts for its effect, and those with incomes already very high have been given two windfalls in two successive budgets. The theory is that this will provide “incentives for investment.” In fact, it has led to the storing of much money in foreign bank accounts (since exchange controls have been thoughtfully abolished as well) and to the occasional speculative investment in property and luxury goods. But all figures show that investment in industry is at an all-time low.

Others, too, have escaped the general imperative of cuts in expenditure. The Royal Family has been given an increase

of several million pounds in its personal allowance. The police pay claim has been met in full. Two million pounds was paid by the Government to a New York bank in return for the loan of one of its directors—Ian McGregor—to come and preside over the run-down of the British Steel Corporation. The doctors received a 30 percent pay increase, while the hospital building program was cut in half (many of them had the grace to make an embarrassed protest at this tactless juxtaposition). The redundant Polaris fleet, with which Britain makes her fictitious claim to be at the “nuclear top table,” will be re-equipped at a staggering and undisclosed cost (probably about 3.5 billion pounds).

The social consequences of this are unpleasant and rather worrying. During his amazing series of lectures, *Free to Choose*, which were transmitted on British television to a grateful nation for week after week earlier in the spring, Milton Friedman ventured the opinion that Britain's growing crime rate was the result of too much state intervention in the economy. The good professor and his wife were not around the St. Paul's district of the city of Bristol a few weeks later, when a riot devastated an entire swath of the area. But if he had seen the crowd of unemployed and ill-educated youths, many of them nonwhite, he might have had cause to reconsider. (Actually, knowing him, one imagines that he would say it proved his point.)

But in Northern Ireland, in the immigrant ghettos, and in some other areas where lifeblood industry has been closed, there is a real store of trouble being built up. The fact that Ulster was not exempted even from the harshest economic cutbacks, suffering as it does from the worst housing and the highest unemployment in the country, gives some idea of the shortsightedness of our new masters.

Not that the Conservative Party is absolutely deaf to the claims of reason and experience. Over Rhodesia, it performed the necessary U-turn away from disaster—as much out of self-interest as principle, but in good order and with relative tact [see Hitchens, “Reactionary Cheek,” *The Nation*, May 26, 1979]. But to hear them talk, you would think it had been their policy all along. As Aneurin Bevan once remarked, reaction loves to wear the medals of its defeats.

It also helps to swell Margaret Thatcher's other chorus, which is that of old-fashioned patriotism. It has been some time since the British were treated to so many reminders of their national greatness. Every new issue, whether it is a row with the Common Market over budget contributions, or a vote on the Olympic Games, or a police operation against Middle East fanatics operating in London, comes to us in a gale of sub-Churchillian rhetoric. Jingoism is fashionable again, and the close relationship between Downing Street and the bulk of the national press is exploited every time that a flag can be waved. The ideological usefulness of this is easy to underestimate; very few trade union leaders like to be made out as “unpatriotic” and there is a general feeling that Britain has been denied her special and proper standing in the world over the last twenty years. But until Thatcher, most politicians were too embarrassed to make any capital out of the Union Jack. There are no reliable reports on whether or not this enhanced national pride

has made the unemployed feel any better.

In the end, it will be unemployment that will make the difference, if anything does. “Monetarism” as a doctrine has been exploded already. In a recent lecture, Professor von Hayek said that “my friend Milton Friedman” had grossly oversimplified the quantity theory of money, and that the application of his policies would lead to such protracted misery that democracy might not be able to stand up to it. This astonishing rebuke has not made any visible difference to policy—and the slow hemorrhage of closures, bankruptcies and redundancies goes on. The coercions of the dole-queue, not the subtleties of the money supply, are going to beat down wages and “inflation.” That is, if anything does.

There used to be an old Tory slogan that ran: “Treat 'em mean and keep 'em keen.” As a means of disciplining the labor market, it worked all right for a time. After the traumas of the 1930s and the war, it was abandoned and replaced by the “welfare consensus” which, *mutatis mutandis*, has governed Britain since 1945. Now all that is forgotten, and history is being recast by Thatcher's speechwriters in order to show that welfare Toryism was nothing but an inflationary pampering of the work force. Imagine the right-wing diatribes against the “Leninism” of the New Deal in the 1930s, and you will have something of the flavor of Britain today.

The Labor Party and the trade unions are in a very etiolated and demoralized condition, so that Thatcherism has had a clearer run than it might have expected. But the destruction of the economic and productive base of the country, the continued coexistence of deep recession and high inflation, may cause a revolt even within the ranks of the Tories themselves. The quarrel between von Hayek and Friedman is only one herald of this possibility. Thatcher cannot govern forever by a mixture of the dole-queue and *Rule Britannia*. Still, her education is proving an expensive one—pace Lady Bracknell—for the rest of us to finance. Other nations tempted to succumb to neoconservative blandishments should study the British experience of what Robert Lowell once called, in another connection, “the reign of piety and iron.” □

## ■ UNDERWRITING THE RIGHT

# Public TV's C.I.A. Show

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One of this season's most popular public television programs was *Free to Choose*, written by and starring controversial economist Milton Friedman, among whose previous activities was advising the Pinochet Government in Chile. The show examines almost every facet of the free enterprise system except the source of the funding for Milton Friedman's series debut on

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