

# Crisis in the United Kingdom: British Economy on the Edge

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LONDON: The British Capital pretty much looked like it did the last time I was here except for all the closed stores and businesses I passed on the way to the War and Media Conference that brought me here.

I am not sure what it will look like the next time I come because the new Tory government is preparing to slash 40% of public funding in an austerity move which is certain to destroy thousands of jobs and inflict pain on the poor and middle class.

My friend Bill Bowles is afraid his pension might be trimmed along with his “freedom card” which gives folks over 65 free access to local transportation. (Seniors in New York only get half-fare cards). Given that the government is the country’s number one employer, a 40% cut will be devastating to the economy as well, mimicking that famous Vietnam War saying, “we destroyed the village in order to save it.” He writes: “By proposing cuts as high as 40% of our social infrastructure, the government might just as well hand out free vials of cyanide to millions of public service workers and then to the thousands of small, medium-sized businesses that get fifty per cent of their business from government according to the BBC. The economy in the UK is per se the government, period. The rest is consumption and the financial sector and of course the ubiquitous media/propaganda sector. Take away the government as the main investor/employer and the UK has no economy. It’s that obvious. The reality is that millions in the middle classes are going to be shoved back into the working poor, on minimum wage and no longer able to drive a consumer-based economy, on credit of course.” Hearing new talk of class struggle in response to this crisis felt like dejavu all over again as two brothers I knew as kids, (“Red”) Ed and former Foreign Secretary David Miliband (sons of my late London School of Economics professor Ralph Miliband) duke it out in a race for head of the Labor Party which lost the government last time out.

New blood at the top will not necessarily revive an ageing and cynical base.

The unions are a shell of their former selves having shrunk in size and clout like they have in America. I am not sure if their old song about the Red Flag is still sung by the rank and file, but they are staring down a barrel wielded by representatives of another class with no sympathy for their distress.

The unions are warning that Britain is on the edge of a winter of discontent, with job cuts, pay freezes, and a cutback on spending pictured as a “reckless and explosive” mixture that will do “irreparable damage.”

This will be the new Battle of Britain. Whether or not Labor can win it remains to be seen but as local authorities consider proposals to cut the street lights to save money plunging Britain back into the dark days of the Blitz, a reaction is coming. International agencies like the IMF warn that growing debt demands cuts but who will pay is always the issue.

And so, a crunch is coming. Will there be a repeat of Maggie Thatcher's vicious attack on the miners that broke the back of union militancy in the 1970's?

Already the bankers here are threatening to pick up and leave if tough rules are imposed while a new agency set up to combat financial crimes may not survive its birth pangs.

Meanwhile the darling of New Labor, Tony Blair, is laughing all the way to the bank thanks to the sales of his new autobiography defending his support for the Iraq War. (Even as protesters chased him out of two venues he was to have held book-signing parties including the Tate Modern Museum!)

A newspaper reports that he is spending more time tending to his new "business interests" in the Middle East while putting up in super expensive, super luxury suites at the best hotel in Abu Dhabi. That hotel has a vending machine that, get this, dispenses gold bars. The former PM now has a bigger staff than he had when was in office and is cashing in without regrets.

Tony's boosterism of the Iraq and Afghanistan wars has given a new generation something to study about and denounce. And that's what was happening at the conference I attended on Global Media and the War on Terror.

The speakers including Americans like Todd Gitlin, Toby Miller, Dahr Jamail and myself. Muslim intellectual Tariq Ramadan was a featured speaker and cautioned about even trying to define terrorism, a phrase that means what authorities want it to mean and against whomever they want to target.

Many of the students are offering academic papers on media distortions and inappropriate framing, but few have interviewed media people or dug out revelations. In some ways that information fight has moved to a new terrain, thanks to Wikileaks. It has been reported that British activists are helping prepare a new dump of documents, this time about Iraq. This latest threat to the secret state has the Pentagon in a dither according to this report in the Daily Beast:

"In a nondescript building in suburban Virginia, a team of 120 intelligence analysts and FBI agents work 24 hours a day, seven days a week, on the frontlines of the Pentagon's war against WikiLeaks, ...The Defense Intelligence Agency's Brig. General Robert A. Carr is in charge of the WikiLeaks War Room, as some staffers call it, and officials say he's a fitting adversary to Assange. Carr's job is to figure out what has been leaked, how it will endanger American troops, and what risk it poses to U.S. foreign policy-plus one other key task: getting inside dirt on WikiLeaks to help the Justice Department potentially prosecute its staff for espionage"

The last Wikileaks to fall out of the virtual world was a document about a new group in the armada of U.S. intelligence called the Red Cell Unit which is there to offer a running critique of what the other agencies are finding and do more inventive spying and planning.

A newly released document had them considering what to when people in the world suspect

the US is actually supporting terrorists, a belief that can set back the perception management strategies that drive US propaganda efforts.

As it turned out, three members of the US's Army's red cell unit showed up at the London conference. One was even a Muslim woman. They were there to learn, not to spy, I was told by one of their very congenial members as he shared his business card and solicited whatever information I wanted to share. He even intimated that I might be invited down to Washington for a little chat. He had been part of the US military unit assigned to guard Saddam on his way to the hangman.

There have been spooks mixing with academics for years-and some morphing into one another- but I don't remember such an overt presence at a fairly radical university event like this that began with a speaker denouncing US imperialism. Perhaps there is something else going on. In his new book, David Ray Griffin explains and condemns a new concept from Obama appointee Cass Sunstein who calls for covert "cognitive infiltration" by government agents of organizations the government deems "conspiracist."

Uh, Oh.

I suggested to the organizers that they be invited to present from the stage so we could all learn more from the horse's mouth, about how the military sees and engineers the issue of war and terrorism.

That's what we need to know.

*News Dissector **Danny Schechter** is editor of Mediachannel. His new film is Plunder The Crime of Our Time on the financial crisis as a crime story ([plunderthecrimeofourtime.com](http://plunderthecrimeofourtime.com))*  
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