

Report from London by Dan Atkinson

Three shocks

The Jaguar stockholders revolt, the Delors vision of a European "circle," and the Herrhausen murder shook official London.

The last week of November saw the suffocating complacency of "official" London punctured in three ways. First, the last-minute revolt by small shareholders in Jaguar against their company's absorption into the Ford Motor empire was a straw of something in the wind. The government owned Jaguar until 1984 as part of the British Leyland Motor Corporation, and after its privatization, it retained a "golden" share, blocking foreign takeovers.

Once Ford appeared offering £1.6 billion for this Thatcher "success story," Trade President Nicholas Ridley could hardly dump his golden share quickly enough. On Dec. 1, Jaguar's small shareholders were corralled in the International Press Center in Shoe Lane and asked to vote through the takeover. Jaguar chairman Sir John Egan had expected to get the needed 75% majority on a simple show of hands. But too many of the shareholders—which included Jaguar pensioners and workers—had swallowed the Egan-Thatcher line of the past six years about Jaguar being a "great British company doing great."

They were also uneasy about yet another U.K. specialist car maker following Lotus and Aston Martin into foreign hands. Egan had to hold a paper ballot after the floor denied him a simple majority, to push the takeover through.

The second event was the response of European Community chief Jacques Delors to events in Eastern Europe. Until recently, it had been confidently assumed that the greater

the popular unrest in the East, the stronger Mrs. Thatcher's case in refusing to go along with further "integration" in Western Europe. That little idea bit the dust in the last week of November, when Delors unveiled his new plan for a "circle" of tightly linked European states. This would include some parts of Soviet Russia and would be an imperial design of extraordinary scope.

Needless to say, the Thatcher wing of the party hasn't a clue how to handle the latest turn of events. Robbed of the "wider Europe" excuse to resist the centralizing drive of the French EC presidency, the Thatcherites can only console themselves with the thought that the Tories' "New Cliveden" group of pro-Brussels appeasers (Baker, Howe, Hurd, etc.) are equally bewildered by the brand-new concept of a "circle" of European vassal states.

The Cliveden people, by and large, have supported a "four-power" European state, whose pillars would be England, France, Italy, and West Germany. They never signed on for Mr. Delors's "circular" empire and are now furiously back-tracking. Foreign Secretary Douglas Hurd was first off the mark with an in-depth press interview in which he claimed: "I have never been a federalist."

The third event that shook English complacency was the Nov. 29 murder of Deutsche Bank chairman Alfred Herrhausen. There are several reasons for this:

1) The U.K. is always sensitive to terrorist news, being the only nation in Western Europe currently fighting a

full-time war against terrorism within its own boundaries.

2) The "success" (as it was presented) of West Germany's own, smaller terrorist war at the end of the 1970s was presented in the U.K. as "proof" that—with enough expertise on the part of the security forces and enough endurance and good will on the part of the public—the terrorists could be beaten relatively painlessly. The Herrhausen killing has shattered the British illusion that the Red Army Faction were a bunch of "men with beards" who killed a few people many years ago and are now either dead or safely behind bars.

3) The idea that the terrorists are on the retreat is intimately associated in the British public mind with a return to "normality" in general. The Northern Ireland emergency began in 1969, coinciding with the beginnings of real problems in the British economy. Thus signs of an "end to the violence" are sought for as a sign that the economy might be returning to "normality"—i.e. full employment and rising living standards. The assassination of the Deutsche Bank chairman seems an ominous sign that the terrorists—at home and abroad—are far from beaten.

Along with these straws in the wind was an item that could have been—but wasn't—big news in Britain. The Dutch Euro-commissioner kicked off the week with an off-the-cuff statement to the effect that Britain would be quite free to leave the Community and rejoin the free-trade area EFTA. What was not mentioned was that, as of December, EFTA, as a separate entity, has ceased to exist. It now forms part of a Brussels-dominated "European Space," whose members have to accept all Brussels legislation. The "space" will form part of Mr. Delors's "circle," a tight imperial system dominating the West.