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The *Financial Times*: Landmarks in History

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Introduction

As a leading newspaper of record, the *FT*'s coverage of important events extends much beyond financial affairs. Over the years it has reported major British and international political stories, often through colourful accounts by its own on-the-spot correspondents. Moreover, editorial commentary provides insight into the thinking of the day. The six episodes that follow illustrate how the *FT* provides vital coverage of landmark historical events.

1933: Franklin D. Roosevelt becomes US President

'Political opinion in the United States clearly has undergone almost a convulsion,' declared an *FT* editorial on 10 November 1932 [HS2301927489], welcoming the election of Franklin D. Roosevelt as President of the United States in a landslide victory for the Democrats. 'The sweeping nature of the popular vote imposes upon Mr Roosevelt...a very special responsibility to fulfil the undertaking that "all of us will do what we can to restore this country to prosperity"...Leading a people out of wilderness is no light task. Mr Roosevelt is cast in that part. Courage and statesmanship of the first quality will be requisite to success.'

The wilderness to which the paper referred was the trough of the economic depression of the early 1930s, with the US unemployment rate at 25 per cent of the labour force. The rest of the world was in depression too and hoping for a more constructive lead than that provided by the previous Republican President, Herbert Hoover. 'International consequences of the political change will be awaited abroad with the liveliest

interest. There is no escaping the fact that Mr Hoover has disappointed Europe gravely...The reception of the election news in London was hopeful rather than jubilant. The feeling was that from the standpoint of promoting international trade, the situation could not have been altered for the worse, and might change for the better.'

Wall Street reacted to Roosevelt's victory with a 'burst of strength and activity,' reported the *FT*, 10 November 1932, p.5 though there was also selling by 'disappointed Republicans.' But in subsequent days Wall Street 'forged ahead' with much more active trading. 'Opinion is that the advance reflects the celebration of a widespread belief in returning confidence with a change of the Administration at Washington.' See 12 November 1932, p.5.

Traditionally, a US President's term of office began in early March four months after the early November poll (since 1936 the hiatus has been two months). The period between Roosevelt's election and the commencement of his administration on 4 March 1933 saw the eruption of a major banking crisis with runs on deposits that led to hundreds of bank failures across the country and the imposition of restrictions on withdrawals by state governments. The *FT* reported on 6 March 1933, p.6 that the new President 'entered upon his period of office with the knowledge that virtually the whole of the country's banking system had ceased to function...Mr Roosevelt has to deal with a nation which to a very great extent has lost its belief in its banking system and even to some extent in the national

currency, as is indicated by the commencement of a gold hoarding movement.'

'Immediately after taking the oath,' stated the *FT*, 6 March 1933, p.7 'President Roosevelt told the nation that he would ask [Congress] for war-time powers, if necessary, to meet the national emergency.' In the meantime, on 6 March the President proclaimed a four-day 'national bank holiday' - the closure of every bank in the country pending emergency banking legislation to ensure stability. 'The work falls naturally into three divisions,' the *FT* explained, 10 March 1933, p.6. 'The first essential is to secure the reopening at the earliest possible moment of all banks which are in a position to resume business...The second need is to clarify the position of the dollar vis-à-vis foreign currencies...The third phase consists of a general revision of the whole banking organisation of the country.'

'Twelve Reserve Banks to Reopen', announced a headline in the *FT* on 11 March 1933, marking the beginning of the resumption of activity by the US central banking system. Over subsequent weeks, banks were inspected and individually licensed to reopen with 4,000 staying permanently shut. Discussion of the separation of commercial and investment banking to safeguard depositors was underway as Roosevelt was inaugurated. The *FT* reported on 10 March 1933, p.7 that Wall Street was 'frankly "flabbergasted"' at the statement by the chairman of Chase National Bank, one of America's biggest banks, that "I am entirely in sympathy with the divorcing by law of securities affiliates from commercial banks." The transformation of American banking on these lines was enacted by the

Glass-Steagall Banking Act that became law in June, one of Roosevelt's whirlwind of 'New Deal' reforms.

The clarification of the position of the dollar vis-a-vis other currencies was resolved in April when the US abandoned the gold standard - the fixed value of the dollar against gold and its convertibility into gold. 'The results of the destruction of the world's strongest remaining anchorage to gold are incalculable,' warned the *FT*, 21 April 1933, p.6. 'A buttress against wild speculation has been removed...Quenching the beacon showing the way to shelter seems a strange way of helping the navigators on a dangerous sea.' A World Economic Conference convened in London in June with the aim of forging a new economic and financial world order. But the outcome was disappointing and such international co-operative endeavours were being eclipsed by nationalism, notably in Germany.

1933: Hitler's election victory

While Roosevelt was waiting to enter the White House, Adolph Hitler, leader of the Nazi (National Socialist) Party, came to power in Germany. 'The kaleidoscope of politics at last shows Herr Adolph Hitler as Chancellor of the German Reich,' reported the *FT* on 31 January 1933. 'The event marks one more stage in his long struggle for power.'

Hitler's 'long struggle' took a big step forward in the German general election of September 1930 with Nazi representation in the Reichstag rising from 12 deputies to 107 making it the second largest party after the Socialists, with the Communists in third place. 'The

unexpected result of the elections surprised even Herr Hitler,' reported the *FT*, 16 September 1930.

'Dismissals of black-coat workers, crippling taxation, distress as the aftermath of the period of currency inflation and the endless wrangles in the Reichstag, which had the effect of estranging the people from Parliament, are held to be the contributory causes of the support that has been given to the "Fascists."'

Hitler stood as a candidate in the Presidential election of April 1932. 'Europe will breathe more freely now that the German people has made its choice,' observed the *FT*, 11 April 1932, p. 4, reporting that the elderly General Paul von Hindenberg had beaten Hitler, 11 April 1932, p. 5. But the Nazis made substantial gains in the Reichstag election in July, becoming the largest single party with 230 of the 607 seats. 'Relief is felt in Germany and abroad that Herr Hitler did not obtain a clear majority,' noted the *FT* on 2 August 1932. But the ensuing centrist administration was unstable and resigned in January 1933. Despite his 'personal antipathy' for Hitler, Hindenberg felt obliged to invite him to form a government and he became Chancellor of Germany on 30 January 1933.

A few weeks after Hitler's appointment the German parliament building was gutted by arson. The *FT*'s correspondent in Berlin reported on 1 March 1933 that the incident 'has made a profound impression throughout Germany. This act of incendiarism is described as "the most ruthless act of terrorism in Germany.'" Alleging that it was the signal for a Communist revolutionary uprising, Hitler persuaded Hindenburg to give him dictatorial powers to confront

the national emergency. A further general election in March produced a Nazi majority of Reichstag seats, permanently entrenching Hitler's hold on power. 'The Nazi flag (with the swastika cross) was to be seen waving on several public buildings,' reported the *FT*'s correspondent on 6 March 1933, 'including more than one police station.' The persecution of political opponents, Jews and others had already begun and the journey to the Second World War was underway.

1940: Churchill takes over as Prime Minister

At the outbreak of the war in September 1939, Britain's Prime Minister was Neville Chamberlain. Then on Friday 10 May 1940 Winston Churchill took over. 'Mr Churchill now the Premier. Resignation of Mr Chamberlain,' proclaimed the *FT*'s front page on 11 May 1940 which carried the terse official announcement from 10 Downing Street. The article stated that Churchill was forming a government of national unity including Labour and Liberal leaders, of which Chamberlain would be a member. 'The appointment of Mr Winston Churchill gave general satisfaction in political circles last night, where, indeed, it had been a foregone conclusion,' observed the *FT*. 'It was obvious that Mr Chamberlain could not be the head of a new National Government of all parties. The Opposition wanted a change, and it was a fine patriotic step which Mr Chamberlain took in putting an end to all talk and disputation by tendering his resignation.'

The wartime *FT* was only six pages in length and carried little non-business news. Thus there was no mention of the House of Commons' Norway debate two days earlier that precipitated Chamberlain's

resignation having failed to secure the support of one hundred Conservative MPs. However, the paper did subsequently publish details of the composition of Churchill's new cabinet on 13 May 1940, commenting on 'some surprise changes.'

1963: Assassination of President John F. Kennedy

'President Kennedy is assassinated,' announced the *FT* on the front-page, 23 November 1963. 'President Kennedy, 46 years old, one of America's youngest Presidents was assassinated yesterday when riding in an open car with Governor John Connally, of Texas. He was on a visit to the Southern States to win support and close the divided ranks of the Texas Democrats over his Civil Rights Bill...Pandemonium broke out after the shooting, but Secret Service agents waved the cars on to a road which led to the Parkland Hospital, and within five minutes the President's car was there. Reporters saw the President lying flat on his face in the car. Mr Kennedy lived for 25 minutes after the assassin shot him.'

The paper reported that Vice-President Lyndon Johnson had assumed the full responsibilities of the presidency. The US Senate had suspended its sittings and work in government offices was practically at a standstill. News of the shooting triggered panic selling of securities and commodities and the New York Stock Exchange suspended trading, as did the other American and Canadian financial markets.

'The shooting of President Kennedy must be counted as a major international disaster,' mourned a shocked and

sad *FT* editorial on 23 November 1963, p.6. 'The President, as well as being of great personal stature, has stood behind many of the most hopeful developments in world politics in the past few years - the Atlantic Alliance, the slow and painful easing of relationships with the Soviet Union, the liberal trends in the internal policies of the United States. While alive, he was called, and with reason, the most powerful man in the world. He showed his paces, as clearly as a statesman ever shows his paces, by the series of agonising, but correct, decisions that he took at the time of Cuba [the 1962 missile crisis]. His death, in the course of grappling with that most intractable of American problems, the relation between black and white, leaves, in the most real sense, a gap that will be hard to fill.'

Within hours, the police had arrested and charged Lee Harvey Oswald, a former US Marine and a pro-Castro activist, with the murder. Oswald's transfer, surrounded by police guards, from Dallas police headquarters was being televised when a gunman stepped out of the crowd of onlookers and shot him at point-blank range, as reported on the front-page, 25 November 1963. The killer, Jack Ruby, a Dallas strip-tease club owner, claimed 'I did it for Jackie Kennedy.' Conspiracy theorists have been busy ever since speculating about Oswald's guilt, whether he acted alone and Ruby's real motives.

Meanwhile world leaders were gathering in Washington for President Kennedy's funeral also reported on the front-page of the 25 November 1963 edition. Whilst the funeral was reported on the front-page of the 26

November 1963: 'A day of national mourning, in which almost every nation participated, was observed without pomp, but with solemn dignity, as the people quietly expressed their grief over the loss of their young president,' reported the *FT*'s US correspondent. 'The calm and restraint of the funeral ceremonies contrasted painfully with the violent actions and emotions of the last three days, which have brought sorrow and shame to all Americans...The coffin containing the body of the late President, which had been lying in state in the Capitol since yesterday, was drawn slowly on a gun carriage along Pennsylvania Avenue to the White House, preceded by a rider on a white horse and drawn by three pairs of greys. Behind the cortege came the traditional symbol of the fallen hero, a black gelding without a rider and with black boots reversed in the stirrups...

As the procession arrived at the Cathedral a band played "Hail to the Chief" and the pipes of the Black Watch, one of President Kennedy's favourite bands, were also heard. The simple Requiem Mass was conducted by Cardinal Cushing of Boston, a close friend of the Kennedy family, and then the procession left for the cemetery, crossing the Potomac River into Virginia, a state which has produced many Presidents and which is now the last resting place for the nation's youngest leader.'

1974: Resignation of President Richard M. Nixon

'President Nixon resigns' ran the front-page headline on 9 August 1974. 'Speaking on nationwide television and radio from his White House Oval Office tonight, President Richard Nixon brought his tumultuous six-

year administration to a close, without any admission of guilt in the Watergate affair,' reported Paul Lewis, the *FT*'s U.S editor from Washington.

Nixon's dramatic departure - the first time a president had resigned - was the final consequence of a break-in at the Democratic Party campaign headquarters in the Watergate building two years earlier, in June 1972, during the 1972 presidential election campaign. Investigative journalists Bob Woodward and Carl Bernstein uncovered ties that took responsibility for the episode closer and closer to the White House, as depicted in the film *All the President's Men* (1977). A full-page article, 'How a "third-rate burglary" overwhelmed the President,' that appeared in the *FT* on 9 August 1974, p. 5, provides a blow-by-blow chronology of the Watergate scandal.

Though not accused of personally authorising the break-in, more and more people became convinced that Nixon was complicit in the cover-up of the wrongdoing. On 27 July the House Judiciary Committee of the US Congress voted to start impeachment proceedings against the President for 'high crimes and misdemeanours.' 'Size of vote ominous sign for Nixon' ran the headline above the *FT*'s report on 29 July 1974. Subsequently, *FT* front page articles reported daily the twists and turns of the crisis as it reached a climax: 'Nixon calls top advisers to Camp David meeting' (Monday, 5 August 1974); 'Nixon admits that he withheld evidence' (Tuesday, 6 August 1974); 'Nixon prepared for fight to the finish' (Wednesday, 7 August 1974); 'Ford stands by to take over presidency' (Thursday, 8 August 1974).

'Impeachment or resignation,' pondered an *FT* editorial on 5 August 1974, p.12. 'It now seems certain that the House of Representatives will vote by a large majority that President Nixon be impeached before the Senate. Will the President resign, either before or after the House vote? Should he be urged to do so for the sake of the nation and his party as well as his future personal wellbeing?' It outlined the many practical advantages of resignation for Nixon, America and the West, but on constitutional grounds concluded that 'the arguments against resignation are on balance probably more weighty...it is hard to believe that this tragic disaster of the Nixon administration, having been taken so far, can now be adequately purged except by going to the end.' However, events quickly took a different turn.

'A time for renewal,' was the verdict of the *FT*'s editorial of 9 August, p.14 following Nixon's resignation and the news that Vice-President Gerald Ford was to be sworn-in as 38th President of the United States. 'The first tasks that face President Ford are to restore confidence in the Presidency as an institution and to prevent the kind of retreat into hard cynicism and unreconstructed isolationism that the bitterness of conservatives and the despair of liberals could well induce...He may not be an inspiring leader, but he will be an honest one. Nor need Middle America feel that he is about to open the floodgates of revolution. He represents in a less abrasive way much the same beliefs, fears and aspirations as produced the Nixon landslide two years ago. He has the close contacts and experience in Congress necessary to restore the essential lines of communication between the White House and Capitol Hill...As they move into their third century the United States need to renew their sense of

destiny. This does not require visions of imperial grandeur or even limitless riches. But it does require a sense of dignity, of morality and of hope. If Mr Ford can provide these he will be worthy to preside over the bi-centenary of the country.'

1989: Fall of the Berlin Wall

Since the end of the Second World War, Germany had been divided between communist East Germany and capitalist West Germany. Berlin was a divided city, with Eastern and Western zones separated by the Berlin Wall erected in 1961. The breakdown of the Iron Curtain dividing the populations of Eastern and Western Europe began with the opening of the border between Hungary and Austria in May 1989. This enabled 100,000 East German 'holiday-makers' in Hungary to flee to West Germany, causing a crisis of legitimacy and confidence for the Communist regime. The ousting in October of Erich Honecker, the long-standing leader of the East German Communist Party, by party hard-liners made little difference. The regime, along with the rest of Eastern Europe's Communist dictatorships, was collapsing.

On 9 November 1989 the East German government announced that it was opening its borders to the West, allowing free travel for the first time since the building of the Wall. The *FT* reported the next day on 10 November 1989: 'Shortly before 11 p.m. last night the Berlin Wall, after 28 years, finally opened. Berlin saw bizarre scenes, historic scenes. People were jubilant...Citizens crossed the Wall for some champagne, and even the police got drunk.' When East German troops started to dismantle parts of the Berlin

Wall, they were joined by hordes of euphoric Berliners from both East and West. 'Last night thousands of Germans celebrated at the Brandenburg Gate, the heart of divided Berlin,' witnessed the *FT*'s correspondent on the front-page of 11 November 1989, 'some of them dancing on top of the Wall.' 'Yesterday's wave of humanity washing through the Berlin Wall marks the crumbling away, almost literally overnight, of the ugliest symbol of the post-war world - and the pushing into place of the building blocks of a new Europe,' observed the *FT*'s David Marsh, 11 November 1989, p. 8. 'Rarely in history can an event desired by so many, deemed possible by so few, have happened with such remarkable speed.'

With the fall of the Wall, one after another of Eastern Europe's Communist regimes also fell. In Czechoslovakia, a few weeks later, the government simply resigned in the face of mass protests. In Romania, President Ceausescu ordered a crackdown on protests by the secret police, triggering a brief civil war. The violence came to an end with Ceausescu's capture and execution on Christmas Day. In Hungary, the transition was by via the ballot box, the Communists being defeated in the general election of April 1990.

And then in early October, East and West Germany were reunited as one nation again. On 3 October 1990 the *FT* front-page article reports: 'United Germany Rejoices' 'Germany was reborn as a united country last night in a celebration which finally swept liberal democracy 200 miles eastwards across central Europe and ended the most enduring legacy of the Second World War,' reported the *FT* from Berlin. 'In an evening

of pomp and highly-charged emotion in the old Prussian capital, vast crowds gathered at the rebuilt Reichstag in the centre of Berlin to watch the hoisting of the black, red and gold German flag, ending 41 years of partition. Mr Helmut Kohl, who last night became the first chancellor of a democratic unified Germany since Hitler's takeover in 1933, said in a nationwide television and radio address earlier that a "dream" was being realised. "After more than 40 bitter years of division, Germany, our Fatherland, is being united again. This is one of the happiest moments of my life."

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