Britain pins its hopes on the fine print

"Who would have thought a few years ago that we would envy the British" — Columnist Lindley Clarke, *Wall Street Journal,* Oct. 31.

Even as the U.S. Administration was forced to reverse its commitment to destroy the dollar and accept a European-organized thirty-billion-dollar support package — a "temporary change in policy," Treasury Undersecretary Anthony Solomon sulked to the *Wall Street Journal* — the City of London and its offshore drug-money operation in the United States kept up a dogged assault against the American economy. Seizing on the IMF borrowing and interest rate-hike aspects of the dollar support package, these networks are gunning for U.S. national suicide via the "British model" of depression austerity, their chosen "fall back" option against the consolidation of the Europe-based Grand Design.

In recent days, rabid calls for IMF surveillance over the U.S. and with it, every variety of austerity and bloodletting, have reverberated first in the British press and then echoed in the U.S. financial press, highlighting an ongoing lunatics' debate over whether we should have mandatory wage price controls or a deep recession.

The British press unanimously smirked at the Carter anti-inflation program announced in last week's "fireside chat," quoting Milton Friedman on the necessity of "economic witchcraft," and "pure Healeyism," charging Carter with, in the *Daily Telegraph's* words, "plagiarism from British experience." The UK tried that kind of thing, they waxed, but nobody took it seriously until Britain appealed to the IMF for help and guidance. That's the only way to insure the approval of international opinion.

On Sunday, Oct. 29, London *Times* Washington correspondent Henry Brandon, the gentleman who became famous promoting the decline of American power and otherwise handling the official UK coverup of Britain's direct role in bringing down the dollar on Aug. 15, 1971, announced front-page that Carter was going to the IMF for a bailout loan. Significantly, on Oct. 31, amid increasing rumors of imminent U.S. government action on the dollar, outgoing Manufacturers Hanover president Gabriel Hauge told the West German press that the solution to the dollar crisis lay in IMF-administered austerity. "In an efficient monetary system," Hauge told the daily *Handelsblatt,* "the IMF must have full influence on national economic policy for the benefit of the world community, including limiting national sovereignty."

As soon as the dollar support package was announced on Wednesday morning, House Banking Committee Chairman Henry Reuss (not coincidentally another London-linked principal in the 1971 dollar debacle) denounced the agreement, called instead for more brutal austerity. Reuss charged that the package was "but a band-aid to cover an inadequate anti-inflation program." Large scale interventions "to shore up the international value of the dollar," he intoned, "fly in the face of previous government policy" and contravene the IMF's "equilibrium" policy — that is, the free-enterprise monstrosity of "freely floating exchange rates."

The push for IMF surveillance is just the front end of the British model austerity drive. In an interview with NSIPS on Oct. 31, Barry Bosworth, the Brookings Institution's boy wonder currently heading up the Council on Wage and Price Stability, acknowledged the Anglophile crowd's preference for austerity. The London-dominated international hot money flows

'Applying to the IMF would be splendid'

From the Wall Street Journal*'s Nov. 1 editorial, "The IMF Option":*

The Treasury has officially denied it, but there is a certain ring of authenticity to Henry Brandon's report in London's Sunday Times that the U.S. is negotiating for a loan from the International Monetary Fund. At least, we are impressed by Mr. Brandon's description of the attitudes of the Carter team—shocked at the way the financial world has spurned the anti-inflation program, and deeply disappointed that markets haven't noticed the good news that they've finally dealt with the fundamentals.

Whether or not the report of actual negotiations is true, we think applying to the IMF would be a splendid idea. In fact, an IMF loan may be the only way to make the Carter program work. The only wage-price guidelines that can be asserted to have worked are those only now starting to come unraveled in Great Britain. The key element in this success was the British IMF loan in 1976, which came attached to such conditions as public spending cuts of 2.5 billion pounds, restrictions on domestic credit expansion and a private pledge of tax cuts. If we could get ourselves an IMF loan with those conditions, the voluntary wage-price guidelines would work so well we wouldn't even need them..

have had a lot to do with U.S. inflation, Bosworth admitted, but he insisted, "We can deal with the inflation problem here at home — by holding down wages and profits."

Fellow Brookings creature Otto Eckstein, speaking as a private consultant, told the *Washington Post* the same day, "The odds for a recession now are even" — adding a shrill call for immediate trade war: "We need massive intervention on international trade. We need sharp restrictions on trade. We're being done in by our friends."

On the same day, Bernard Nossiter, *Washington Post* London correspondent (and author of a forthcoming obscenity, *Britain: The Future that Works*), reported that London markets, in reviewing the response to Carter's anti-inflation package, were urging the U.S. to impose a prime one-time interest rate hike of 3 percent — into the 14 percent range! Wall Street firms have been retailing the same treasonous gospel at fever pitch.

In a speech to the Royal Institute of International Affairs, also on Oct. 31, Lloyds Bank chief and former Bank of England governor Jeremey Morse outlined one lurid implication of the British model scenario — the plan to "buy America cheap." European banks should prepare to "diversify" out of the dollar, he told the oligarchist group, puffing up continued dollar collapse. Over the "longer term," he then explained, the dollar would improve as foreign investors invade the prostrated U.S. markets, snapping up depressed stocks with cheap dollars at bargain basement prices. By doubtful coincidence, principals of several of the major brokerage firms on Wall Street went into a knee-jerk euphoria over the dollar support package, convinced that the opening to the IMF and the interest rate hikes would set the U.S. on just this road to suicide.

Perhaps the most telling commentary was the coy reference to Hitler's economics offered by the *Christian Science Monitor* on Oct. 31:

> ". . . But how many Americans as of today are ready for the kind of measures which could stop the inflation in its tracks and restore the dollar to its once-customary soundness?
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> "Only once in history has an inflation been stopped like that, and that was done only after it had reached the runaway stage. In Germany in 1923 the mark had dropped to the value of four billionths of a dollar. At that point the German people were desperate, and ready for Herculean measures. A new bank was set up which issued a new currency, called a Rentenmark. The new money was issued to government departments, to banks, to industries and to businesses in rigidly controlled amounts on a basis of their real assets. There was no padding anywhere. Everyone's budget was balanced ruthlessly.
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> "The instant result was unemployment, a lot of it. But within a year Germany was humming again and employment going up steadily. The Germans have been hard-working people ever since. . . ."

— *Susan Cohen*