
Editorial

The British Imperial Game

A report from a City of London insider on Jan. 5, about the imminent danger of the collapse of the British pound, sparked leading economist Lyndon LaRouche to issue a warning: Watch out for the British trying to wreck the potential of the incoming Democratic Congress, by using a pound collapse to force a general collapse of the dollar.

The context for the City of London report, LaRouche noted, is the fact that, with the dramatic change in Washington as a result of the Nov. 7 election, the pathway toward a sane, FDR-style policy in the United States is wide open. Within three months' time, the Democratic Party, revitalized under the influence of the LaRouche Youth Movement and LaRouche's economic perspective, could effectively take charge of the American government. There are enough sane Republicans responsive to the broader institution of the Presidency, to permit this to happen—emphatically including the impeachment, or forcing out, of the kingpin of lunacy in the Administration, Vice President Dick Cheney.

Under these conditions, LaRouche said, expect the financial oligarchy, centered in London, to try to come up with a way to short-circuit this process.

This is what is behind the moves, coming from London itself, to intentionally sink the pound sterling, LaRouche elaborated. They're moving in the direction of pulling the rug out from under the pound, as a way of forcing a collapse of the dollar, and therefore, of the world system. If you pull down the pound sterling, you will set up a chain reaction in financial markets, which will force a deeper collapse of the dollar.

This is what happened in 1967-68, LaRouche pointed out. The Labour Party government of Harold Wilson deliberately pulled the plug on the pound at that point, as a way of destroying the fixed-exchange-rate system, and destroying the United States. That has been the objective of the British oligarchical financial interests since the time of the American Revolution! Although these financial powers have been forced to rely on the United States to do their bidding, especially since World War II, their overall objective has been

to get the larger power, the United States, to discredit and destroy itself. They have been determined to prevent the possibility of the U.S. producing a new Roosevelt, who might play the same kind of role that FDR played in the crises of the 1930s-1940s.

It took time, but after the pound came down in October-November of 1967, the dollar crisis broke out, leading to a dollar devaluation on March 1, 1968, and eventually culminating in the events of Aug. 15, 1971, when Nixon took the dollar off gold. The next phase was carried out by Treasury Secretary George Shultz, who negotiated the beginning of the floating-exchange-rate system in 1972.

Today, the United States is highly vulnerable. It's obvious to everyone that the U.S. has discredited itself through the war in Iraq, an action which, we must stress, was pushed by agents of the British-dominated financial oligarchy with precisely that intent. More fundamentally, the U.S. dollar is highly vulnerable, because the embrace of the imperial globalization strategy has bankrupted the entire system.

Thus, as the Jan. 5 report highlighted, the British are positioning themselves to carry out a wrecking operation against the dollar. They are doing this with the full knowledge that *there is no alternative to the dollar* in the global system. There is no possibility of an independent operation of a monetary system outside of the dollar, which is the denominating currency for international reserve calculations. If you sink the dollar—and it could be sunk to about 80% of its present level, and go down from there, LaRouche said—the whole monetary system goes into a breakdown crisis.

That is the objective of the international financial circles who rule the world—which would bring on something like a 14th-Century New Dark Age. That is the horror which must be avoided by decisive action by the U.S. Congress, on restoring an FDR-style policy of economic recovery immediately.

As LaRouche will elaborate in his Jan. 11 webcast, "The Old Economics is Dead, the New Economics must Begin."