

*Economics*) under the control of a new world central bank designed to permanently decapitate U.S. international economic-growth leadership potential.

U.S. banking and industrial spokesmen who could, if they chose, return such blueprints to the crackpot file in two days are presently reeling and fainting, along with various pro-development, anti-London European spokesmen, by giving *pro forma* credence to the idea of shaping up the U.S. economy and the U.S. trade position through fuel import cutbacks.

The New York *Journal of Commerce* made a Dec. 16 editorial call for "sensible" measures like energy conservation since — as Blumenthal's antagonists among Manhattan commercial banking executives also profess — nothing better can be done to help the dollar, given the present state of affairs in Washington. The 30 leading U.S. corporate heads who visited President Carter last week also tucked in their horns with a plea to curb "government spending." If Exxon is any indication, the oil corporations are on the same middle-road to extinction; V.P. Jack Bennett, best known for his self-reference in 1975 as "fat, dumb and happy," exerted himself in a Dec. 15 wire service release to make a sophisticated distinction between the "unimportant" exchange rate of the dollar and its "underlying value," which can be aided by Schlesinger's energy program.

Chicago bankers went so far as to tell the *Chicago Sun-Times* of Dec. 16 that both they and their European counterparts are extremely distressed about the dollar, but had no remedies to offer, beyond sound federal

budgets. "We can't do anything until Washington does," said a senior Manufacturers Hanover executive after predicting international dollar "panic." The capper was Bankers Trust economist Gary Gray's fullblown endorsement of the SDR plan in the Dec. 16 *Journal of Commerce* as a remedy for destabilization of trade payments.

This pusillanimity in turn has opened the way for new levels of assault against the U.S. commercial banks, who have trapped themselves in short positions against the dollar instead of taking leadership to save it. Suddenly the *New York Times* and other Anglo-American investment banking organs have discovered the perils of Eurodollar speculation and Third World debt pyramiding; the *Times* of Dec. 17 ran four articles on imminent LDC default — including a front-page autopsy on the Treasury's refusal to bail out Peru's New York banking creditors, and the revelation that no rollover package has come through for Zaire. This week's *London Economist* ran the punch line on its cover: AMERICA: GOING CHEAP FOR CHRISTMAS. The *London Times* had been equally confident and explicit about "turmoil" as the preparatory key to takeover of the dollar sector; the decisive test has arrived for the imperial premise that no one will have the courage and intelligence to take charge, save the dollar, and bring productive order out of chaos through crash-program expansion and export of U.S. advanced technology and development-g geared investment.

## USLP's LaRouche Denounces Treason In High U.S. Circles

*The following critical analysis was issued Dec. 13 by Lyndon H. LaRouche, Jr., chairman of the U.S. Labor Party.*

Let us mince no words, the role of USA representatives at the recent Paris monetary conference, the astonishing role of USA representatives at the recent Basel meeting of world financial representatives, the outburst of Ambassador Mansfield at a Tokyo press conference, and the proceedings of the AFL-CIO convention all reflect a pattern of what is in fact high treason within certain leading U.S. circles.

The essential reality of the moment is that merchant-banking circles in the City of London, circles controlling the British Government's policies and directing the activities of British MI-5 and MI-6 intelligence branches, are currently waging economic warfare against the United States. In addition, they are supplementing economic warfare by the use of terrorism inside the United States and other nations, acts which are in fact a form of shooting warfare against the interests of the United States as a nation and as a people.

Although these policies and actions by the dominant circles in London are absolutely contrary to the most

vital interests of British industry and labor, the United Kingdom is currently mobilized for war against the United States' interests, and loyal British subjects are correspondingly lending their patriotic support to that war.

In aid of that war against the United States, British circles are utilizing deeply-planted British intelligence networks of influence within various USA policy, military, intelligence and related circles. These networks center around Manhattan financial interests which have been linked to London and Amsterdam for a period extending way back into USA history. Since the days of Samuel Gompers and Victor Berger, British networks of influence in the United States have gone way beyond the outrightly British *New Republic* magazine into what are generically termed the Fabian networks linked to the British-controlled Socialist International and into comparable strata within the leadership of the American trade union movement. They also include the Fabian faction of the Democratic Party, which is to emphasize the Humphrey faction and such Humphrey protégés as Vice President Mondale.

A glance at the composition of the present cabinet

leaves little doubt as to why the British have been so successful and the Administration so impotent in defending the dollar and the U.S. economy against British warfare.

Admittedly, while many key figures high in parties, government, banking and trade unions are de facto traitors to the United States in this war, these traitors are not the full measure of the internal problem inside the influential USA circles. In addition to traitors there are honest leading citizens who despair of the possibility of forcing the Administration and Congress to take effective action to defend the United States. Typical is the statement of Henry Wallich to European financial leaders at the recent Basel conference: Wallich emphasized the impossibility of shifting the U.S. Administration to a position of defense of the dollar at this time.

We cannot hope to win Mondale, Blumenthal, Schlesinger and other hard-core representatives of British ideology to a defense of the United States in this war. We can hope that a vigorous kick to the Steatopygian regions of the anatomy of honest leading citizens will accomplish some good. We challenge these honest leading citizens to rise from their hind quarters now. "Will you squat, mewling in despair and self-pity, and watch the most powerful economy in the world, the

United States, plunge into deep depression, its currency ruined, and the nation in effect conquered by the ruler of that miserable, bankrupt, nation, England?"

The Chicago Daily News has, happily, made the relevant practical point of attack on foolish old Fabian Meany's protectionist babbling at the San Francisco AFL-CIO conference. Meany, of long life but apparently very short memory, does not recall how the same policies he now proposes, supported by the AFL during 1926 through 1932, resulted in the same near-obliteration of organized labor, and the same mass depression which Meany and his co-thinkers are proposing, in de facto British interests at this time. A comparison of Meany's policies with the rantings of British Ambassador Peter Jay on the eve of the AFL-CIO convention, shows that Meany's policies are not American, but British — as might be expected of an old Fabian in this juncture.

The Daily News is emphatically correct in reminding befuddled George Meany of the consequences of the Smoot-Hawley Act, the same sort of nonsense which Meany demands now. Meany proposes to save a few tens of thousands of jobs. The policies he recommends will wipe out tens of millions of jobs! Is any trade unionist so desirous to join the unemployed in begging for minimum wage WPA jobs that he will tolerate Meany's policies at this time?

---

## The Traitors....

*Mr. Peter Peterson, chairman of Lehman Brothers (soon to merge with Kuhn-Loeb), speech before Georgia Chamber of Commerce Conference on Exports.*

Everyone is talking about the dollar, but that is not good. The less said about the dollar the better. People talk about benign neglect but they don't understand the intricacies of the situation. A Secretary of this or that can't do anything about the dollar.

The U.S. has a vulgar, if not obscene use of foreign oil. Carter's program is thus timid even if it's politically bold.

The problem is the domestic economy, the need to speed up growth in the U.S. economy and the rest of the world. Japan and Germany should upvalue their currencies.

*Peterson then read excerpts from George Meany's speech at the AFL-CIO convention calling for protectionist measures and criticized this level of thinking of labor leaders.*

Business knows better. It is up to business to straighten out the misconceptions of labor.

*New York Times editorial, "Soft Dollars and Hard Economies," Dec. 13:*

*The fall of the dollar — or rather, the factors leading to its depreciation with respect to a few other currencies — has been a blessing, not a curse. When Germany and Japan choose to reverse the dollar's decline, they may do so by stimulating their own economies and thereby stimulating imports from the United States. Such moves would be welcome, increasing employment and output in those countries and elsewhere. Should Germany and Japan prefer to go their own way, however, it would be foolish to follow their example simply to defend some romantic notion about the honor of the dollar.*

*Robert Solomon, senior fellow at Brookings Institution, "Open Letter to Helmut Schmidt," published in Journal of Commerce, Dec. 15:*

You have had serious non-economic problems to deal with in recent months and we all greatly admire the way in which you have handled them. But your statements from Brussels on economic matters are rather disturbing. You have been quoted and apparently misquoted in the press concerning the so-called "weakness of the dollar." Meanwhile, other stories have come from private sources in your country implying that some sort of conspiracy exists in the United States to drive down the dollar in order to achieve a competitive advantage for American exports....

The way to stop both the upward pressure on your