

London Times: Defending 'American Liberalism'

In twin editorials in its July 25 issue, the London Times put forward the programmatic themes of London's international strategy: the submission of the U.S. dollar and the world to the International Monetary Fund, and the bestial British tradition of Locke, Ricardo, Adam Smith, and Keynes—which the Times has the cheek to present as encompassing the American Revolution which was fought against it. Here are portions of both editorials.

London Times, "Why the Dollar Problem Must Be Solved":

When the leaders of the western industrial world held their summit meeting earlier this month at Bonn, the largely unspoken background to their discussion was the continuing weakness of the dollar. . . . The continued slide of the dollar is without question placing an increasingly serious strain on the international economic system. . . the Carter Administration, like its predecessors, declines to face the real dollar problem. This centers on the fact that the dollar is carrying out an international reserve role out of proportion to the relative size of the American economy in the industrial world as a whole. In other words there are simply more dollars around in the world than people want to hold in their portfolios. Until something is done to change this imbalance the dollar will be under continual long-term pressure. . . . At some time in the next five years, the crisis will return in an intensified form and the problem will have to be faced directly.

There are a number of ways in which this could be done, many of which have to be examined in the context of the International Monetary Fund. In one form or another, however, they all come down to some kind of funding for the unwanted dollar balances. Holders of unwanted dollars will have to be offered some other non-depreciating financial asset (or equivalent guarantee for continuing to hold dollars), which the United States

will have to fund over a period of say, half a century. Without some such moves, exchange rate stability is a chimera.

London Times, "An Economic Prison":

Today's debate on the Government's pay policy will divide both the Labour and Conservative parties. . . . The division in the Conservative Party is the more interesting. It cannot usefully be described as one between right and left; it is between those Conservatives who trace their intellectual history back to English liberalism and those who trace theirs back to Burkean ideas of the community. It is a division between liberal Conservatives and tory Conservatives, and there is nothing to be gained by classifying either as to the left or right of the other.

Historic Roots

Both traditions have their roots in the 17th century. The tories are the descendants of the royalists who fought for King Charles I. Their ideas are paternalistic and interventionist; they support the authority of the state. . . . Pure tories are hard to find, but it is clear that the 'moderates' are Disraelian tories at heart. . . . The liberal ideology. . . is based on the English school of political and economic liberalism. It owes its basic ideology to Locke, reinforced by the doctrines of the American Declaration of Independence, and by the classical British school of economists, Locke, Adam Smith, Ricardo, Mill, Marshall and certainly the young Keynes. . . . Whereas toryism looks at the individual from the point of view of his obligations to society, liberalism looks at society from the point of view of the liberty of the individual. As John Stuart Mill wrote: 'a State which dwarfs its men, in order that they may be more docile instruments in its hands even for beneficial purposes—will find that with small men no great things can really be accomplished. . . .