

Bankers Propose 'Social War' Dictatorships As 'Solution' To British Economic Woes

New York, April 3 (IPS) — The following are excerpts from interviews conducted this week with three leading bankers here on their "cures" for the problems facing the British economy:

The United Kingdom investment officer for Loeb Rhoades investment bank:

Q: In view of recent think-tank reports which have advocated various solutions such as import controls, devaluation, spending cuts and wage restraint as solutions to Britain's economic crisis, what do you think should be done?

A: These are only remedies, not solutions, since they don't change fundamental attitudes. What is necessary for Britain is a total catastrophe, a psychological punctuation point. People have to be jolted into realizing that there is a crisis.

Q: What type of "crisis" are you thinking of?

A: Imagine a collapse of sterling if the Kuwaitis and the Nigerians pulled out. That's the ball game. Britain would have to declare a moratorium. It would be broke.

Q: Wouldn't this be dangerous from the stand point of international credibility? Where would Britain get further credit for industrial investment? Wouldn't there have to be a Big MAC—type of solution?

A: Exactly. The only problem with Britain is, unlike New York, where you had Washington as a higher authority to put the city under tight financial control, in Britain you have no higher authority than Her Majesty's Government.

An Economist for Manufacturers Hanover bank:

Q: Of the present contenders for Prime Minister in Britain, who do you think is capable of implementing the austerity policies required by Britain's economic crisis?

A: Whoever wins, it will be irrelevant. Politics as usual can't continue in Britain ... We have to excise the left (reference to the left wing Tribune faction of the Labour Party) who provide the brains and declare social war on the more radical trade unions who provide the muscle.

Investment Banker at Chembank:

There is no solution for Britain short of dictatorship... I do not necessarily advocate this, but I am pessimistic...

Q: Isn't the country already moving toward a type of corporatism?

A: Yes, but this is corporatism of the left, rather than the right, although this may actually be better in the long run. The problem in Britain is that it doesn't look like a crisis. Take your average worker in the Midlands (industrial center of Britain) He doesn't read the Financial Times, therefore he doesn't know how bad it really is.