

# The dollar and the Presidency

Carter's endorsement of the U.S. Federal Reserve Chairman's destructive credit crunch in his Oct. 9 press conference amounted to the signing of his own political death warrant—and the President admitted he was taking the maximum political risk.

The question now is, whether the administration can be forced to take formal dollar support and antideflationary measures if sufficient popular support emerges for another candidate with a solution. This is a question being assiduously studied abroad as well as in the United States, and especially in continental Western Europe.

About ten Republican has-beens are vying for that party's nomination, and in the Democratic party both Kennedy and Brown are challenging Carter. But only three kinds of solutions are being proposed: that of Ted Kennedy, Democratic frontrunner of the New York Council on Foreign Relations; that of John Connally, Republican frontrunner of the New York Council on Foreign Relations; and that of Lyndon LaRouche, who has entered the race for the Democratic Party nomination in 1980 and who is feared and detested by the Council on Foreign Relations.

Connally is notorious in Western Europe for the step he took in 1971, as Nixon's Treasury Secretary, to uncouple the U.S. dollar from gold. Today, according to Connally's controller Rita Hauser, Connally would go much further than Federal Reserve chairman Volcker in ensuring the economy gets the depression it needs.

As for the Ayatollah Kennedy, according to a recent article in West Germany's *Der Spiegel*, he is regarded as a "worse disaster even than Carter."

Kennedy has kept up a steady stream of hot air against the oil com-

panies in the Congressional record, while at the same time collaborating with the Carter administration's Energy Department in providing subsidies to multinational speculators. The infamous \$5 a barrel subsidy to the Rotterdam spot market, that drew the ire of the French government, was Kennedy's initiative.

On the other side, Kennedy has tried to refurbish a "free enterprise" libertarian-conservative image in speeches before such business and Eastern Establishment bodies as the Investment Association of New York. But the bottom line on Kennedy policy is that he is committed to a zero-growth regimen either by "community participation" (his health plan) or by free-for-all among business and workers for the shrinking pie.

LaRouche's entry into the Democratic contest is thus being very carefully evaluated in U.S. and international policymaking circles. LaRouche proposes that the U.S. remonetize gold in consultation with France and West Germany, thus eliminating the credit controls of the IMF and World Bank. Then, ample

credit has to be guaranteed by the government for high-technology investments and exports, especially in the nuclear field, and the dollar must be strengthened by punitively high credit terms for speculation. Third, the U.S. government must distance itself from the IMF and begin negotiations to enter the European Monetary System as the basis for a new world economic order.

At Carter's Oct. 9 press conference, a reporter asked whether the President was going to consider joining Europe's gold-based monetary system efforts as advocated by Democratic candidate LaRouche. Carter ruled that option out. The next day the *New York Times*, which has perhaps even more enemies abroad than in America, printed an editorial calling for a witchhunt against LaRouche with the proviso that the "investigation" not be occupied in any way with LaRouche's policies. As one New York financial insider noted, "I wonder if this has anything to do with question 8 in Carter's press conference?"

—Nora Hamerman

## The Week in Brief

**South Africa may militarily intervene in Zimbabwe-Rhodesia if the Patriotic Front liberation organizations fail to accept the "take it or leave it" constitutional proposals of Lord Carrington, the British Foreign Secretary, according to a UPI wire that quotes a Johannesburg newspaper.** South African Foreign Minister Roelof Botha gave credibility to the report by responding that South Africa is greatly concerned over the latest developments at the London conference on

Rhodesia, where Carrington's proposals for a constitutional transition to majority-rule were firmly rejected by the Patriotic Front. Shortly before the threat of South African invasion appeared in print, Carrington announced he would give the liberation organizations "48 hours" to accept his proposals.

South African officials also have given strong indications they will reject a concessionary proposal by Angola to create a "demilitarized zone"