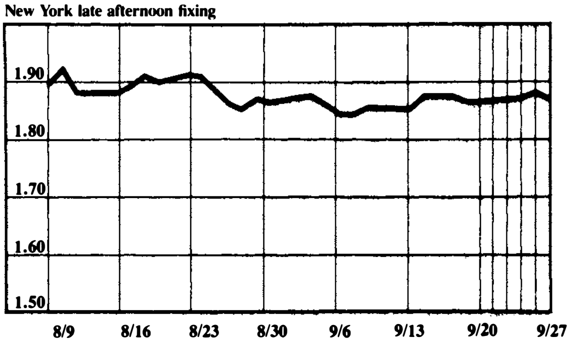
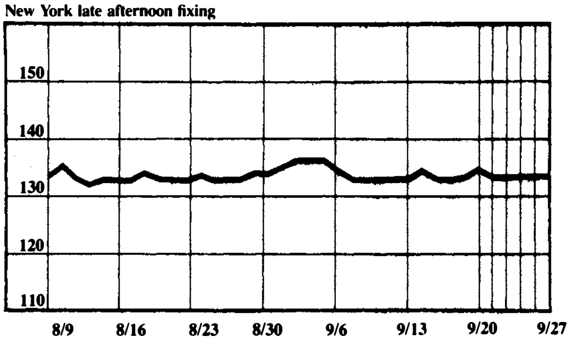
Currency Rates

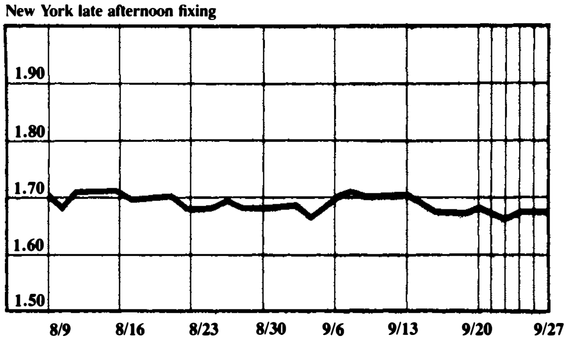
The dollar in deutschemarks
New York late afternoon fixing



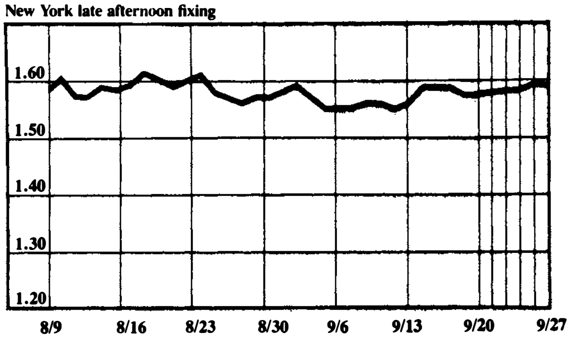
The dollar in yen
New York late afternoon fixing



The British pound in dollars
New York late afternoon fixing



The dollar in Swiss francs
New York late afternoon fixing



associated with Camdessus, and the debt proposal associated with Kiichi Miyazawa and Sumita, were cooked up during the course of those discussions. Both are equally designed to replace the currency regime, and the debt plan, associated with James Baker, and with the Plaza and Versailles agreements on currency exchange rates.

Brady opposed the debt scheme on the pragmatic and technocratic grounds that it is ill-advised to transfer "the risk" in private banking lending to Third World debtors from the private banks to public agencies. In other words, if the IMF were actually to assume a portion of the debt as proposed, then what would stand behind that debt, as guarantor of the issuing outfit, is the combination of countries which finance and underwrite the existence of the IMF.

The debt would thus not be a liability of the IMF, but a liability of the nations themselves. But who would then be lender of last resort against the collapse of whichever part of the world banking system? While stealing Third World assets on the one hand, the proposal is also designed to put taxpayers' money, in bailout guarantee form, behind that portion of the indebtedness which is proposed to be refinanced at a discount from face value.

Both reorganization proposals were accompanied by demands that the United States cut its budget deficit and increase taxes.

So publicly then, the meeting heard proposals which were designed to put major Third World countries into a dictatorial bankruptcy receivership under IMF technocratic guidelines, while also elaborating proposals for downgrading the dollar in the current monetary system, and reorganizing the United States.

Camdessus, Beregovoy, and Sumita, it can safely be assumed, represent that section of the international creditors of the United States who would deploy into capital flight mode to induce the "shock tactics" which would be designed to force United States compliance with the whole hideous scheme.

Fasten your seatbelt

They certainly overlook the reality that unlike Mexico or Brazil, there is between $15 and $20 trillion worth of essentially unsecured liabilities bubbling the U.S. dollar credit and banking system. If, as the whispers of the private agreements portend, the intent is a run on the dollar, in the fourth quarter, building into a first quarter 1989 crisis for the next President, then fasten your proverbial seatbelt.

That kind of shock cannot be organized without uncorking the bottled-up genies of financial blowout. This would indeed force changes in the world financial and banking system, and since sovereign states will be among the institutions with the powers necessary to survive, and bubbled banks not, the changes will most likely not be those proposed by Camdessus, Beregovoy, and Sumita, nor will they be to their liking.