

Currency war aimed at the nation-state

by Richard Freeman

On July 28, Malaysia's Foreign Minister Abdullah Badawi, addressing the foreign ministers conference at the annual ministerial meeting of the Association of Southeast Asian Nations in Malaysia, called George Soros's multibillion-dollar speculative attacks on Southeast Asian currencies, "the height of international criminality. . . . It is time that we recognize these actions for what they really are, namely, villainous acts of sabotage." Badawi was responding to the fact that financial terrorist Soros had spent July attempting to destroy the Malaysian currency, the ringgit. Starting in February, gathering force in June and July, Soros has been hammering at the Thai currency, the baht, through speculative shorting operations. According to Thailand's finance minister, Thailand's central bank spent—and lost—\$19 billion from its hard-earned official reserves defending the baht. Unofficial figures show that the amount spent from Thai reserves may have actually been \$30 billion.

While Soros destroys populations through his pushing of drugs, he also crushes nation-states, through his main occupation, running a high-leverage hedge fund that speculates against currencies. Soros and his Quantum Fund are a hired gun for the Club of the Isles oligarchy to conduct warfare against the nation-state. In these currency raids, Soros employs a large amount of money that is not his, but rather, leverage—borrowed money—lent to him by a group of London-centered banks. It is these bankers, and the British Privy Council, that Soros works for.

Once a country is targetted, Soros and his allies in other hedge funds will pour billions of dollars, using a 20:1 leverage, into the fight to break a nation. Once weakened, a nation will be subjected to such unsavory alternatives, as was Thailand, as having to borrow from the International Monetary Fund, and then being subject to the IMF's dictates. While some Southeast Asian nations are encountering Soros's wrath for the first time, his track record goes back to 1992.

Destroying the European Monetary System

In July 1992, Soros set out to break apart the European Monetary System (EMS), as a stable arrangement of European currencies, by taking on the weak-link, the British pound sterling. After several assaults, the pound slipped below the floor of the EMS in August. On Sept. 4, Britain began borrowing on an emergency \$14.5 billion credit line from Germany

and other European nations to defend the pound. Ultimately, despite the efforts of the Bank of England and the German Bundesbank, in which they lost several billion dollars, the pound sterling withdrew from the EMS.

At the same time, Soros turned his guns against the Italian lira. Over several months, the Banca d'Italia spent—and lost—\$48 billion in its effort to prop up the lira, which kept plunging: Between September and November 1992, it fell by 28% against the German mark. Soros had a dual purpose here: On June 2, a secretive meeting of top British financial sharks, including the Barings Bank crowd and S.G. Warburg, met off the coast of Italy on Queen Elizabeth II's royal yacht *Britannia*, with the anti-state group inside Italian government and business, to plan out the thorough privatization of the state sector. The Soros raid against the lira meant that the government's resistance to privatization would be weakened, and the valuable Italian state sector could be bought up for a song.

The key to Soros's operation is his use of leverage. A Nov. 9, 1992 *Forbes* article reported that Soros and other speculators would usually be able to borrow on a margin of 5%, so that for every \$50 million he put up, he could borrow \$1 billion from London and Wall Street banks. This allows him to make 20 times the normal profit from currency speculation. For example, take Soros's speculation against the lira. Between September and November 1992, it fell from 765 to the deutschemark, to 980, a drop of 28%. But with a 20:1 leverage, Soros would have made 20 times 28%, or 560%. If he put up \$100 million in speculative short operations, he would make \$560 million. Indeed, in September 1992, between his speculation on the pound and the lira, Soros and the clients of his four Netherlands Antilles-based pools, netted \$1.5 billion. Also during 1992, Soros speculated against the French franc, and in 1993, he trained his guns at the deutschemark.

Conducting warfare against Soros

The tables can be turned on Soros: On Oct. 27, 1995, Paolo Raimondi, president of Italy's International Civil Rights Movement Solidarity, collaborators of Lyndon LaRouche in Italy, presented a legal brief to the Italian state prosecutor in Milan, requesting he open an investigation into Soros's 1992 speculation against the lira. The legal action has become the focus of major national press and media coverage on several occasions. The main Italian dailies, such as *Corriere della Sera*, *Il Tempo*, and *La Stampa*, plus the main economic and political weeklies, have given detailed accounts under such headlines as, "Speculation: Soros under Investigation," "Soros, the Vulture of the Lira," and "Soros Denounced."

Raimondi's legal brief documents, blow by blow, the "criminality" and "villainous acts of sabotage," which Malaysian Foreign Minister Badawi has denounced for his part of the world.