

# The British factor in the Strauss-Kahn exit

by Mark Burdman

High-level British sources in the ambiance of the City of London and the Bank of England, are reportedly chuckling with glee over the Nov. 2 resignation of French Finance Minister Dominique Strauss-Kahn.

The public indication of this mood, was a nasty lead item in the "Observer" column of the City of London's *Financial Times*, the day after Strauss-Kahn's resignation. Entitled, "Sayonara Strauss-Kahn," the item stated, "Back to the drawing board for the French." His resignation, the *Financial Times* commented, would undermine France's desire to play a leading role in global economic policy. Nov. 2 was "a bad day for Strauss-Kahn, but perhaps France's financial ambitions have also been dealt a blow. Who was it who said, 'Après moi le deluge'? ['After me, the deluge']," a reference to the famous declaration by French King Louis XVI, before he was beheaded during the French Revolution. That day's leading *Financial Times* editorial, entitled "Farewell Mr. Strauss-Kahn," commented that France's "political clout" has now been seriously reduced, a "weakness" that will be felt not only domestically, but also "outside France."

The French Finance Minister resigned, following revelations made by Paris investigating judges on Oct. 28, that they intended to question Strauss-Kahn about how he had received 600,000-plus French francs, when acting as a lawyer for the MNEF, the French student social security fund. There are allegations of forgery of documents, and that Strauss-Kahn never did the work for which he was paid. He resigned, before being formally charged, stating that "for me it is inconceivable that a minister should continue in office, so long as there is the slightest suspicion in this regard, as a result of judicial proceedings. Otherwise there is a risk of the whole government being tainted."

While in strictly formal-legal terms the charges against Strauss-Kahn can be considered serious, there are strong suspicions that more is involved behind the investigation. It is notable that, in recent weeks, a bitter war between Britain and France has come to the public's attention. The most publicized issue, is certainly the controversy over British beef imports into France, and counter-moves by the British to ban French products. But, there are obviously other issues involved. There are tensions over policies in the Balkans, and the French government has consistently opposed British

Prime Minister Tony Blair's "Third Way" policies.

On Oct. 26, a senior City of London source told *EIR* that "British-French relations are worsening significantly. The summit meeting in Finland last week between Blair and [French Prime Minister Lionel] Jospin was a disaster. There is a growing hostility in Britain against all things French. . . . It's being fed by Rupert Murdoch's media. Today, for example, his *Sun* tabloid carries the banner page-one headline: '21 Reasons We Brits Hate the French.'"

## Against deregulation, for the role of gold

In terms of policy, Strauss-Kahn is an ambiguous figure, but there are clear reasons London would be uneasy with him. On the one side, he has pushed certain "liberal" schemes for "privatization" and "stock options" in France, and has backed various International Monetary Fund policies, to the extent that he was sometimes rumored as a possible replacement for fellow Frenchman Michel Camdessus, who is soon to step down from his post as IMF managing director. On the other side, Strauss-Kahn has publicly aligned himself with some of the polemics attacking global financial speculation and related matters, made by former German Finance Minister Oskar Lafontaine.

A senior French diplomatic source put matters the following way, during a Nov. 3 discussion.

First, he insisted that the legal case against Strauss-Kahn is, in reality, a triviality, but typical of those weapons that are used against politicians when a decision has been made to get rid of him or her. "The relevant people use small things and build an elephant," the source said.

Then, he said: "The timing is significant, because of the upcoming World Trade Organization [WTO] summit in Seattle. Strauss-Kahn would have been a very good international authority. In my estimation, on an important issue, he is on the same side as LaRouche, namely, the maintenance of regulation in trade. He's a moderate, against radical deregulation. He was prepared to go to Seattle, to use his authority on this point. Now, France will have a very reduced role in the WTO meetings. I think London is happy to see him destroyed, since London is the core of the fight for deregulation."

The same individual made a further point: "I also think that Strauss-Kahn, as French Minister of Finance, played a key role in the decision recently to maintain the role of gold. I think he was one of the people at the origin of this decision. The Germans and French were the real drivers in this decision," he said. He added that senior levels of the Bank of England/City of London structure "have now had their revenge."

The diplomat said that the circles "who run groups like Bilderberg and Trilateral" have long practice, not only in destroying political leaders, but also destroying the confidence of people in leaders. "Look at what was done to Clinton in the Lewinsky affair. He has been half of what he was, ever since."