# Editorial

## *London Pushes Dollar to 'Breaking Point'*

Do your eyes begin to glaze over, when people start talking about the exchange rate of the U.S. dollar? Well, listen up: It's a big deal. The City of London, home base of the British Imperial Financial Empire, is moving to break the U.S. dollar, as a key strategy in its drive to destroy the United States, and usher in a New Dark Age.

Lyndon LaRouche has warned them: You can forget the U.S. economy, the global economy, and the world's population, if you "succeed" in provoking a dollar crash. One day after LaRouche isisued his "LaRouche Plan" for rescuing the world's economy (see this week's *Feature*), new crimes of the Federal Reserve and U.S. Treasury in destroying that economy have come to light.

"Dollar Reaches Breaking Point as Banks Shift Reserves" was the Bloomberg News headline Oct. 12; the article reports that numerous foreign central banks are taking the British bait and moving out of the dollar and into the euro and the yen. Added to this, were commentaries and "news reports" throughout the British press, trumpeting of the impending dollar collapse. Meanwhile, Britain's puppet in the White House, President Obama, and Fed chairman "Helicopter Ben" Bernanke, et al., have adopted the British policy of pushing the dollar down.

However, according to a knowledgeable source in Washington, the truth is even more insidious. The fact is, that the Fed is willfully carrying out a controlled devaluation of the dollar. It has lost 60-70% of its value since the beginning of the crisis. The Chinese, who hold large amounts of dollar-denominated securities, are quite alarmed, while even the oil-soaked Gulf states are nervous. They may be getting over $70 for oil, but the oil is denominated in dollars, which are down.

At the same time, driven by the hyperinflationary policies of the central banks, and renewed speculative fervor among the financier predators, the price of gold is being pumped up to unprecedented heights, and playing into the British gambit aimed at replacing the dollar.

A Barclays Capital study, reviewed by Bloomberg, documents a dramatic shift of foreign central banks' new reserve purchases out of the dollar, and into the euro and yen. Since 1999, the average composition of central bank currency purchases has been 63% dollars, 37% other currencies. But in the second quarter of this year, those purchases were completely reversed: The average was 37% dollars, 63% other currencies.

Well-informed Washington sources confirmed to *EIR* that significant movements out of the dollar are indeed underway—and that the Federal Reserve continues to purchase Treasury bills in order to keep pumping liquidity into the exploding global system, further driving down the dollar's value.

The British plan is given expression in the comments of a Milan-based money manager, quoted in Bloomberg: "The diversification out of the dollar will accelerate . . . the U.S. will not be the same powerful country that it once was."

That, at least, is London's intention—and it will be the case if the LaRouche Plan for bankruptcy reorganization is not immediately implemented.

"The Fed's policies are tantamount to treason," LaRouche charged, and they must be stopped. "When we implement the measures which I have laid out, to rescue the economy, the gold price will go down, and the dollar will go up," because we'll be producing again.