The Re-Emergence of Global Finance

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Gary Burn

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CGPE
Centre for Global
Political Economy
at The University of Sussex

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*This book is dedicated with love and thanks to
my parents Ilse and Roy*

In the living world there are no individuals entirely sealed off by themselves; all individual enterprise is rooted in a more complex reality, an 'intermeshed reality', as sociology calls it. The question is not to deny the individual on the grounds that he is the prey of contingency, but somehow to transcend him, to distinguish him from the forces separate from him ...

Fernand Braudel (*On History*: p. 10)

In truth, the historian can never get away from the question of time in history: time sticks to his thinking like soil to a gardener's spade.

Fernand Braudel (*On History*: p. 47)

Contents

<i>List of Figures</i>	ix
<i>List of Abbreviations</i>	x
<i>Preface</i>	xi
1 Introduction	1
The end of a Golden Age	1
Global finance v. national capitalism	2
Redrawing sovereignty in the City	6
Accumulation and institutional change	10
2 The Evolution of the Euromarkets	15
Defining Euromoney	16
The origins of the Eurodollar market	18
Developing a foreign market for dollars	24
US banks take over the London Eurodollar market	28
The establishment of the Eurobond market	29
The state v. market dichotomy	33
Historic mechanisms	38
3 Sterling and the City–Bank–Treasury Nexus	42
Sterling, the discount market and the bill on London	43
Public v. private: institutional schizophrenia at the Bank of England	45
The return to gold	49
After gold	59
4 Restoring Sterling after 1945	63
America v. Britain: creating an international monetary system	65
Securing the Bank's institutional autonomy	67
The battle for sterling	74

European Payments Union	77
Operation Robot	79
The climacteric of 1955	82
The great unmentionable	93
Sterling and City divorce	95
5 The State, the City and the Euromarkets	99
Locating the historic mechanisms in the Eurodollar market	99
Sir George Bolton: The Bank of England's 'market man'	102
Disassociating the Eurodollar and Eurobond markets	105
Discovering the onshore external market	118
The Bank of England view of the Eurodollar	123
6 America and the Euromarkets	135
US banks operating in the London Eurodollar market	137
The Federal Reserve and the continental dollar market	140
The Kennedy administration and the US payments deficit	144
The US and the Eurobond	147
The US Treasury discovers the <i>offshore</i> market in foreign dollars	151
Discussing the Euromarkets with Britain	162
Coming late to the feast	166
7 Public accountability v. private interest government	170
The Bank of England and public accountability	171
The City and private interest government	178
Musings, questions and conclusions	184
<i>Notes</i>	191
<i>Bibliography</i>	205
<i>Index</i>	221

List of Figures

2.1	Total liabilities and claims on non-residents of the Overseas, Foreign and Merchant Banks in London, 1957–63	18
2.2	Eurodollar market size 1963–68	18
2.3	Eurobond issues 1963–69	19
2.4	Eurocurrencies and world reserves	19

List of Abbreviations

ABA	American Bankers Association
AIBD	Association of International Bond Dealers
BCEN	Banque Commerciale pour L'Europe du Nord
BEQB	Bank of England Quarterly Bulletin
BIS	Bank for International Settlements
BoE	Bank of England; Bank of England Archive
BOLSA	Bank of London & South America
CD	Certificate of Deposit
CMC	Commission on Money and Credit
DEA	Department for Economic Affairs
ECSC	European Coal and Steel Community
EEA	Exchange Equalisation Account
EFTA	European Free Trade Association
EPU	European Payments Union
FDI	Foreign Direct Investment
FDIP	Foreign Direct Investment Programme
FRBNY	Federal Reserve Bank of New York
FT	Financial Times
HMG	Her Majesty's Government
IBRD	International Bank for Reconstruction & Development
IDB	International Development Bank
IET	Interest Equalization Tax
IMF	International Monetary Fund
IRI	Istituto per la Rivostruzione Industriale
JFKL	President's Office Files, Department & Agencies (Treasury), John F. Kennedy Presidential Library
LIBOR	London Inter-Bank Offer Rate
MNC	Multinational Corporation
NSA	Non-Sterling Area
OECD	Organization of Economic Cooperation and Development
PFC	Principal Financial Centre
RUSIMA	Records of the Under Secretary for International Monetary Affairs, National Archives at College Park, MD, US.
SEC	Securities and Exchange Commission
TFEB	Traditional Foreign Exchange Banking System
VFCR	Voluntary Foreign Credit Restraint Programme

Preface

Some years ago I wrote an essay entitled 'Casino Capitalism: Another British Invention' in which I located the birth of the post-war rise of global capitalism in the decisions taken by the City of London financial community in the late 1950s. This evolved into an MA dissertation, which in turn became a PhD thesis and is now this book. During this long and somewhat tortuous journey, I have acquired debts to numerous people and institutions, beginning with the Economic Social Research Council (ESRC). They had turned down my application for a studentship twice already and I was back working for money, doing the thesis on a part-time basis and getting nowhere fast. I decided life was too short to spend all my free time thinking about global finance. I would apply a third time and if the ESRC did not come through I would go off to Italy and make furniture or something. They did come through. I went to Sussex University instead. I would therefore first like to acknowledge my gratitude and debt to the ESRC for their financial support and say that without it this book would never have seen the proverbial light of day. I presented my early research findings to the 1997 Annual Conference of the British International Studies Association and this became the basis for an article published in the *Review of International Political Economy*, which was awarded the Robert Cox Prize, and I thank the ISA for this and in particular, Robert Cox for his kind remarks.

I am equally indebted to those who, in different ways, helped me gather the empirical material which stands at the heart of this book. In no special order they are: William Keegan, Richard Fry, Charles Goodhart, Henry Grunfeld, Peter Spira, Douglas Dillon, Tony Coleby, John Fforde, Peter Gowan, Sir George Blunden, David (Lord) Cobbold, Doris Wasserman at SBC Warburg, John Booker, Chief Archivist at Lloyd's Bank International; Rosemary Lazenby and Jennifer Esposito at the FRBNY Archive, Henry Gillet and Sarah Millard at the Bank of England Archive, David Kynaston for unearthing Sir George Bolton's diaries and pointing me in their direction, Eva Ristl for helping me sort through the many boxes of US Treasury files at the National Archive in Washington DC.

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