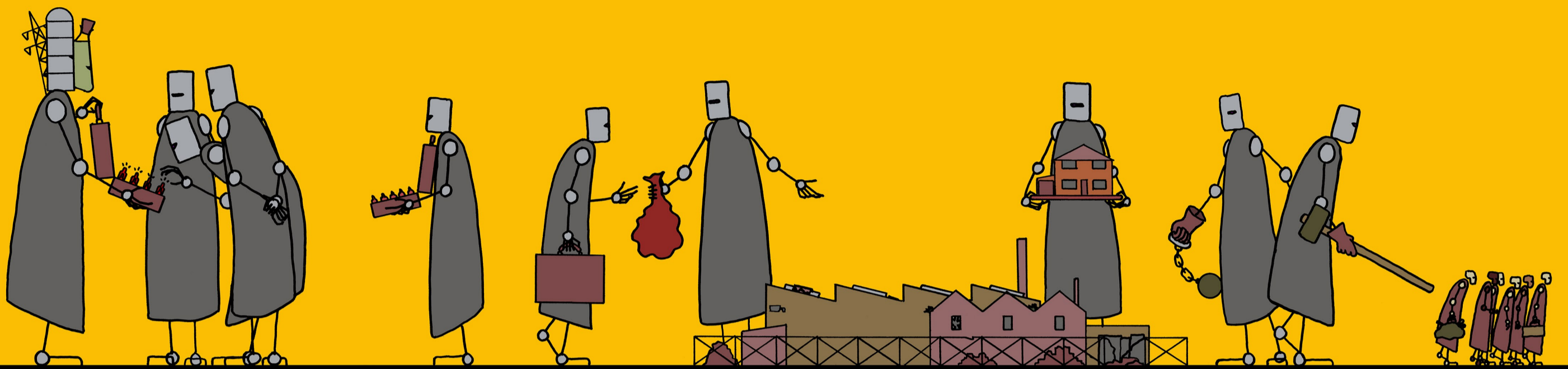


As controls were removed international trade expanded and more lucrative opportunities appeared for the banks and their clients.



Interest rates rose and many industrialists were deterred from borrowing to modernise their factories



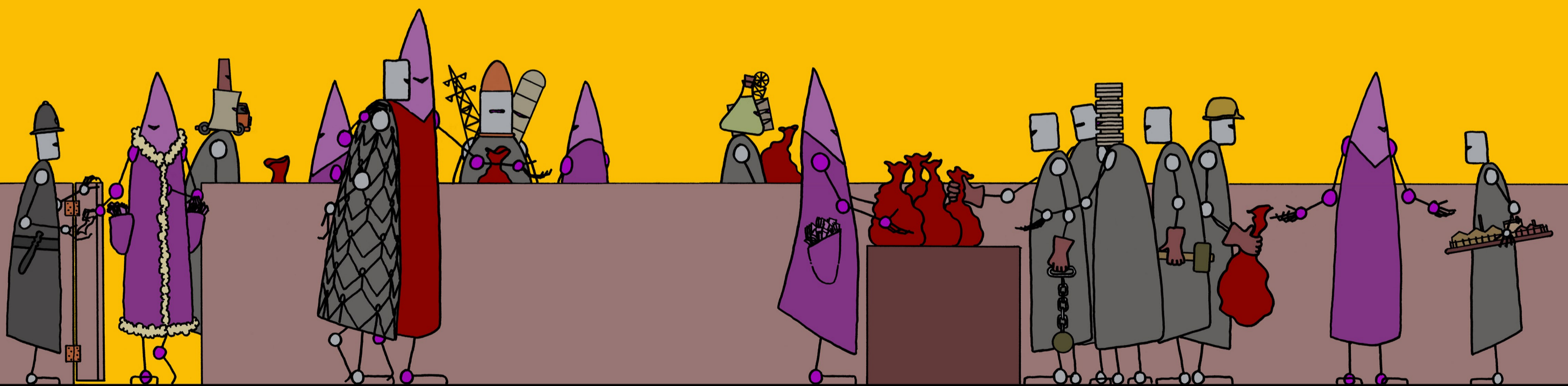
but, as their easy access to colonial and ex-colonial markets dried up, profits fell.

Asset-strippers bought up stagnating firms and sold the land to developers.



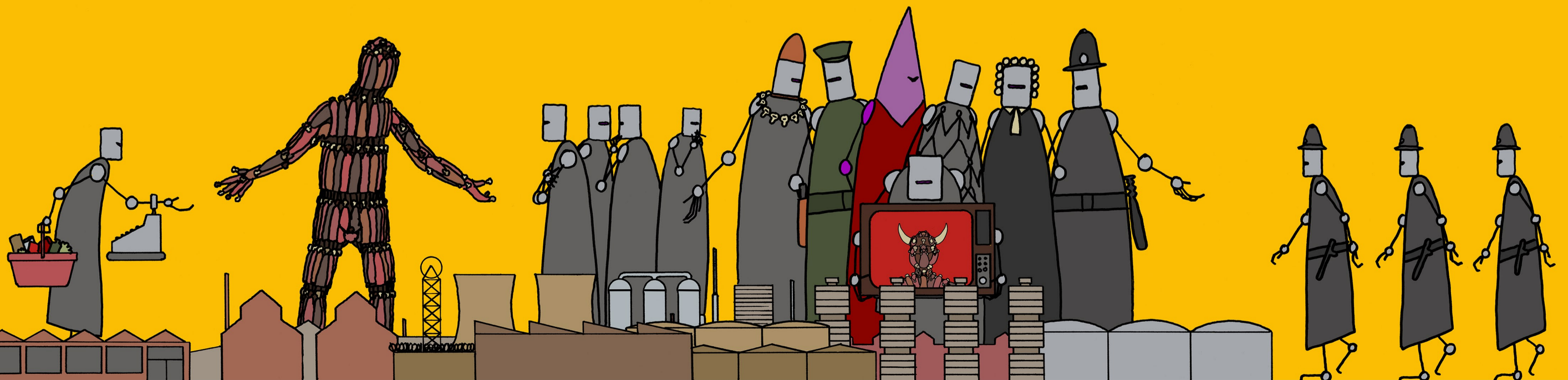
While their quick profits fuelled a stock-market boom the UK continued to run a trade deficit and, in 1967, the pound was devalued.

The UK's creditors lost money overnight and confidence in the pound as an international trading currency was destroyed.



But by now the City was profiting from its Eurodollar business and, as it began to make significant contributions to the UK's income,

the domestic banks persuaded a Conservative gov't to relax lending restrictions and a huge wave of credit was released.



Prices began to rise steeply. Keen to push the rising costs of galloping inflation onto the working class,

and supported by the gov't's anti-union legislation, employers refused to raise wages.