

3) Forcing Japan, France, and others to dismantle government subsidy programs essential to those economies.

4) Continued intensified budget austerity worldwide, but particularly focusing on the United States.

5) And finally, the dismantling of Reagan's program to strengthen U.S. defense.

White House sources have cautioned me that the late-May Williamsburg summit is now considered by the White House the most crucial gathering of 1983, a gathering at which hard decisions will be made, particularly on monetary reform. On Feb. 23, President Reagan told reporters at a White House breakfast that participants at the summit could decide to convene a new international monetary conference to deal with exchange rates. While my White House sources say that relationships between the Shultz State Department and the White House are at an all-time low, and Shultz's personal credibility is for the first time beginning to be questioned within the President's inner circle, Shultz is reportedly consolidating his position not only as the control point over the Williamsburg summit, but also as the leading voice on monetary and economic matters within the administration. Shultz's position on these matters is reported to have been recently strengthened by the private endorsement of his old friend and collaborator Defense Secretary Caspar Weinberger.

Under advice from Morgan Guaranty Bank, of which he is a former director, Shultz intends to propose at Williamsburg the following strengthening of the IMF to "get the IMF much more involved in managing and directing the world economy," according to Washington sources.

- A new exchange-rate regime for both the Third World and the OECD. Shultz wants to extend Article IV of the IMF Jamaica Agreement, and "get IMF surveillance of currency rates really moving." That would be enforced by the IMF giving and publicizing advice on currency parities.

"First is the question of the Third World currencies. There are already currency crises all over the Third World. Mexico, Brazil, now Venezuela, Chile, soon Indonesia, and the Philippines will have crises. These countries are already imposing unilateral exchange controls, like Venezuela. This cannot go on. If they must have exchange controls, Shultz believes, then the IMF must run these regimes," said a source.

- Shultz believes that for the OECD countries, currency zones are needed. "Right now there is tremendous pressure within Europe to get the pound into the EMS (European Monetary System) and to then connect the dollar with the EMS," this source said. "The first step is sterling. Helmut Schmidt is pushing this, because people in Europe are rapidly getting furious at sterling being outside the EMS snake. U.S. Ambassador to Germany Arthur Burns and Shultz are open to this."

- Shultz will propose an expansion of the IMF's "Supplementary Finance Facility,"—which subsidizes countries who lose revenue because their commodity prices collapse—to help the poorer oil producing nations and divide the Third

LaRouche: 'Shultz is on an insane ego trip'

According to internationally known economist Lyndon H. LaRouche, U.S. Secretary of State George Shultz is "on an ego-trip" to prove he was right in his restructuring of the world monetary system after the United States took the dollar off gold on Aug. 15, 1971. "Shultz is doing what he's doing," LaRouche says, "because, as he [Shultz] documents in his 1977 book, *Economic Policy Behind the Headlines*, Shultz and Henry Kissinger were responsible for taking the dollar off the gold standard, and the subsequent reorganization of the Bretton Woods monetary system."

"Now that the whole structure is falling down like a house of cards, Shultz is out to prove to the world he was right," LaRouche said. Shultz is being backed up in his activities by AFL-CIO president Lane Kirkland, "a puppet of the British Fabian Society, and by Henry Kissinger, who has bragged of his service to the British over the entire postwar era," LaRouche charged.

"Any ambassadors throughout Ibero-America who are operating under the delusions of Shultz's ego-trip are also lunatics," LaRouche said. "Vernon Walters," the U.S. State Department's special ambassador for Latin America, "is another madman who should be kept out of Ibero-America," LaRouche said. "Walters is linked to the controllers of death squads and to the controllers of the psychopathic mass murderer Rios Montt. This is through his relationship to the Buckleyite Christendom College in Virginia, home of the Tradition, Family, and Property cultists who have targeted Pope John Paul II for assassination."

"The whole cabal of State Department anglophiles is acting in direct violation of U.S. law," LaRouche said. "The so-called Ditchley group of bankers has formed a creditors' cartel, in violation of U.S. Anti-Trust law, and the State Department, instead of seeking prosecution, is acting as Ditchley's collection agency in Ibero-America and the developing sector generally. They have ripped up the Monroe Doctrine and are collaborating with the British and Swiss banking interests in trampling on the sovereign republics of Ibero-America," LaRouche concluded.