

there is going to be an end to the free market in exchange rates, the IMF must manage any Third World programs of exchange controls.”

Dale added that the Yugoslav debt crisis, just at the verge of a blowup, will set a precedent for this sort of action. Undersecretary of State Lawrence Eagleburger just showed up in Yugoslavia, praising the country for paying its debts by accepting an International Monetary Fund austerity program. The Yugoslavs, for their part, took an extraordinary action on behalf of the expanded powers of the IMF, calling a meeting with their banking creditors in Switzerland for Jan. 17, to be chaired by the International Monetary Fund—giving the IMF de facto powers as mediator over the private banks’ operations.

IMF quotas: only the first step

Thus, the Ditchley Group is also engaged in conspiracy to give the International Monetary Fund total control over the United States, as a source at the Washington Overseas Development Corporation close to Ditchley indicated Jan. 13.

Last October, at a Ditchley meeting, “the bankers took out their calculators and reached the startling conclusion that the debt cannot be repaid,” he said. They decided that credit is a “political question,” he said, and that if the banks were to be bailed out, “we must end the idea that credit is a sovereign instrument, regulated by individual countries.”

The decision was made, he said, to “force a new international monetary conference” to establish a “new Bretton Woods” system run by the IMF. The first step, he said, “is to create a climate in the Congress where no responsible public official will say they are against the IMF.” The entire purpose of the Jan. 10 *Time* magazine cover story on the world “debt bomb” crisis, he said, is “theatre. Things are being played up for effect.”

The first step has been to force President Reagan himself to sell a vast expansion of money to the IMF on Capitol Hill, including a \$60 billion expansion of new IMF quotas and other IMF facilities. Richard Dale and other Washington insiders believe that Congress will have no choice but to ratify this initial step in the plan.

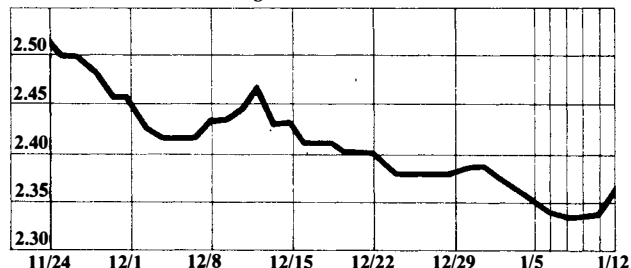
In fact, the Ditchley Group has planned for months to panic the Congress. “The desires of the U.S. government notwithstanding, they must pay into the new IMF expansion,” a Morgan official threatened as early as last August. “The private banks want the IMF in Mexico and other countries as a policeman. Only the IMF can force Third World governments to tighten their belts.” If the Congress balks, he predicted last August, there will be “further financial crises such as that of Mexico.”

The expansion of IMF quotas is only step one, to “test the political temperature” in Washington for the new IMF expansion, a British official at the IMF said. “We’re waiting to see what happens to the quotas. We’re working with the U.S.” on the rest of the plan, he said.

Currency Rates

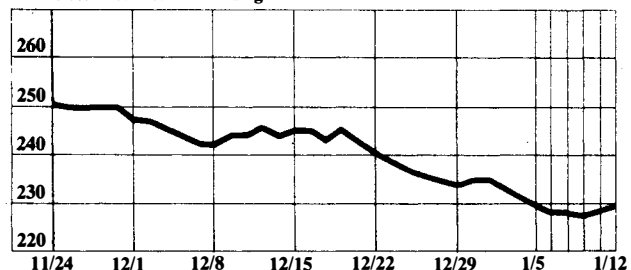
The dollar in deutschemarks

New York late afternoon fixing



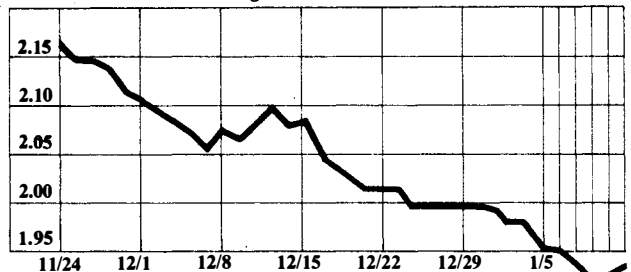
The dollar in yen

New York late afternoon fixing



The dollar in Swiss francs

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The British pound in dollars

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