

Foreign Relations Committee's hearings on international debt. "The IMF is evolving into a different kind of function than established at Bretton Woods," he said. "Since then, a huge international market, the Eurodollar market, has grown up outside the scope of central-bank supervision, and its supervision is not provided for in the IMF charter. That gap has to be filled. We should look at the IMF and see if its charter needs to be revised. Now is perhaps the time to talk about a world central bank . . . and see if we should move the IMF in that direction."

In his testimony, Fowler cited a plan for the IMF to control all future commercial bank lending, floated by New York Federal Reserve President Anthony Solomon in an Oct. 7, 1982 New York speech. Solomon called for "governments, working with the IMF, to *indicate* amounts of future private lending to major or financial troubled borrowers *necessary or desirable* [emphasis added]."

Fowler included this recommendation in a nine-point program which included proposals for the IMF to "develop special procedures to coordinate . . . debt rescheduling and renegotiation of debts public and private, as well as massive financial expansion of resources for the IMF by the United

States and others."

In an interview, former N.M. Rothschilds official Richard Dale, who is close to both the Bank of England and the office of Secretary Shultz, described the new proposal by noting: "The era of free market lending is over. Not only have the banks set up a cartel which is controlling international lending, but it is a cartel officially orchestrated by the Fund. Banks are lending only where they're told to lend under a quota system run by the IMF. Right now the IMF is setting minimum quotas. Eventually they would have to get maximum quotas. But the real problem is it's too ad hoc, and has to be formalized.

"The role of the IMF must be expanded and its charter changed," balance of payments in advance, plan where the deficits will be allowed, and how large they may be. The IMF must take a more dirigist approach to the entire world economy, not just the Third World.

"There must be more IMF surveillance of U.S. and OECD budget policy, interest rate policy, and other domestic policies. There must be IMF surveillance of exchange rates, including in the Third World where the rates are managed. If

The Ditchley Group: its banking leadership

Named for London's Ditchley Park, where it was founded in May 1982, the Ditchley Group is a cartel of over 36 international commercial banks run by the British banks, the IMF, and the BIS.

The top 20 major U.S. banks, led by Morgan Guaranty, Citibank, and Chase Manhattan, are active and appear to be leaders of the Ditchley Group. William Ogden, vice-chairman of Chase Manhattan, is the chairman of the Ditchley Organizing Committee, which is based in Washington.

But the Ditchley conspiracy originated in Britain. Since Peter Leslie, Senior General Manager of Britain's Barclay Bank, organized its first meeting at Ditchley Park in London, the group has in fact been run by British banks such as Barclays, Lloyds, National Westminster, and Midland Banks, who attend all Ditchley meetings.

The Bank of England control of the group will be exercised by Sir Robyn Leigh-Pemberton, the new Governor of the Bank of England, who until last month was chairman of National Westminster Bank.

By means of the Bank of England, Ditchley policy is made by the supra-national Bank for International

Settlements in Basel, Switzerland, which controls the Bank of England. BIS Executive Director Alexandre Lamfalussy sends aides to all Ditchley meetings, as does International Monetary Fund Managing Director Jacques de Larosière. Peter Cooke, the head of BIS's "Cooke Committee" of world bank regulators, attends most Ditchley meetings and tells the banks what the BIS considers to be "prudent levels" of world lending.

In fact, it was BIS President Fritz Leutwiler who first called for the establishment of a bankers' cartel in a March 1982 speech in Mainz, West Germany. "Banks will have to tighten their lending," the Swiss announced, and "an ad hoc body of international institutions will have to step into the breach."

U.S. officials close to the BIS who routinely attend Ditchley meetings include New York Federal Reserve President Anthony Solomon, other Federal Reserve officials, and C. Todd Connover, U.S. Comptroller of the Currency, who represents Treasury Secretary Donald Regan.

U.S. bankers involved include Mr. Ogden of Chase Manhattan, Citibank executive vice-president George Clark, Morgan Guaranty executive vice-president Werner Stange, Morgan chief economist Rimmer de Vries, Manufacturers Hanover Executive vice-president Donald G. McCouch, and representatives of Bankers Trust, Chemical Bank, and other major U.S. banks.