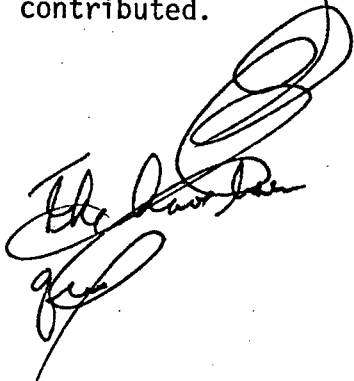


The Director of Central Intelligence

Washington, D. C. 20505

MEMORANDUM FOR: The Honorable George P. Shultz
Secretary of State

This is the finished version of our paper on the implications of international financial problems, a draft of which I gave you a few days ago. There have been quite a few changes, but the main message is the same--namely, that this problem has grown to the point that it now involves the health of the international financial system and the performance of the world economy. The paper is designed to complement the interagency study, Implications of International Debt Servicing Problems which was sent to you by Treasury and to which we also contributed.



William J. Casey