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From the Private Secretary

15 May 1987

INTERNATIONAL DEBT

The Chief Whip mentioned the other day a report he had heard which suggested that farm debt in the United States now exceeded the debt of developing countries.

FCO estimates suggest that total farm debts in the U.S. amount to around \$300 bn., whereas total developing country debt is put at around \$1,000 bn. If defined more narrowly, total farm debts to U.S. commercial banks are put at around \$50 bn. against total U.S. bank exposure to developing countries of around \$250 bn. The statement runs only if farm debt to U.S. commercial banks is compared with total developing country debt.

The U.S. Banks have as much indebtedness to their Domestic Farmers as they have to the whole of the developing world!

(Duty Clerk)

PP David Norgrove

DM
Murdo Maclean, Esq.,
Chief Whip's Office.

Problems in agriculture don't arise only in the UK. US farmers are ~~as much~~ in debt to the tune of the ^{total} amount of third world assets held by American commercial banks.

The total debt of US farm is as great as the debt of ~~the~~ developing world to American banks.