

U.S. firms have 'Third World' debt

Over the past decade it has been fashionable in some circles to blame the world economy's woes on "lazy and corrupt" Third World nations, which supposedly took on "too much

debt" which now they can not pay back. But even if we ignore the fact that the overwhelming portion of that Third World debt is entirely illegitimate, and is the result of interest rate and other manipulations by such institutions as the U.S. Federal Reserve the International Monetary Fund, the following chart should burst any illusions that the United States is in any better shape than, say, Bangladesh.

Indeed, the following figures could well be inscribed on the tombstone of the post-war Bretton Woods monetary system, which is now in its death throes due to its refusal to confine instruments of indebtedness to those activities which increase potential population-density.

Debt comparison of selected companies with selected countries, ordered by total debt

(millions \$)

For country:	GNP	Debt Stocks	Total debt service	Ratios (%)	
				Debt Stocks/GNP	Debt Service/GNP
For Company:	Revenues	Total Debt	Interest expense	Total Debt/Revenues	Interest/Revenues
Poland	63,825.0	42,135.0	1,922.0	66.0	3.0
R. of Korea	118,000.0	40,459.0	15,469.0	34.3	10.4
P.R. China	291,748.0	30,227.0	2,842.0	10.4	1.0
Philippines	34,620.0	29,962.0	2,373.0	86.5	6.2
RJR/Nabisco	16,956.0	24,997.0	3,474.0	147.4	20.5
Chile	17,111.0	21,239.0	1,714.0	124.1	18.2
Morocco	15,640.0	20,706.0	1,310.0	132.4	8.1
Sears Roebuck	50,251.0	19,375.0	2,978.0	38.6	5.9
Hungary	25,094.0	18,957.0	3,228.0	75.5	12.9
Colombia	33,871.0	17,006.0	2,581.0	50.2	7.0
Bangladesh	17,482.0	9,506.0	323.0	54.4	6.8
Zaire	5,257.0	8,630.0	247.0	164.2	4.7
Tunisia	9,209.0	6,909.0	998.0	75.0	9.9
Bolivia	4,150.0	5,548.0	137.0	133.7	3.3
Texas Air	8,475.0	5,341.4	622.9	63.0	7.3
Kroger	17,659.7	4,973.7	595.4	28.2	3.4
Costa Rica	4,087.0	4,727.0	216.0	115.7	.5
Southland	8,076.5	4,606.2	232.6	57.0	2.8
Campeau	3,530.0	4,574.0	495.0	129.6	14.0
Singapore	20,547.0	4,491.0	877.0	21.9	2.4
Cameroon	12,186.0	4,028.0	590.0	33.1	2.8
Goodyear	10,810.4	3,937.3	364.2	36.4	3.4
Southmark	2,838.0	3,856.4	540.8	135.9	19.1
Owens-Illinois	3,571.9	3,849.0	459.5	107.8	12.9
Fort Howard	1,858.8	3,744.3	29.2	201.4	1.6
Safeway	18,300.0	3,709.6	579.7	20.3	3.2
Senegal	4,492.0	3,695.0	285.0	85.9	8.7
Beatrice	4,012.0	3,393.0	347.0	84.6	8.6
Madagascar	1,849.0	3,377.0	147.0	182.6	8.0
Honduras	3,800.0	3,303.0	259.0	86.9	6.0
Ghana	4,936.0	3,124.0	183.0	63.3	3.5
Union Carbide	8,324.0	3,112.0	419.0	37.4	5.0
Guatemala	6,868.0	2,825.0	303.0	41.1	4.2
USG Corp.	2,248.0	2,644.9	178.3	117.7	7.9

Sources: Country data taken from *World Debt Tables*, Volume II, 1988, The World Bank, Washington, D.C. Company data taken from *Standard & Poors*, and *Value Line*.