

The Director of Central Intelligence

Washington, D. C. 20505

MEMORANDUM FOR: The Honorable Donald Regan  
Secretary of the Treasury

This CIA paper examines the LDC and Soviet Bloc debt problem in a broad economic and political perspective. It is designed to complement the inter-agency study Implications of International Debt Servicing Problems, which was chaired by Treasury, and to which we also contributed. Its main message is that the problem has grown to the point that it now involves the health of the international financial system and the performance of the world economy.

William J. Casey

*It assesses the repercussions of excessive adjustments, the potential for panic and the implications for U.S. policy & western policies.*