

**REPORT OF ACTIVITIES OF THE NATIONAL  
ADVISORY COUNCIL ON INTERNATIONAL  
MONETARY AND FINANCIAL PROBLEMS  
TO MARCH 31, 1947**

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**MESSAGE  
FROM THE  
PRESIDENT OF THE UNITED STATES**

**TRANSMITTING**

**REPORT FROM THE NATIONAL ADVISORY  
COUNCIL COVERING ITS OPERATIONS FROM  
FEBRUARY 28, 1946, TO MARCH 31, 1947, AND  
DESCRIBING PARTICIPATION OF THE  
UNITED STATES IN THE INTERNATIONAL  
MONETARY FUND AND THE INTERNATIONAL  
BANK FROM OCTOBER 31, 1946, TO  
MARCH 31, 1947**



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## LETTER OF TRANSMITTAL

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*To the Congress of the United States:*

On March 8, 1946, I sent to the Congress a report of the National Advisory Council on International Monetary and Financial Problems describing the operations of the Council during the preceding 6 months in coordinating the foreign financial activities of the Government. On January 13, 1947, I sent to the Congress a National Advisory Council Report on Participation of the United States in the International Monetary Fund and the International Bank for Reconstruction and Development to October 31, 1946.

I have now received from the National Advisory Council a report covering its operations from February 28, 1946 to March 31, 1947, and describing, in accordance with section 4 (b) (5) of the Bretton Woods Agreements Act, the participation of the United States in the International Monetary Fund and the International Bank from October 31, 1946 to March 31, 1947.

The report is attached hereto.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 26, 1947.*



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# REPORT OF ACTIVITIES OF THE NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS TO MARCH 31, 1947

## I. ORGANIZATION OF THE COUNCIL

### STATUTORY BASIS

The National Advisory Council on International Monetary and Financial Problems was established by the Congress in the Bretton Woods Agreements Act (59 Stat. 512, 22 U. S. C. 286b), which was approved by the President on July 31, 1945. The statute directs the Council to coordinate the policies and operations of the representatives of the United States on the International Monetary Fund and the International Bank for Reconstruction and Development, the Export-Import Bank of Washington and all other agencies of the Government "to the extent that they make or participate in the making of foreign loans or engage in foreign financial, exchange, or monetary transactions." The Council is also directed to advise and consult with the President and the United States representatives on the Fund and the Bank on major problems arising in the administration of the Fund and the Bank; and to recommend to the President general policy directives for the guidance of the representatives of the United States on the Fund and Bank. Portions of the statute stating the duties and powers of the Council are presented in appendix A.

### REPORTS

Since its first meeting on August 21, 1945, the Council has submitted three formal reports to the President and to the Congress as follows:

Statement of the Foreign Loan Policy of the United States Government by the National Advisory Council on International Monetary and Financial Problems, forwarded to the President, and transmitted by the President to the Congress on March 1, 1946 (H. Doc. No. 489, 79th Cong., 2d sess; subsequently included as appendix B to H. Doc. No. 497, 79th Cong., 2d sess.).

Report of the National Advisory Council on International Monetary and Financial Problems for the Period of the Last Six Months, forwarded to the President, and transmitted by the President to the Congress on March 8, 1946 (H. Doc. No. 497, 79th Cong., 2d sess.).

Report by the National Advisory Council on International Monetary and Financial Problems with respect to the Participation of the United States in the International Bank for Reconstruction and Development and in the International Monetary

Fund to October 31, 1946, forwarded to the President, and transmitted by the President to the Congress on January 13, 1947 (H. Doc. No. 53, 80th Cong., 1st sess.).

The present report covers the activities of the Council from February 28, 1946, to March 31, 1947, and includes a survey of foreign financial assistance extended by the United States Government since the end of the war. It also includes (see pt. III below) the second report by the Council on participation of the United States in the International Bank for Reconstruction and Development and in the International Monetary Fund, covering the period from October 31, 1946, to March 31, 1947.

#### MEMBERSHIP

The present members of the Council, according to law, are the following:

The Secretary of the Treasury, John W. Snyder, Chairman.

The Secretary of State, George C. Marshall.

The Secretary of Commerce, W. Averell Harriman.

The Chairman of the Board of Governors of the Federal Reserve System, Marriner S. Eccles.

The Chairman of the Board of Directors of the Export-Import Bank, William McChesney Martin, Jr.

By agreement, the following serve as alternates:

Andrew N. Overby, Special Assistant to the Secretary of the Treasury.

William L. Clayton, Under Secretary of State for Economic Affairs.

Thomas C. Blaisdell, Jr., Assistant to the Secretary of Commerce;  
J. Burke Knapp, Assistant Director of Research and Statistics,  
Board of Governors of the Federal Reserve System.

Herbert E. Gaston, Vice Chairman of the Board of Directors of the Export-Import Bank.

Harold Glasser, Director of Monetary Research in the Treasury Department, is the Secretary of the Council.

The United States Executive Directors on the International Monetary Fund and the International Bank for Reconstruction and Development regularly attend the meetings of the Council.

#### PROCEDURE

The Council ordinarily meets each week and holds such special meetings as are required. Since February 1946, the Council has held 53 meetings, including several joint meetings with the President's Committee for Financing Foreign Trade. Members of the Council also formed a special committee which was charged with carrying through the financial negotiations with representatives of the Provisional Government of France in the spring of 1946.

The Council has made use of the services of the existing personnel of its five member agencies. As described in previous reports, its Staff Committee, consisting of technical representatives of member

agencies and a representative of the Securities and Exchange Commission, collects and analyzes information and prepares reports and recommendations for the Council. Secretariat functions are performed by personnel of the Treasury Department. Through this procedure, the Council has not only operated economically but has also maintained the close interagency liaison essential for successful performance of its coordinating function.

In accordance with its statutory responsibility, the Council has coordinated a wide variety of foreign financial transactions by agencies of this Government, including foreign loans, financial settlement of war accounts, and credits to foreign governments or their nationals for purchase of United States Government surplus property. Its objective has been to achieve a consistent United States foreign financial policy. Problems which before the institution of the Council had been dealt with by individual agencies and, in many cases, with only incidental coordination, have been made the subject of joint discussion and joint decision. The Council considers various criteria for foreign loans, among which are the purpose of the loan, the need for the loan, the borrower's ability to repay, the allocation of available loan funds among applicant countries, the alternative sources of loan funds, and the possible effects of the use of loan proceeds on the United States domestic economy. On the basis of these criteria the Council approves or disapproves consideration by the lending agency of a proposed loan or credit. Thus, through an over-all analysis, the Council offers its best judgment to a lending agency with regard to particular loan applications.

Similarly, through continuous consultation with United States representatives on the International Fund and Bank, and through exercise of the special powers granted to the United States in the Bank's Articles of Agreement over the Bank's operations involving United States dollars, the Council has assured coordination between the operations of these international institutions and the foreign financial operations of the United States Government.

## II. ACTIVITIES OF THE COUNCIL FROM FEBRUARY 28, 1946, TO MARCH 31, 1947 (OTHER THAN THOSE RELATING TO THE INTERNATIONAL MONETARY FUND AND THE INTERNATIONAL BANK)

### THE ANGLO-AMERICAN FINANCIAL AGREEMENT

On July 15, 1946, President Truman signed the joint congressional resolution which implemented the financial agreement of December 6, 1945 with the United Kingdom, and the agreement became effective immediately. The resolution implementing the agreement authorized the Secretary of the Treasury, in consultation with the National Advisory Council, to carry out the agreement of December 6, 1945.

The initial drawing under the line of credit provided for by the financial agreement was made by the British Government on July 18, 1946. Six subsequent withdrawals brought the total drawings to \$1,300,000,000 as of April 1, 1947.

To implement the joint congressional resolution which provided that "the Secretary of the Treasury, in consultation with the National Advisory Council on International Monetary and Financial Problems, is hereby authorized to carry out the agreement dated December 6, 1945 between the United States and the United Kingdom," the Council directed its Staff Committee to coordinate the study of problems arising under the agreement.

On September 17, 1946, the United Kingdom signed an agreement with Argentina, providing for the settlement of sterling balances accumulated by Argentina during the war. Since implementation of one clause of this agreement involved a potential violation of the principle, embodied in the Anglo-American financial agreement, that sterling balances should not be used as a device for discriminatory expansion of British exports, the National Advisory Council recommended that the Secretary of the Treasury write to the British Chancellor of the Exchequer, with respect to this clause of the Argentine agreement. There followed an exchange of letters between the Secretary and the Chancellor, which was made public on February 5, 1947. Chancellor Dalton gave assurances that the clause objected to would not be written into any subsequent agreement for the settlement of sterling balances held by other countries. Subsequently, Argentina and the United Kingdom have agreed to liquidate Argentina's total sterling balances through use of these balances to purchase British-owned railways in Argentina. Such liquidation is consistent with the financial agreement.

The United Kingdom has also negotiated a series of agreements with other countries to carry out the obligations under the Anglo-American financial agreement which become effective July 15, 1947. In December 1946, the United Kingdom signed an agreement with Canada, under which sterling was made freely transferable between Canadian, American, and Argentine accounts, and Canada agreed to accept sterling in payment of exports from a large number of countries. In February 1947, the United Kingdom signed three supplementary agreements amending the monetary agreements with Belgium, the Netherlands, and Portugal, making sterling balances held by these countries immediately available for current payments in any currency area.

#### EXPORT-IMPORT BANK CREDITS

From the beginning of its operations on August 21, 1945, through March 31, 1947, the Council approved (or referred) for consideration by the Export-Import Bank approximately \$2,000,000,000 of credits (excluding \$600,000,000 earmarked for China and Italy) which were subsequently authorized by the Board of Directors of the Export-Import Bank. Several credits, also available for postwar use, were authorized or negotiated by the Bank, some between July 1, 1945, and the beginning date of Council operations, and some, which were associated with earlier Bank commitments, after the beginning of Council operations. The following table shows the distribution of credits by country and object of financing:

Net credits authorized by the Export-Import Bank, <sup>1</sup> July 1, 1945, to Mar. 31, 1947

[In millions of dollars]

Area and country	Object of credit financing					Total
	Lend-lease regulations	Recon- struction	Develop- ment	Cotton <sup>1</sup> purchases	Other	
<b>Europe:</b>						
Austria					* 0.8	0.8
Belgium	55.0	45.0				100.0
Czechoslovakia				20.0	* 2.0	22.0
Denmark		20.0				20.0
Finland		62.5		7.0	* 10.0	79.5
France	550.0	650.0				1,200.0
Greece		25.0				25.0
Hungary				7.0		7.0
Italy				25.0	* 5.0	30.0
Netherlands	50.0	* 201.1				251.1
Norway		50.0				50.0
Poland		40.0				40.0
Unallotted cotton credits				41.0		41.0
<b>Total, Europe</b>	<b>655.0</b>	<b>1,093.6</b>		<b>100.0</b>	<b>17.8</b>	<b>1,866.4</b>
<b>Latin America:</b>						
Argentina			0.2			.2
Bolivia			3.0			3.0
Brazil			53.8			53.8
Chile			47.4			47.4
Colombia			3.5			3.5
Ecuador			1.8			1.8
Mexico			7.0			7.0
Peru			.1			.1
Venezuela			.6			.6
<b>Total, Latin America</b>			<b>117.4</b>			<b>117.4</b>
<b>Asia and Africa:</b>						
China		33.8		33.0		66.8
Netherlands Indies		100.0				100.0
Saudi Arabia			25.0			25.0
Turkey			28.1			28.1
Ethiopia		3.0				3.0
<b>Total, Asia and Africa</b>		<b>136.8</b>	<b>53.1</b>	<b>33.0</b>		<b>222.9</b>
<b>Miscellaneous</b>			<b>10.7</b>			<b>10.7</b>
<b>Total, all areas</b>	<b>655.0</b>	<b>1,230.4</b>	<b>181.2</b>	<b>133.0</b>	<b>17.8</b>	<b>2,217.4</b>

<sup>1</sup> Cancellations and expirations deducted. Numerous small exporter-importer loans extended by the Bank, July 1, 1945 through Mar. 31, 1947, are excluded.

\* Credits extended by the Export-Import Bank under general approval of the Council.

<sup>2</sup> Revolving credit.

<sup>3</sup> For financing tobacco purchases.

<sup>4</sup> For financing food purchases.

<sup>5</sup> Excludes \$49,000,000 participation by private banks through Mar. 31, 1947.

In March 1946 the Council approved consideration by the Bank of the extension to Chinese Government agencies and private enterprises of credits aggregating \$500,000,000 for the purchase in the United States of materials, equipment, and services to assist in the rehabilitation and development of the Chinese economy. The Bank earmarked this amount for the extension of credits for specific projects submitted to the Bank and approved by it prior to June 30, 1947. As of March 31, 1947, no credits had been approved.

In January 1947 the Council approved consideration by the Bank of credits to Italy totaling not more than \$100,000,000. The Bank has earmarked this amount for the extension during 1947 of credits for the purpose of financing imports from the United States and, thereby, assisting specific parts of Italian industry in the restoration

and expansion of export markets. Stable conditions in Italy and that country's ability to provide for other essential imports are prerequisites to the extension of credits under the agreement. As of March 31, 1947, no credits had been approved.

Several additional loan applications, which the Council approved for consideration, are under study by the Bank. As of March 31, 1947, the unutilized lending capacity of the Bank, after deduction of the earmarked amounts for China and Italy, was approximately \$320,000,000.

#### THE PHILIPPINE LOAN

During May 1946 the President-elect of the new Philippine Republic conferred with President Truman, congressional leaders and various Government officials concerning the financial situation of that country and the possibilities of obtaining sizable loans from the United States for budgetary and trade purposes.

On the basis of available information the Council during July reached the conclusion that a loan of not more than \$75,000,000 would suffice to carry the Philippine Government through its financial difficulties during the current fiscal year. The Council agreed that such a loan, because of its special nature, should be presented to the Congress for direct authorization; and that a Joint Philippine-American Finance Commission should make a thorough study of the entire financial and budgetary situation of the Philippine Government.

Congress, by Public Law 656 (79th Cong.), approved August 7, 1946, authorized the Reconstruction Finance Corporation to extend credits during the fiscal year 1947 to the Philippine Government of up to \$75,000,000 upon such terms as that agency, after consultation with the National Advisory Council, should deem to be warranted by the financial position of the Philippine Government. A formal request for an initial advance of \$25,000,000 under this authorization was subsequently received in Washington. On the basis of this request the Council approved consideration by the Reconstruction Finance Corporation of a loan of \$25,000,000 to the Philippine Government with interest at the rate of 2 percent per annum and maturing on January 1, 1952. This recommendation was accepted by the Reconstruction Finance Corporation and the Philippine Government.

The Joint Finance Commission recommended by the Council was established by agreement between the two Governments and has been working in Manila since the end of January. The Commission is expected to report to the two Governments during the spring of this year.

#### WAR SETTLEMENTS ARRANGEMENTS AND CREDITS

The Council has continued to coordinate policy governing the financial settlements with foreign countries arising from the war. This work includes lend-lease settlements, general financial terms for the disposal of surplus property located abroad, adjustment payments for the expenditures of United States armed forces in foreign countries, and settlement of other war claims. The Department of State has primary responsibility for agreements concerning lend-lease and surplus property located abroad, under general principles approved by the Council.

In many cases all pending war accounts with a particular country have been negotiated at one time, as a means of facilitating agreement

between the parties. An over-all settlement was concluded with France on May 28, 1946, and similar types of settlement were concluded with Belgium on September 24, 1946, and with the Union of South Africa on March 21, 1947.

The agreement with France was reviewed by the Council. This over-all war settlement resulted in a net French obligation to the United States of \$720,000,000. The amount of this obligation covers final settlement of lend-lease and reciprocal aid, transfer of certain surplus property to France and French North and West Africa on long-term credit, adjustment of the United States share of civilian supplies received by the French through combined military channels, and the settlement of other financial claims of each Government arising out of the conduct of the war.

The agreement reached with Belgium covers final settlement of lend-lease and reciprocal aid, transfer of surplus property in Belgium on long-term credit, the adjustment of the United States share of civilian supplies received by the Belgians from combined military channels, and the settlement of other financial claims of each Government arising out of the conduct of the war. An ancillary agreement signed with Luxemburg settled outstanding claims of the United States and Luxemburg Governments. The settlement with the Union of South Africa covers lend-lease and reciprocal aid, mutual financial claims arising from the war, and certain surplus property items.

Lend-lease and surplus property agreements were also concluded with India on May 16, 1946, with Australia on June 7, 1946, and with New Zealand on July 10, 1946. An agreement covering transfer of certain surplus property was signed with China on August 30, 1946. There remain some unsettled war accounts on which the Chinese Government has been requested to negotiate. Most of the major aspects of lend-lease accounts with Latin-American countries have been settled. Negotiations on over-all settlements with Norway and the Netherlands are now well advanced. In the case of Greece and Czechoslovakia, discussions are in the initial stages. Formal negotiations with the Union of Soviet Socialist Republics did not begin until after March 31, 1947.

In accordance with a recommendation of the Council and after consultation with appropriate committees of the Congress and clearance with the Comptroller General, the Department of State, at the direction of the President, announced that payments would be made to the Italian Government of dollars already set aside in the Treasury to cover expenditures made by United States armed forces in allied military lira currency for the procurement of supplies, services, and facilities in Italy.

#### OFFICE OF FOREIGN LIQUIDATION COMMISSIONER CREDITS

The general policies established by the Council for the guidance of the Office of the Foreign Liquidation Commissioner, Department of State, with regard to the financing of surplus property sales abroad may be summarized as follows:

- (a) Cash payment shall be obtained in United States dollars insofar as this can be done without unduly reducing total proceeds.

(b) Where cash sales are not possible, credits repayable in dollars may be extended by the Foreign Liquidation Commissioner who will endeavor to make provision for this Government's right to obtain accelerated payments in the debtor country's currency to meet United States Government expenditures in such country.

(c) Where dollar credits are extended, the terms shall not be more favorable to recipient countries than 2½ percent interest and 30-year final maturity, except in the case of surplus property sales made in connection with an over-all settlement of war accounts.

(d) In exceptional circumstances local currency may be accepted by the Foreign Liquidation Commissioner in amounts and under conditions considered appropriate by the State Department in consultation with the Treasury Department.

(e) Insofar as practicable, Export-Import Bank funds should not be used for the purchase of goods in the United States of the same types as are anywhere available as United States surplus property.

When foreign countries make purchases of surplus property on credit terms consistent with the Council's general policies, the individual transactions are not usually referred to the Council for its consideration, but the Office of the Foreign Liquidation Commissioner informs the Council of the credits that have been extended. In the case of proposed surplus property sales to Japanese agencies involving different payment terms from those established by the Council's general policies, the Council passed upon specific credit terms.

Public Law 584, Seventy-ninth Congress, approved August 1, 1946, and known as the Fulbright amendment to the Surplus Property Act of 1944, established the Department of State as the sole disposal agency for surplus property located outside the continental United States, its Territories and possessions; and substantially broadened both the authorized types of consideration that might be accepted in the disposal of surplus property located abroad, and the authorized use of the proceeds from the disposal of this property.

#### UNITED STATES MARITIME COMMISSION FOREIGN CREDITS

Under the Merchant Ship Sales Act of 1946, the United States Maritime Commission was authorized, with certain limitations, to sell war-built vessels to noncitizens at not less than the statutory sales price and upon terms and conditions not more favorable than those extended to United States citizens. Under its statutory authority the Maritime Commission, after consultation with the Council in each case, has extended the following credits for which contracts had been signed as of March 31, 1947:

Country:	Amount of credit (in millions of dollars)
Brazil.....	2.1
France.....	28.8
Greece.....	40.1
Italy.....	20.4
Peru.....	2.8
Turkey.....	2.8
<b>Total.....</b>	<b>97.0</b>

Ships for which mortgage contracts were not yet signed as of March 31, 1947, have also been delivered to Norway under special custody agreements.

#### WAR ASSETS ADMINISTRATION FOREIGN CREDITS

After discussions with representatives of the War Assets Administration, the Council approved in principle the extension of credits by that agency to finance sales of domestic surplus property to foreign governments. The details of coordinating such a program with the over-all foreign financial operations of this Government were worked out and confirmed by an exchange of correspondence between the Chairman of the Council and the War Assets Administrator in the early part of this year. Several foreign applications for credits for the purchase of United States domestic surplus property have been acted on by the Council. As of March 31, 1947, no contracts covering such purchases had been signed.

#### CREDIT TERMS

The establishment and coordination of credit terms to foreign countries obtaining loans or credits from various United States Government agencies has been a continuous concern of the Council. In view of this Government's interest in the work of reconstructing war-devastated countries and in promoting economic development in underdeveloped countries, the Council recognized the need for liberal credit terms which would facilitate and assist in this work and which borrowers could be expected to meet without undue burden on their balances of payments. At the same time, the Council took cognizance of the cost of loan funds to the United States and the need for the various foreign lending agencies of the Government to conduct their foreign credit operations on a self-sustaining basis.

At the beginning of its operations the Council was confronted with the problem of determining charges on Export-Import Bank long-term loans to countries disrupted by the war. An interest rate of 3 percent was established on 20- to 30-year loans. On Export-Import Bank loans to finance the purchase of goods requisitioned by foreign governments prior to VJ-day under lend-lease arrangements, it was considered appropriate to apply the terms contained in the Lend-Lease 3 (c) agreements and established pursuant to section 3 (c) of the Lend-Lease Act. Accordingly, the Bank's rate was set at 2½ percent for 30-year loans of this type.

In the summer of 1946, detailed consideration was given by the Council to the Export-Import Bank rate on loans other than those for reconstruction purposes. Among the factors affecting the Council's decision was the desirability of establishing a rate which would attract private capital participation in the Bank's loan program without unduly burdening foreign borrowers and which would be likely to conform with the future pattern of International Bank charges on development loans of comparable maturities. The Council also considered the cost to the United States Government of public funds used by the Export-Import Bank and the rate at which the Bank should accumulate reserves against possible losses. The Council finally determined that the average or effective rate on Export-Import Bank

development loans to foreign governments, government agencies and private borrowers should be  $3\frac{1}{2}$  percent on 15-year maturities; and that this rate should be adjusted upward or downward by the Bank according to the structure of rates for different maturities in the private capital market and, in the case of loans to private borrowers without Government guarantee, according to differences in risks.

In the spring of 1946, the Council considered the problem of credit terms on the net obligation due this Government from the Provisional Government of France as a result of an over-all settlement of war accounts with that country and a bulk purchase by France of United States surplus property located abroad. The Council determined that the interest rate on credits extended in the over-all settlement of war accounts with the French Government should be 2 percent and that the period of repayment should be 35 years with an initial 5-year period of grace on repayment of principal. While the rate of interest is thus the same as under the financial agreement with the United Kingdom, the French agreement differs in that it does not provide for any waiver of interest. The Council, however, approved the inclusion of a provision whereby, if both countries agreed that because of extraordinary and adverse economic conditions arising during the course of payment any periodic payment would not be to the common advantage of both governments, such payment might be postponed upon such terms and conditions as might be agreed. The Council also made the above terms applicable to over-all settlements of war accounts with other foreign governments.

Since it appeared that credits would be required in order to maximize the ultimate proceeds from the disposal to foreign countries of United States surplus property located abroad, the Council at an early stage in its activities considered the subject of credit terms to be extended by the Office of the Foreign Liquidation Commissioner. After due consideration the Council determined that terms should not be more favorable to foreign countries than  $2\frac{3}{4}$  percent interest and 30-year final maturity. An exception was later made for bulk purchases of surplus property in connection with over-all settlement of war accounts, as noted above in the French case. The Council also coordinated the payment terms on which surplus property might be made available to Japanese agencies with the War Department's arrangements for securing payments for imports into Japan for the prevention of disease and unrest and for the accomplishment of the objectives of the mission.

In accordance with the provisions of the Merchant Ship Sales Act of 1946, the minimum rate of interest chargeable by the United States Maritime Commission on ship purchase credits to foreign purchasers is  $3\frac{1}{2}$  percent and the maximum amount of credit is limited to 75 percent of the sales price. It was administratively determined by the Maritime Commission that the credit period should not exceed the remaining economic life of the vessel. In the light of this background, the Council determined that the statutory minimum rate should be charged.

#### RELIEF

The imminent termination of the UNRRA program led the United Nations General Assembly in its fall session of 1946 to consider means of providing for the post-UNRRA relief needs of countries devastated

by the war and not yet sufficiently recovered to provide their own minimum requirements for basic essentials such as food, medical supplies, and working capital for agriculture. The United Nations Special Technical Committee on Relief Needs After Termination of UNRRA estimated a total 1947 need of \$583,000,000 for Austria, Greece, Hungary, Italy, Poland, and Yugoslavia.

The State Department in an independent analysis estimated a 1947 relief deficit of \$576,000,000 for Austria, Greece, Hungary, Italy, Poland, and Trieste. The State Department's estimate was arrived at in conformity with the United Nations General Assembly's resolution of December 11, 1946, which defined 1947 foreign relief needs as the value of a country's net minimum import needs to prevent suffering and economic retrogression. The State Department carefully considered what part of the total relief needs might properly be met by a United States contribution.

In view of the studies prepared by the United Nations and by the State Department, the Council considered the share recommended by the State Department as an appropriate United States contribution to post-UNRRA relief during the calendar year 1947. In recognizing the responsibility of the State Department for the proposed amount and administration of the United States contribution, the Council expressed its opinion that the program would be consistent with the foreign financial policy of the United States Government. In order to coordinate the administration of United States post-UNRRA relief with other phases of this Government's foreign financial policy the Council requested the State Department to report periodically on the allocation of relief funds and on the agreements reached with the recipient countries. The President subsequently submitted to the Congress an appropriation request of \$350,000,000.

#### OTHER COUNCIL ACTIVITIES

Early in 1946 the Council determined that until further notice, foreign requests for short-term loans on gold from Federal Reserve banks need not be submitted to the Council for consideration. The Chairman of the Board of Governors of the Federal Reserve System was requested, however, to inform the Council whenever a new loan of this type was granted. Loans on gold do not create a net addition to foreign countries' dollar resources; dollars obtained through the pledge of gold might alternatively have been obtained through sale of the gold to the United States. The volume of such loans outstanding as of March 31, 1947, amounted to \$131,800,000.

The Council formulated this Government's position with regard to the assumption by the Economic and Social Council of the United Nations of certain technical functions of the League of Nations in connection with a series of international loans made during the inter-war period. The Council agreed that these residual technical functions were no longer of sufficient importance to warrant their assumption by the Economic and Social Council. These views were transmitted by the State Department to the United States representative to the Economic and Social Council for his guidance and instruction.

During March of this year, the Council studied the problem of export credit insurance and transfer guarantees for United States exporters and concluded that there did not appear at this time any

convincing need for a Government system of such insurance and guarantees. The Council agreed, however, that if sufficient need could be demonstrated a properly administered system of Government export credit and transfer risk insurance would seem feasible.

The Council made available to the United States delegation to the UNRRA conference in August 1946, specialized studies of the capacities to pay of certain UNRRA recipient countries.

The Council, through the Securities and Exchange Commission, has kept itself informed of registrations and public offerings of foreign government bonds in the United States market.

#### PRESIDENT'S COMMITTEE FOR FINANCING FOREIGN TRADE

On June 26, 1946, the President appointed a committee of bankers and industrialists to work in conjunction with the National Advisory Council on the problem of financing foreign trade. The President pointed out that United States foreign trade, export and import, must in the long run be privately handled and privately financed if it is to serve well this country and the world economy.

The committee is composed of the following members:

Mr. Winthrop W. Aldrich, chairman, The Chase National Bank of the City of New York.

Mr. Champ Carry, president, Pullman-Standard Car Manufacturing Corp.

Mr. Walter J. Cummings, chairman, Continental-Illinois National Bank and Trust Co.

Mr. L. M. Giannini, president, Bank of America.

Mr. Paul G. Hoffman, president, Studebaker Corp.

Mr. Edward Hopkinson, Jr., partner, Drexel & Co.

Mr. Fowler McCormick, chairman, International Harvester Co.

Mr. Irving S. Olds, chairman, United States Steel Corp.

Mr. Herbert H. Pease, president, New Britain Machine Co.

Mr. Gordon S. Rentschler, chairman, National City Bank of New York.

Mr. A. W. Robertson, chairman, Westinghouse Electric Corp.

Mr. Tom K. Smith, president, The Boatmen's National Bank of St. Louis.

At the first joint meeting of the President's Committee for Financing Foreign Trade and the National Advisory Council in September 1946, the Committee recommended to the National Advisory Council that they confer informally on designated topics concerning which the Council desired information and advice, so that the Committee might make available to the Council the points of view of its members in the varying fields represented by them. Accordingly, meetings have been held at approximately monthly intervals to consider subjects of mutual interest.

### III. ACTIVITIES OF THE COUNCIL FROM OCTOBER 31, 1946, TO MARCH 31, 1947, RELATING TO THE INTERNATIONAL MONETARY FUND AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Effective operation of the International Monetary Fund and the International Bank leading toward full achievement of the purposes stated in their articles of agreement is a major consideration of this

Government, not only because of its interest as a member in the adoption of sound and constructive international economic policies but also because of the necessity of coordinating United States Government foreign financial operations with the currency transactions and loans of these organizations. The National Advisory Council under the statutory authority of the Bretton Woods Agreements Act has, therefore, engaged in regular discussions with the United States Executive Directors of the Fund and Bank for the purpose of giving them assistance in their joint efforts with the representatives of other member countries to carry forward the operations of the Fund and Bank. While the Fund and Bank can evolve many of their policies only in the light of specific developments, these institutions have already investigated in detail and resolved many of the policy and administrative problems which confronted them.

#### PAR VALUES

The first major problem facing the Fund during the recent period was the establishment of initial par values of members' currencies for purposes of the Fund. In discussing this matter with the United States Executive Director, the Council recognized the complexity of the problem involved and expressed views substantially in accord with those contained in the statement issued by the Fund in connection with the announcement on December 18, 1946, of the schedule of initial par values. Certain excerpts from the Fund's statement follow:

This is the first time that a large number of nations have submitted their exchange rates to consideration by an international organization and thus a new phase of international monetary cooperation has begun. The major significance of the present step is not in the particular rates of exchange which are announced, but in the fact that the participating nations have now fully established a regime wherein they are pledged to promote exchange stability, to make no changes in the par values of their currencies except in accordance with the Fund Agreement, and to assist each other in attaining the general objectives of the Fund.

The initial par values are, in all cases, those which have been proposed by members, and they are based on existing rates of exchange. The acceptance of these rates is not, however, to be interpreted as a guarantee by the Fund that all the rates will remain unchanged. As the Executive Directors of the Fund stated in their First Annual Report, issued in September: "We recognize that in some cases the initial par values that are established may later be found incompatible with the maintenance of a balanced international payments position at a high level of domestic economic activity. \* \* \* When this occurs, the Fund will be faced with new problems of adjustment and will have to recognize the unusual circumstances under which the initial par values were determined. It is just at such times that the Fund can be most useful in seeing that necessary exchange adjustments are made in an orderly manner and competitive exchange depreciation is avoided."

The Fund realizes that at the present exchange rates there are substantial disparities in price and wage levels among a number of countries. In present circumstances, however, such disparities do not have the same significance as in normal times. For practically all countries, exports are being limited mainly by difficulties of production or transport, and the wide gaps which exist in some countries between the cost of needed imports and the proceeds of exports would not be appreciably narrowed by changes in their currency parities. In addition, many countries have just begun to recover from the disruption of war, and efforts to restore the productivity of their economies may be expected gradually to bring their cost structures into line with those of other countries. Furthermore, for many countries now concerned with combating inflation there is a danger that a change in the exchange rate would aggravate the internal tendencies toward inflation.

In view of all these considerations, the Fund has reached the conclusion that the proper course of action is to accept as initial par values the existing rates of exchange.

The par values announced were the existing rates of exchange as certified by member countries. In the cases of Brazil, China, Dominican Republic, Greece, Poland, Yugoslavia, France in respect of Indochina, and the Netherlands in respect of the Netherlands Indies, an extension of time for the determination of their initial par values was granted by the Fund. The Fund stated that the initial par value of the currency of Uruguay would not be definitely established until the completion of certain legislative proceedings in Uruguay.

March 1, 1947, was the date established by the Fund for the beginning of exchange transactions. As of March 31, 1947, no applications for the purchase of foreign exchange had been received by the Fund.

#### FUND'S SERVICE CHARGE

During this period the United States Executive Director of the Fund requested the advice of the Council concerning the size of the service charge to be levied by the Fund on exchange transactions. The articles of agreement specify that "Any member buying the currency of another member from the Fund in exchange for its own currency shall pay a service charge uniform for all members of three-fourths percent in addition to the parity price. The Fund in its discretion may increase this service charge to not more than one percent or reduce it to not less than one-half percent."

In considering this matter the Council recalled that this Government had taken the position at the time the Bretton Woods legislation was passed that the Fund should interfere as little as possible with the operations of private foreign exchange markets and should supplement rather than displace the use by member countries of their own exchange resources. The Council also considered the possible effects of different rates on the earnings of the Fund. After careful study, the Council advised the United States Executive Director that it saw no adequate reason at this time to change the service charge of three-fourths percent.

#### OTHER COUNCIL ACTIONS ON FUND MATTERS

In December 1946, the Council on behalf of the United States Government notified the Managing Director of the Fund that this Government was prepared to accept the obligations of article VIII, sections 2, 3, and 4 of the Fund agreement with respect to avoidance of restrictions on current international payments, avoidance of discriminatory currency practices, and convertibility of balances of its currency held by other members of the Fund.

At the request of the Managing Director of the Fund that this Government designate the depository at which it would prefer to pay its gold subscription, the Council notified the Fund of this Government's preference to pay its gold subscription at the Federal Reserve Bank of New York, the depository of the Fund in the United States.

## CHANGES IN RULES AND REGULATIONS OF THE FUND

Among several amendments and additions to the rules and regulations of the Fund in the recent period, the most important pertain to the procedure for handling by the Fund of requests from its members for the purchase of currencies.

The relevant sections of the rules and regulations are as follows:

G-3. When a duly authenticated request for the purchase of foreign exchange in accordance with Article V, Section 3 is received, the Fund shall, on the third business day following the day of receipt of the request instruct the appropriate depository to make the transfer, except in cases which the Executive Board may indicate. The first business day after receipt of the request shall be regarded as the first of the three days.

G-5. When the request of a member, if consummated, would increase to more than 5 percent of its quota the aggregate purchases by the member pursuant to Article V, Section 3, during the thirty-day period preceding the date of action specified in G-3, the Managing Director shall notify each Executive Director (or his Alternate if the Executive Director is not available) on the first business day after receipt of the request. If neither the Executive Director nor the Alternate is in Washington or its environs, the notification will be assumed to have been duly delivered if appropriate notice is delivered to his office.

At the request of any Executive Director or on the initiative of the Managing Director, a special meeting shall be called by the Managing Director to discuss the request as soon as feasible, but not later than the morning of the second business day.

## ORGANIZATIONAL CHANGE IN THE FUND

On March 31, 1947, Mr. Harry D. White tendered his resignation as the United States Executive Director of the Fund to become effective after the return from Europe of the Managing Director of the Fund in May. In recognition of his outstanding services the Executive Board of the Fund named Mr. White as Honorary Adviser to the International Monetary Fund.

## INTERNATIONAL BANK LOAN APPLICATIONS

Loan applications totalling \$2,345,000,000 had been presented to the International Bank as of March 31, 1947. The countries and amounts involved are: Chile, \$40,000,000; Czechoslovakia, \$350,000,000; Denmark, \$50,000,000; France, \$500,000,000; Iran, \$250,000,000; Luxemburg, \$20,000,000; Netherlands, \$535,000,000; and Poland, \$600,000,000. The Government of Greece has also indicated its intention to submit an application to the Bank upon completion of its plans for reconstruction projects. Although negotiations with several of the applicants were well advanced, no loans had been approved by the Bank as of March 31, 1947.

In discussions concerning these applications with the United States Executive Director, the Council recognized that in order to deal with such matters as relative priorities of usefulness and urgency among loan projects submitted by applicants, it was advisable for the Bank to give concurrent consideration to various loan applications.

## TERMS AND CONDITIONS OF BANK LOANS

The Council has expressed to the United States Executive Director its views with regard to the Bank's charges on long-term loans. The Bank is required by its articles of agreement to impose on borrowers a

commission of 1 to 1½ percent per annum for the creation of a special reserve, but the size of the interest charge to be made by the Bank is a matter for determination by the Bank in the light of such factors as the rate of interest paid on its borrowings and the amount of liquid funds which the Bank would consider it prudent to keep on hand.

The Council requested the United States Executive Director to attempt to secure agreement by the International Bank to the incorporation in all its loan contracts of a provision requiring consultation with the Bank by any borrower who, in the judgment of the Bank, was pursuing policies which might interfere with the success of the projects financed by the Bank in any member country or jeopardize fulfillment of the borrower's, or other member countries', obligations to the Bank.

#### USE OF UNITED STATES CAPITAL AND FLOTATION OF SECURITIES

The Bank, under its articles of agreement, is required to obtain the approval of the United States Government if it wishes either to use this country's 18 percent capital contribution for making loans or to raise funds by selling securities in this country. Hence, before the Bank could undertake any substantial program of loan commitments involving the use of United States dollars, such approval was needed.

On March 26, 1947, following earlier discussions between the Council and the United States Executive Director, the Bank formally requested approval to use the full amount of this country's 18 percent capital contribution for making loans, and this approval was granted shortly thereafter by the Council on behalf of the United States Government.

The Council also discussed with the United States Executive Director various problems connected with the flotation of the Bank's securities in the United States market, including the possible amount of the Bank's initial issues. The Council advised him that on formal request by the Bank this Government would assent to the Bank's selling initial issues of securities on this market within the amounts discussed.

#### ORGANIZATIONAL CHANGES IN THE BANK

Mr. John J. McCloy was elected President of the Bank by the Board of Executive Directors on February 28, 1947, to succeed Mr. Eugene Meyer whose resignation became effective December 18, 1946. On February 28, 1947, Mr. McCloy announced the election of Mr. Robert L. Garner as Vice President of the Bank. Following the resignation of Mr. Emilio G. Collado as United States Executive Director of the Bank, the President of the United States nominated Mr. Eugene R. Black for that position. Mr. Black's nomination was confirmed by the United States Senate on March 14, 1947.

#### MEMBERSHIP IN THE FUND AND BANK

The admission of three countries into Fund membership and four countries into Bank membership between October 31, 1946, and March 31, 1947, raised the number of member countries in each institution to 42. As of March 31, 1947, the total quotas of members of the Fund amounted to \$7,710,500,000, while the total capital subscrip-

tions of members of the Bank amounted to \$8,013,500,000. Members that have recently joined these organizations and the amounts of their subscriptions are indicated below.

Colombia, which was already a member of the Fund, signed the articles of agreement of the International Bank on December 26, 1946. Its subscription to the capital of the Bank is \$35,000,000.

Venezuela became a member of the International Monetary Fund and of the International Bank on December 30, 1946. Having participated in the Bretton Woods Monetary and Financial Conference, Venezuela was among the nations entitled to sign the articles of agreement of the Fund and the Bank before December 31, 1946. Venezuela's quota in the Fund is \$15,000,000 and its subscription to the Bank is \$10,500,000.

Turkey and Italy signed the articles of agreement of the Fund and of the Bank on March 11 and March 27, 1947, respectively. Their applications for membership in the Fund and the Bank had been approved by the Boards of Governors of the Bank and the Fund at their first annual meeting in Washington, September 27 to October 3, 1946. Turkey's quota in the Fund and subscription to the Bank are each \$43,000,000; Italy's quota in the Fund and subscription to the Bank are each \$180,000,000.

Syria and Lebanon, whose applications for membership were also approved at the first annual meeting of the Boards of Governors of the Fund and Bank, did not sign the articles of agreement until after March 31, 1947.

#### UNITED STATES PAYMENTS TO THE FUND

On February 26, 1947, the United States Government paid the remaining balance of its subscription to the International Monetary Fund in accordance with article III, section 3 and article XX, section 4 (c) of the Fund agreement, which provide for full payment on or before the date when the Fund begins exchange transactions.

As of March 31, 1947, therefore, the United States had paid its entire subscription of \$2,750,000,000 to the Fund. Of this amount \$687,500,000.11, representing the 25 percent gold portion of the subscription stipulated by article III, section 3 (b) (i) of the Fund agreement, was paid in gold; \$280,499,999.89, representing approximately 10 percent of the United States subscription, was paid in United States dollar funds; and \$1,782,000,000 was represented by United States non-negotiable, non-interest-bearing demand notes. By delivery of these special United States notes in accordance with section 7 (c) of the Bretton Woods Agreements Act, the United States exercised the option available under article III, section 5 of the Fund agreement. These notes are payable on demand in dollars when needed by the Fund in its operations.

#### UNITED STATES PAYMENTS TO THE BANK

On November 21, 1946, the United States made a payment of the second 5 percent on its subscription to the capital of the Bank pursuant to the Bank's notice of call for payment. On February 24, 1947, the United States made a further payment of 5 percent on its capital subscription. The amount of each of these payments was \$158,750,000, totaling \$317,500,000.

As of March 31, 1947, the United States had paid 15 percent (\$476,250,000) of its subscription to the capital of the Bank. Of this amount, \$407,035,000 was represented by non-negotiable, non-interest-bearing demand notes in accordance with section 7 (c) of the Bretton Woods Agreements Act and article V, section 12 of the articles of agreement of the Bank, and \$69,215,000 was represented by United States dollar funds.

The Bank has given notice that it intends to make an additional call of 5 percent of capital, payable as of May 26, 1947. When this payment of \$158,750,000 has been made, the total United States paid-in capital will amount to \$635,000,000, or 20 percent of the United States subscription. Under the Bank's articles of agreement there can be no further calls for payment upon the United States subscription unless the Bank should need to call on member countries for funds to meet its obligations.

#### IV. SURVEY OF POSTWAR FOREIGN FINANCIAL ASSISTANCE EXTENDED BY THE UNITED STATES GOVERNMENT

By VJ-day, this Government had already made preparations to meet many of the difficult foreign financial problems connected with the postwar period of adjustment and reconstruction. The terms of the Lend-Lease Act enabled the President to make settlements without imposing upon the recipients of lend-lease aid a dead-weight burden of debt resulting from the Allied war effort. The Congress had approved this Government's participation in the United Nations Relief and Rehabilitation Administration. It had increased the lending authority of the Export-Import Bank from \$700,000,000, to \$3,500,000,000 for the primary purpose of enabling that agency to meet part of the foreign postwar reconstruction needs. It had authorized this Government's membership in the International Monetary Fund and the International Bank for Reconstruction and Development.

These measures were shortly thereafter supplemented by an important additional step—the approval of the financial agreement with the United Kingdom.

#### SCOPE OF OPERATIONS THROUGH MARCH 31, 1947

United States Government foreign financial assistance since the war has taken a variety of forms, including (1) cash loans and advances, (2) transfers of goods and services on deferred payment terms, and (3) contributions of money and supplies. Such assistance has been supplemented by the United States subscriptions to the International Monetary Fund and the International Bank.

The dollar magnitude of the foreign financial assistance extended by the United States Government is presented in the following summary table. A country breakdown of the data covering the period June 30, 1945, through December 31, 1946, and an explanation of the nature of the data are presented in appendix B.

United States Government Postwar Foreign Financial Assistance—Amount available through Mar. 31, 1947, and status as of Dec. 31, 1946, by type and agency concerned

[In millions of dollars]

Type and agency concerned	Amount available June 30, 1945—Mar 31, 1947 <sup>1</sup>	Amount available June 30, 1945—Dec. 31, 1946 <sup>1</sup>	Amount utilized July 1, 1945—Dec. 31, 1946	Unutilized balance as of Dec. 31, 1946	Outstanding indebtedness as of Dec. 31, 1946 <sup>2</sup>
<b>Loans:</b>					
Loan to United Kingdom (Treasury Department).....	3,750	3,750	600	3,150	600
Reconstruction, development, and other loans (Export-Import Bank).....	2,552	2,425	1,086	1,339	<sup>3</sup> 1,248
Loans to United Kingdom, Philippine Republic, and others (RFC).....	62	62	2	60	236
Total.....	6,364	6,237	1,688	4,549	2,084
<b>Property credits:</b>					
Lend-lease "pipe line" and inventory credits (State Department).....	1,446	1,446	1,242	204	1,296
Surplus property credits <sup>4</sup> (OFPC).....	1,248	1,140	875	265	<sup>5</sup> 875
Ship sales credits (U. S. Maritime Commission).....	150	107	28	79	28
Surplus property credits <sup>6</sup> (War Assets Administration).....	10				
Miscellaneous.....	20	20	20		20
Total.....	2,874	2,713	2,165	548	2,209
Loans and property credits, total.....	9,238	8,950	3,853	5,097	<sup>7</sup> 4,293
<b>Other aid:</b>					
Civilian supplies, principally to occupied areas (War and Navy Departments) <sup>8</sup> .....	<sup>11</sup> 1,202	<sup>11</sup> 977	977		
Postwar lend-lease supplies (State Department) <sup>9</sup> .....	<sup>11</sup> 726	<sup>11</sup> 726	726		
1942 congressional credit of \$500,000,000 to China <sup>10</sup> (Treasury Department).....	120	120	120		
Cotton advances for Germany and Japan <sup>11</sup> (U. S. Commercial Company and Commodity Credit Corporation).....	<sup>11</sup> 162	<sup>11</sup> 137	137		
Other advances for Germany (U. S. Commercial Company).....	8	8		8	
Total.....	2,218	1,958	1,960	8	
<b>Grants:</b>					
UNRRA supplies (United States Government contribution).....	2,700	2,700	1,854	816	
Grants to Philippine Republic (State Department and War Damage Commission).....	620	620	100	520	
Grants to Latin America (State Department).....	27	27	14	13	
Total.....	3,347	3,347	1,968	1,349	
Grand total.....	14,803	14,265	7,811	6,454	

<sup>1</sup> Unutilized balances of previous authorizations as of June 30, 1945, plus net authorizations, July 1, 1945—Mar. 31, 1947, in the case of the first column and plus net authorizations, July 1, 1945—Dec. 31, 1946, in the case of the second column.

<sup>2</sup> Excludes indebtedness arising out of World War I.

<sup>3</sup> Includes \$7,000,000 participation by another agency.

<sup>4</sup> Extended for purchase of surplus property located abroad.

<sup>5</sup> Amount does not reflect small repayments received through Dec. 31, 1946, for which detailed data are not yet available in Washington, D. C.

<sup>6</sup> Extended for purchase of surplus property located in the United States.

<sup>7</sup> Consists of outstanding indebtedness as of June 30, 1945 (\$573,000,000) plus amount utilized July 1, 1945—Dec. 31, 1946 (\$3,853,000,000), minus amount of repayments July 1, 1945—Dec. 31, 1946 (\$131,000,000) and a charge-off of approximately \$1,000,000. Calculation of outstanding indebtedness by this formula will differ slightly from indebtedness shown in the table due to rounding. The \$573,000,000 of outstanding indebtedness as of June 30, 1945, consisted of: Export-Import Bank, \$221,000,000; Lend-Lease, \$35,000,000; Reconstruction Finance Corporation, \$297,000,000. The repayments between July 1, 1945, and Dec. 31, 1946, consisted of: Export-Import Bank, \$59,000,000; Lend-Lease, \$10,000,000; Reconstruction Finance Corporation, \$62,000,000.

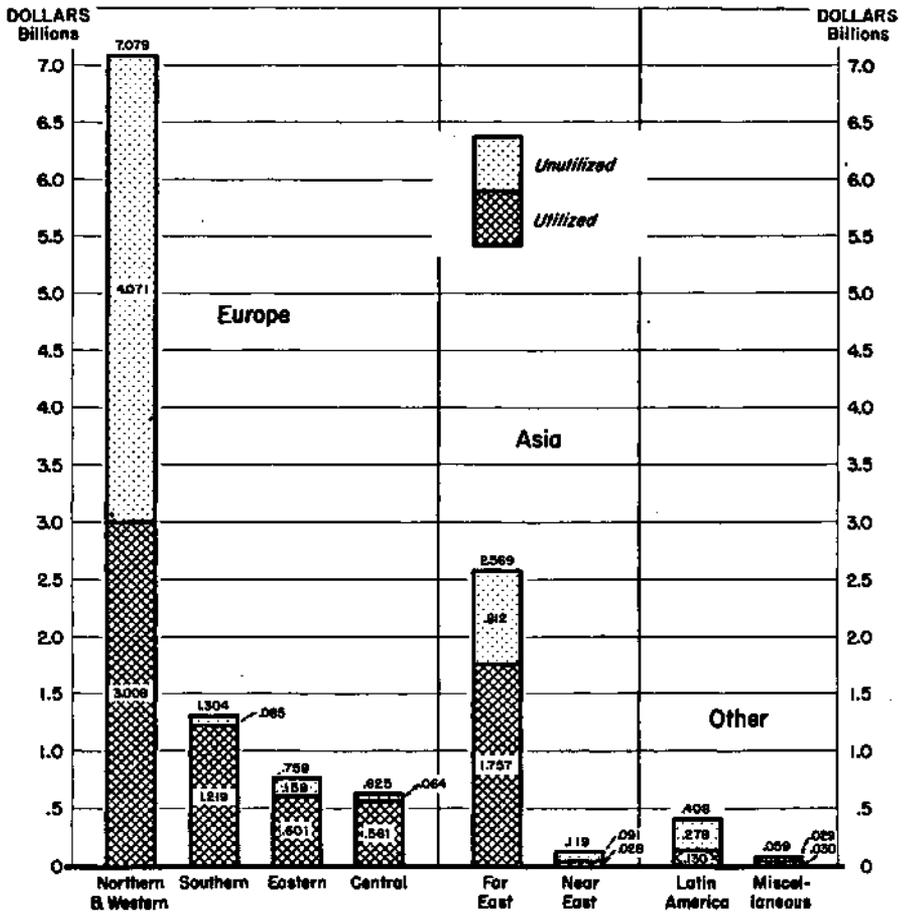
<sup>8</sup> Terms still subject to settlement as of Mar. 31, 1947.

<sup>9</sup> Terms on entire \$500,000,000 still subject to settlement as of Mar. 31, 1947.

<sup>10</sup> Reimbursement based on the requirement that approximately 60 percent (subject to adjustment) of textiles manufactured from Commodity Credit Corporation cotton during each 3 months' period will be delivered to United States Commercial Company for sale.

<sup>11</sup> Amount utilized. Estimated for "Civilian supplies, principally to occupied areas" and "Postwar lend-lease supplies" for period June 30, 1945—Mar. 31, 1947.

**U. S. GOVERNMENT FOREIGN FINANCIAL ASSISTANCE**  
**Amount Available,\* by Geographical Area†**  
**JUNE 30, 1945 - DECEMBER 31, 1946**



\*Includes unutilized balances as of June 30, 1945, plus authorizations, July 1, 1945-December 31, 1946. Excludes the following items not assignable by geographical area: (1) United States UNRRA contribution—\$816,000,000 not yet utilized as of December 31, 1946; \$214,900,000 for operating expenses; \$81,400,000 to unspecified areas or to areas other than final destination; (2) Civilian supplies—\$130,600,000 to unspecified areas; (3) Export-Import Bank—\$50,000,000 of European unused cotton credit authorizations.

†Countries included in various geographical areas are: Northern and Western Europe—Norway, Denmark, Finland, United Kingdom, France, Netherlands and Belgium; Southern Europe—Italy, Greece, Yugoslavia, Albania, and Dodecanese Islands; Eastern Europe—Russia and Poland; Central Europe—Germany, Austria, Hungary and Czechoslovakia; Asia (Far East)—China, Japan and Japanese Islands, Korea, Siam, Netherlands Indies and the Philippines; Asia (Near East)—Turkey, Iran, Lebanon and Saudi Arabia; Latin America—all; Miscellaneous—mainly Africa, Oceania and Canada.

The foreign financial assistance extended by the United States Government is characterized by a broad geographical distribution covering more than 50 countries. The preceding chart shows the shares received by various geographical areas. Of the \$14,300,000,000 total available between June 30, 1945, and December 31, 1946, almost one-half (\$7,100,000,000) is definitely assignable to the United Kingdom and other northern and western European countries. This share consists almost entirely of loans and credits for reconstruction purposes.

The bulk of other aid and grants was extended to central, southern, and eastern European countries and far eastern areas where provision of human necessities was urgently required before any appreciable reconstruction and development work could be undertaken. The aid for Germany and Japan, aside from the basic civilian supply program designed to prevent disease and unrest, is intended to restore economic activity, especially in export industries, and to relieve the occupying powers of the burden of supporting these countries.

#### PRESENT STATUS

An appraisal of the financial assistance extended to foreign countries by the United States Government is particularly appropriate at this time. The International Monetary Fund and the International Bank for Reconstruction and Development, upon which the United States Government places reliance as the principal instruments to achieve the long-range international financial objectives of the member countries of these two organizations, have recently come into operation. The Export-Import Bank has committed or earmarked practically all of the \$2,800,000,000 increase in lending authority granted by the Congress in July 1945, mainly for the extension of reconstruction loans to war-devastated areas. Private United States capital has reentered the field of foreign financing but only on a very limited scale. UNRRA has virtually terminated its activities but urgent relief needs still remain in certain areas. Finally, the decision is being made by many countries as to whether the world will move towards a freer and higher level of international trade through such an instrumentality as the International Trade Organization or towards a system of closed trading areas.

Two immediate postwar financial objectives of this Government which have already been largely achieved are the settlement of war accounts and the disposal of surplus property located abroad.

All major war settlements have either been completed or are in process of negotiation. In accord with the Lend-Lease Act, terms have been designed to avoid imposition of a burden on trade between the United States and allied countries in the form of repayments which would unduly aggravate the postwar balance of payments difficulties faced by most of these countries.

Over 80 percent of all United States salable surplus located abroad (including estimated future declarations) has been disposed of, and largely delivered, during the period when such property was likely to contribute most to the restoration of war-devastated areas and under

terms conducive to maximization of eventual proceeds for this Government. Substantial amounts of domestic surplus property and of surplus ships may also be disposed of by the War Assets Administration and the Maritime Commission through sales abroad on deferred payment terms.

Other postwar foreign financial objectives of the United States Government include alleviation of the suffering of the peoples of war-devastated areas, restoration of the productive capacities of these areas, and development of economically undeveloped countries. These objectives have only been partially attained to date. At the same time the purchasing power represented by unutilized lending authority, unutilized loan balances, unutilized relief grants and the gold and foreign exchange assets of foreign countries has been cut by the increase in prices here and abroad.

Relief and other forms of aid have carried a number of countries through the worst period of postwar readjustment. In central and southern Europe, and in parts of the Far East, however, the task of providing even a minimum of subsistence goods largely remains.

It has proved necessary to propose to the Congress a special post-UNRRA appropriation of \$350,000,000 for the calendar year 1947 while, in the case of Greece, further direct assistance in economic rehabilitation is included in the \$400,000,000 appropriation request for Greece and Turkey. The purposes to be served by this latter program have been fully developed in hearings before congressional committees and in debates in the Congress. Assistance for military supplies, as well as the aid designed to restore political and economic stability in Greece, do not fall within the purposes of the Export-Import Bank or the International Bank for Reconstruction and Development.

In the case of the combined British and American zones of Germany, the net import requirements for minimum consumers' needs and basic working capital requirements are being shared between the two occupying powers. The outlay for this purpose on the part of the United States for the period 1947 through 1949 has been estimated by the occupation authorities at \$500,000,000. Additional United States financing may prove necessary to support the economies of Japan and the occupied area of Korea.

Reconstruction of the productive facilities of some war-devastated countries and development of certain economically undeveloped areas have already been accelerated by the extension of United States Government loans. In northern and western Europe, for example, United States reconstruction loans have made available the financial means of achieving a considerable degree of recovery from the effects of the war. Even in countries in these areas, however, shortages of industrial working capital such as coal have kept the rate of reconstruction below that previously anticipated.

The Export-Import Bank will continue not only to disburse substantial amounts on outstanding commitments but also to undertake new operations complementing those of other institutions. Coordination of the activities of the Export-Import Bank and the United States representatives on the International Bank will be undertaken by the National Advisory Council and will be guided by the particular circumstances in each case. In general, it may be expected that projects deemed appropriate for consideration by the Export-Import

Bank would be those in which there is a special and important United States interest. Such interest may exist because the project is designed to open up an additional supply of essential imports into the United States, or because it requires United States equipment and services of kinds which this country especially desires to export. Such interest may also exist because the project is being sponsored and financed in part by private United States interests, or because it is in a field in which the Export-Import Bank already has participated financially, or because the applicant country is not yet a member of the International Bank. The Bank will also continue, of course, to receive applications from United States exporters and importers who do not have direct access to the International Bank. In general, too, it may be expected that the Export-Import Bank will limit itself to projects that can be amortized in a relatively short period of years.

The Export-Import Bank had unutilized funds at its disposal as of March 31, 1947, of approximately \$320,000,000, after deduction of earmarked amounts for China and Italy. Applications were pending before the Bank at that time in an aggregate amount in excess of this remaining lending authority. On the other hand, the Bank has the prospect of recouping lending authority from time to time as outstanding loans fall due and are repaid, as present commitments to make loans are canceled or expire, and as private capital may be induced to participate at its own risk in the outstanding loans of the Bank.

In order to meet reconstruction and development requirements, the International Bank must also rely heavily upon dollar funds. For the present a large part of the needed goods can be obtained only in the United States, and there are few countries outside the United States whose balance of payments position permits them to engage in any substantial export of capital. Through the payment of 20 percent of its subscription to the capital of the Bank, the United States Government is providing \$635,000,000 for the Bank's use, and similar dollar capital contributions by other members raise the total of the Bank's available United States dollar funds to about \$725,000,000. For the rest of its dollar needs, the Bank must rely upon its ability to draw funds from the private capital market in the United States. The timing and extent of private capital investment abroad, either directly or through the International Bank, will determine to a considerable extent the ability of this Government to withdraw from the field of large-scale direct foreign lending without sacrificing the basic objectives of its foreign policy.

Temporary balance of payments deficits that develop in the current international transactions of member countries may require financing through the International Monetary Fund. As in the case of foreign loan requirements and the International Bank, however, monetary stabilization requirements of a type or in an amount that cannot be met by the International Monetary Fund may develop. Such cases, particularly when they involve special interests of this Government, may be handled by the United States Stabilization Fund in harmony with the achievement of the objectives of the International Monetary Fund.

The subject of repayment of United States foreign loans was treated in some detail in pages 5 to 7 of the "Statement of the Foreign Loan Policy of the United States Government by the National Advisory

Council on International Monetary and Financial Problems" transmitted by the President to the Congress on March 1, 1946. At this time, the Council wishes to emphasize again that—

\* \* \* the ability of foreign countries to transfer interest and amortization on foreign loans to the United States depends upon the extent to which we make dollars available to the world through imports of goods and services, including personal remittances and tourist expenditures, and through new investment abroad.

The extension of foreign financial assistance by this Government, in conjunction with its pursuit of a commercial policy designed to reduce restrictions on the free flow of international trade, will help the United States to maintain a volume of exports appropriate for a country with its tremendous productive capacity, and a volume of imports that will permit repayment of its loans to foreign countries, increase the standard of living, and provide needed basic resources. This Government's policies are therefore designed to make an important contribution not only to world stability but also to the welfare of the American people.

In 1946, total transfers of goods and services to foreign countries amounted to \$15,300,000,000, while United States imports of goods and services amounted to only \$7,100,000,000. Utilization by foreign countries of United States Government loans and other aid, including private donations and remittances, served to finance approximately \$6,000,000,000 of the net balance. About \$2,000,000,000 was financed through the use by foreign countries of their own dollar assets and gold.

Foreign requirements of goods and services from the United States to continue relief and reconstruction programs, to meet deferred demands from the war period and to continue development projects remain large in 1947. The Department of Commerce reports that in the first quarter of 1947, total United States transfers of goods and services to foreign countries amounted to almost \$4,900,000,000 while United States imports of goods and services amounted to slightly more than \$1,900,000,000. The first quarter amounts are equivalent to an annual rate of \$19,500,000,000 of transfers of goods and services to foreign countries and only about \$7,700,000,000 of imports. During the first quarter of 1947, foreign countries financed the difference between United States transfers of goods and services and United States imports of goods and services by net utilization of about \$1,900,000,000 of United States Government loans and other aid, including private donations and remittances, and by a reduction of about \$1,100,000,000 in their own dollar assets and gold.

Unused amounts of United States foreign loans and aid declined from \$6,500,000,000 as of December 31, 1946, to about \$5,400,000,000 on March 31, 1947. Foreign gold and dollar assets in the form of short-term balances and marketable securities declined from approximately \$25,000,000,000 as of December 31, 1946, to about \$24,000,000,000 on March 31, 1947. A sizable portion of these gold and dollar assets and of new foreign gold production, currently at the rate of about \$700,000,000 per annum exclusive of production of the Union of Soviet Socialist Republics, must be maintained as working balances for trade purposes and currency reserves.

As of March 31, 1947, almost all United States governmental resources authorized for foreign financial assistance, excluding United States participation in the International Monetary Fund and the International Bank, had been committed to foreign countries. It has during the period under review become increasingly clear that such resources as remain available will not, by reason either of their amount or of the nature of developing needs abroad, prove adequate for the accomplishment of the purposes for which foreign financial assistance has been provided. The question of the extent to which this country will need to provide additional assistance to foreign countries cannot be readily answered. The agencies represented on the National Advisory Council are giving continuing consideration to this matter.

JOHN W. SNYDER,

*Secretary of the Treasury,*

*Chairman of the National Advisory Council on International  
Monetary and Financial Problems.*

G. C. MARSHALL,

*Secretary of State.*

W. A. HARRIMAN,

*Secretary of Commerce.*

M. S. ECCLES,

*Chairman of the Board of Governors of the Federal Reserve System.*

WM. McC. MARTIN, Jr.,

*Chairman of the Board of Directors of the Export-Import  
Bank of Washington.*

## APPENDIXES

### APPENDIX A

#### SECTIONS OF THE BRETTON WOODS AGREEMENTS ACT RELATING TO THE NATIONAL ADVISORY COUNCIL

(59 Stat. 512; 22 U. S. C. 286b)

#### NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS

SEC. 4. (a) In order to coordinate the policies and operations of the representatives of the United States on the Fund and the Bank and of all agencies of the Government which make or participate in making foreign loans or which engage in foreign financial, exchange or monetary transactions, there is hereby established the National Advisory Council on International Monetary and Financial Problems (hereinafter referred to as the "Council"), consisting of the Secretary of the Treasury, as Chairman, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairman of the Board of Directors of the Export-Import Bank of Washington.

(b) (1) The Council, after consultation with the representatives of the United States on the Fund and the Bank, shall recommend to the President general policy directives for the guidance of the representatives of the United States on the Fund and the Bank.

(2) The Council shall advise and consult with the President and the representatives of the United States on the Fund and the Bank on major problems arising in the administration of the Fund and the Bank.

(3) The Council shall coordinate, by consultation or otherwise, so far as is practicable, the policies and operations of the representatives of the United States on the Fund and the Bank, the Export-Import Bank of Washington and all other agencies of the Government to the extent that they make or participate in the making of foreign loans or engage in foreign financial, exchange or monetary transactions.

(4) Whenever, under the Articles of Agreement of the Fund or the Articles of Agreement of the Bank, the approval, consent or agreement of the United States is required before an act may be done by the respective institutions, the decision as to whether such approval, consent, or agreement shall be given or refused shall (to the extent such decision is not prohibited by section 5 of this Act) be made by the Council, under the general direction of the President. No governor, executive director, or alternate representing the United States shall vote in favor of any waiver of condition under article V, section 4, or in favor of any declaration of the United States dollar as a scarce currency under article VII, section 3, of the Articles of Agreement of the Fund, without prior approval of the Council.

(5) The Council from time to time, but not less frequently than every six months, shall transmit to the President and to the Congress a report with respect to the participation of the United States in the Fund and the Bank.

(6) The Council shall also transmit to the President and to the Congress special reports on the operations and policies of the Fund and the Bank, as provided in this paragraph. The first report shall be made not later than two years after the establishment of the Fund and the Bank, and a report shall be made every two years after the making of the first report. Each such report shall cover and include: The extent to which the Fund and the Bank have achieved the purposes for which they were established; the extent to which the operations and policies of the Fund and the Bank have adhered to, or departed from, the general policy directives formulated by the Council, and the Council's recommendations in connection therewith; the extent to which the operations and policies of the Fund and the Bank have been coordinated, and the Council's recommendations in connection therewith; recommendations on whether the resources of the Fund and the Bank should be increased or decreased; recommendations as to how the Fund and the Bank may be made more effective; recommendations on any other necessary or desirable changes in the Articles of Agreement of the Fund and of the Bank or in this Act; and an over-all appraisal of the extent to which the operations

and policies of the Fund and the Bank have served, and in the future may be expected to serve, the interests of the United States and the world in promoting sound international economic cooperation and furthering world security.

(7) The Council shall make such reports and recommendations to the President as he may from time to time request, or as the Council may consider necessary to more effectively or efficiently accomplish the purposes of this Act or the purposes for which the Council is created.

(c) The representatives of the United States on the Fund and the Bank, and the Export-Import Bank of Washington (and all other agencies of the Government to the extent that they make or participate in the making of foreign loans or engage in foreign financial, exchange, or monetary transactions) shall keep the Council fully informed of their activities and shall provide the Council with such further information or data in their possession as the Council may deem necessary to the appropriate discharge of its responsibilities under this Act.

#### FURTHER PROMOTION OF INTERNATIONAL ECONOMIC RELATIONS

SEC. 14. In the realization that additional measures of international economic cooperation are necessary to facilitate the expansion and balanced growth of international trade and render most effective the operations of the Fund and the Bank, it is hereby declared to be the policy of the United States to seek to bring about further agreement and cooperation among nations and international bodies, as soon as possible, on ways and means which will best reduce obstacles to and restrictions upon international trade, eliminate unfair trade practices, promote mutually advantageous commercial relations, and otherwise facilitate the expansion and balanced growth of international trade and promote the stability of international economic relations. In considering the policies of the United States in foreign lending and the policies of the Fund and the Bank, particularly in conducting exchange transactions, the Council and the United States representatives on the Fund and the Bank shall give careful consideration to the progress which has been made in achieving such agreement and cooperation.

### APPENDIX B

#### STATISTICAL APPENDIX

##### EXPLANATORY NOTES <sup>1</sup>

Of the tables that follow, tables 1 through 5 relate in general to credit extensions in the postwar period by the United States Government to foreign countries, both to governmental and to private entities. Because the data are readily available only on a quarterly basis, and there were some credits of a postwar character between June 30, 1945, and VJ-day, June 30, 1945, was adopted as the beginning of the period covered by the tables. Some of the authorized amounts presented in table 1 for Office of Foreign Liquidation Commissioner and lend-lease credits are estimates subject to later adjustment.

Data with respect to the following types of transactions are included in tables 6 through 8: Civilian supply distributions, postwar lend-lease accounts, special programs of advances for Germany and Japan for procurement of raw materials, financial aid agreements, and the contributions to the United Nations Relief and Rehabilitation Administration.

Certain other types of transactions through which foreign countries acquired dollars, such as the payments on net troop pay account and for supplies provided to the American forces, are excluded because they are considered as payments for services received. Advance payments on commodity procurement contracts and short-term credits (less than 6 months with respect to Office of Foreign Liquidation Commissioner; 90 days or less with respect to all other agencies), such as the revolving credits of the Export-Import Bank, are also excluded. Loans and credits to American organizations, even though for the ultimate benefit of foreign countries, were eliminated because the indebtedness is that of the American organization and the aid rendered foreign countries is private rather than governmental. On the other hand, loans to finance exports by American companies are included since the foreign country is the recipient of the credit and the foreign importer is the debtor.

<sup>1</sup> All figures are to the nearest \$100,000; therefore in certain adjustments there will be an apparent inaccuracy of 0.1, with corresponding discrepancies in the totals.

*Definitions*

Because of the wide variety of transactions and differences in the accounting procedures of the lending agencies, it was impossible to prepare simple definitions applicable to all-cases, but the classifications used are as consistent in principle as possible.

*Sales of surplus property against foreign currencies and other property* when the currencies have been paid to the account of the United States, or title to the other property has been transferred are considered as cash, not credit transactions, even though there are quantitative limitations on the use of the foreign currencies which prevent their complete utilization for a year or more. On the other hand, sales against foreign currencies, services or property, which are to be paid, performed, or transferred upon demand, are considered as credit transactions to the extent that demand has not been made.

*Net authorization* covers all loans and credits approved by the responsible officials of the lending agencies from available funds even if they have not been signed or formalized by credit agreements. Because the lack of formal agreement may become important in some instances, the amounts in this category in table 1 have been shown in detail in footnotes. Cancellations and expirations up to December 31, 1946, have been deducted from the amounts authorized.

*Utilized* is defined as follows:

(a) Loans such as those by the Export-Import Bank and the Reconstruction Finance Corporation; also, the loan to the United Kingdom—disbursed under the terms of the agreements.

(b) Credits by the Office of the Foreign Liquidation Commissioner—amounts involved in sales contracts signed, including bulk sales, regardless of the time of delivery of the property.

(c) Settlements for lend-lease transfers—billings presented to foreign governments. In the case of Australia, France, and the United Kingdom, however, the amounts stated in the agreements were considered as final, notwithstanding the fact that some of the formalities of billing might not have been completed as of December 31, 1946. Work completed, as reported to the Treasury Department, was the basis for determining utilization under the Liberian Agreement.

(d) Ship sales by the Maritime Commission—principal amount of mortgages received by the Commission from foreign purchasers. The Ship Sales Act provides that vessels may be sold for 25 percent cash and the balance on credit terms. In all sales where credit is involved, mortgages are received when the ships are delivered to the purchaser. In at least one case vessels were delivered against funds put in escrow pending completion of credit arrangements. In this case no credit was considered as utilized as of December 31, 1946.

*Unutilized balances* represent the unutilized balances as of June 30, 1945, plus net authorization from July 1, 1945, to December 31, 1946, inclusive, less amounts utilized from July 1, 1945, to December 31, 1946.

*Repayments* are confined to repayments on principal account. They are exclusive of repayments on debts arising out of World War I and of write-offs to profit and loss.

*Outstanding indebtedness* is usually the net of utilization less repayments of principal. The data in table 5 necessarily include the results of transactions taking place before July 1, 1945, but exclude indebtedness arising out of World War I.

## UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION DATA

Data relating to UNRRA, as presented in table 8, come from two sources. The first three columns are based on material supplied by UNRRA. In this set of data, the country and program figures are based on the f. a. s. cost of the merchandise to be distributed. The cost of shipping and field and administrative expenses are shown in total only. The share of the United States in the total program is approximately 72 percent.

The other set of data relating to UNRRA aid, shown in the last column of table 8, comes from the United States Government and represents the distribution of commodities and services purchased with funds supplied by the Government of the United States. To the f. a. s. value of commodities shipped to each country is added the estimated shipping cost. The contribution to administrative and other expenses and to free funds is shown separately.

TABLE 1.—U. S. Government loans and credits available to foreign countries, July 1, 1945, to Dec. 31, 1946, by country and by lending agency

(In millions of dollars)

Area and country	Unutilized balance as of June 30, 1945	Net authorizations between July 1, 1945, and Dec. 31, 1946 <sup>1</sup>					Total available
		Export-Import Bank	Foreign Liquidation Commissioner	Lend-Lease	Other	Total	
<b>Africa:</b>							
Egypt.....			\$ 11.8			\$ 11.8	\$ 11.8
Ethiopia.....		3.0	1.0			4.0	4.0
Liberia.....	\$ 10.7			6.8		6.8	17.5
Union of South Africa.....			\$ 2.0			2.0	2.0
Total, Africa.....	10.7	3.0	14.8	6.8		24.6	35.3
<b>Asia:</b>							
China.....	31.9	\$ 66.8	\$ 70.0	58.9	\$ 20.0	215.7	247.6
India.....							
Iran.....			\$ 34.6	8.5		43.1	43.1
Iraq.....			.9			.9	.9
Japan.....			\$ 21.0			21.0	21.0
Korea (South).....			25.0			25.0	25.0
Lebanon.....			5.0			5.0	5.0
Netherlands Indies.....		\$ 100.0	100.0			200.0	200.0
Philippine Republic.....			5.8		\$ 25.0	30.8	30.8
Saudi Arabia.....		25.0	2.0			27.0	27.0
Siam.....			\$ 20.0			20.0	20.0
Turkey.....			28.1		\$ 2.8	40.9	40.9
Total, Asia.....	31.9	219.9	294.3	67.4	47.8	629.4	661.3
<b>Europe:</b>							
Austria.....			10.0			10.0	10.0
Belgium.....		100.0	\$ 49.0			149.0	149.0
Czechoslovakia.....		22.0	\$ 50.0			72.0	72.0
Denmark.....		20.0	\$ 10.0			30.0	30.0
Finland.....	1.2	40.0	15.0			55.0	56.2
France.....		1,200.0	300.0	420.0	\$ 30.9	1,950.9	1,950.9
Greece.....		25.0	45.0		\$ 23.7	93.7	93.7
Hungary.....			15.0			15.0	15.0
Italy.....		25.0	160.0		\$ 20.4	205.4	205.4
Netherlands.....		\$ 230.3	\$ 30.0	55.0		375.3	375.3
Norway.....		\$ 50.0	10.0		\$ 15.9	75.9	75.9
Poland.....		40.0	50.0			90.0	90.0
United Kingdom.....	\$ 35.0		60.0	590.0	\$ 2,750.0	4,400.0	4,435.0
Union of Soviet Socialist Republics.....	\$ 7.3			241.6		241.6	241.9
Miscellaneous.....		50.0				50.0	50.0
Total, Europe.....	36.6	1,852.3	804.0	1,316.5	3,840.9	7,813.8	7,850.3
<b>Latin America:</b>							
Argentina.....			\$ 2			.2	.2
Bolivia <sup>13</sup> .....	15.5						15.5
Brazil <sup>12</sup> .....	\$ 11.9	\$ 44.2	\$ 12.0		\$ 11.4	67.6	79.5
Chile <sup>12</sup> .....	13.2	\$ 47.4				47.4	60.6
Colombia <sup>13</sup> .....	23.5	3.5	.8			4.3	27.8
Costa Rica <sup>13</sup> .....	.1						.1
Cuba <sup>12</sup> .....	17.8						17.8
Dominican Republic <sup>12</sup> .....							
Ecuador <sup>12</sup> .....	\$ 10.8	1.8				1.8	12.1
El Salvador <sup>12</sup> .....	.6						.6
Guatemala <sup>12</sup> .....							
Haiti <sup>13</sup> .....	.4						.4
Honduras.....	.1						.1
Mexico <sup>12</sup> .....	\$ 74.8	7.0				7.0	81.8
Nicaragua <sup>12</sup> .....							
Panama.....			.1			.1	.1
Paraguay <sup>12</sup> .....	.8						.8
Peru <sup>12</sup> .....	\$ 4	.1			\$ 4.1	4.2	4.6
Uruguay <sup>12</sup> .....	7.3		.7			.7	8.0
Venezuela <sup>12</sup> .....			\$ 1.5			1.5	1.5
Miscellaneous.....	\$ 25.0						25.0
Total, Latin America.....	\$ 1245.5	104.2	15.1	(12)	15.6	134.8	380.3
<b>North America: Canada.....</b>							
		\$ 5.7				5.7	5.7

See footnotes at end of table, p. 30.

TABLE 1.—U. S. Government loans and credits available to foreign countries, July 1, 1945, to Dec. 31, 1946, by country and by lending agency—Continued

[In millions of dollars]

Area and country	Unutilized balance <sup>1</sup> as of June 30, 1945	Net authorizations between July 1, 1945 and Dec. 31, 1946 <sup>1</sup>					Total available
		Export-Import Bank	Foreign Liquidation Commissioner	Lend-Lease	Other	Total	
Oceania:							
Australia.....			6.5		.5		7.0
New Zealand.....			5.5				5.5
Total, Oceania.....			12.0		.5		12.5
Various countries.....		5.0					5.0
Total, all areas.....	<sup>13</sup> 324.6	<sup>2</sup> 2,190.1	<sup>4</sup> 1,140.2	1,891.3	3,904.2	8,625.8	9,950.4

<sup>1</sup> Cancellations and expirations through Dec. 31, 1946, are excluded. See Explanatory Notes for definition of terms. The column "Unutilized balance as of June 30, 1945" relates to Export-Import Bank balances, unless indicated otherwise by a footnote.

<sup>2</sup> Estimated.

<sup>3</sup> Lend-lease contract.

<sup>4</sup> Included in these data are credits authorized in principle but not yet signed as of Dec. 31, 1946, amounting in millions of dollars to: Total, 73.7; Brazil, 4.0; Denmark, 10.0; Iran, 30.2; Japan, 6.0; Netherlands, 100; Siam, 10.0; Union of South Africa, 2.0; and Venezuela, 1.5.

<sup>5</sup> Included in these data are loans authorized by the Board but which had not been formalized by credit agreements, as of Dec. 31, 1946, amounting in millions of dollars to: Total, 181.4; Argentina, 0.2; Brazil, 6.1; Chile, 10.4; Ecuador, 1.0; Mexico, 3.8; China, 4.2; Netherlands Indies, 100.0; Canada, 5.7; and Norway, 50.0.

<sup>6</sup> Based on a sale of surplus property by the War Department. Amount estimated.

<sup>7</sup> Reconstruction Finance Corporation is the lending agency.

<sup>8</sup> Maritime Commission is the lending agency.

<sup>9</sup> Sales under \$40,700,000 unexpended balance of credit suspended Sept. 13, 1946.

<sup>10</sup> Of this amount approximately \$80,000,000 may be advanced by private participants.

<sup>11</sup> Treasury Department is the agency administering the loan.

<sup>12</sup> Lend-lease mutual-aid agreements have been signed with these countries. Data with respect to them are shown in Latin American and all areas totals only. The Latin American lend-lease was authorized before June 30, 1945, and the bulk of it was delivered prior to that date. For that reason it was treated as utilized before June 30, 1945, to the extent that bills had been presented to foreign governments as of Dec. 31, 1946.

<sup>13</sup> Included in these data are loans authorized by the Board of the Export-Import Bank but which had not been formalized by credit agreements as of June 30, 1945, amounting in millions of dollars to: Total, 66.8; Brazil, 2.5; Ecuador, 8.0; Mexico, 30.8; Peru, 0.5; miscellaneous Latin America, 25.0.

<sup>14</sup> Unutilized portions of Latin American lend-lease as of June 30, 1945, included only in the Latin America and all areas totals, amounted to \$43,800,000.

TABLE 2.—U. S. Government loans and credits utilized<sup>1</sup> by foreign countries from July 1, 1945, to Dec. 31, 1946, by country and by lending agency

[In millions of dollars]

Area and country	Export-Import Bank	Foreign Liquidation Commissioner	Lend-Lease	Other	Total
Africa:					
Egypt.....		11.8			11.8
Ethiopia.....		.4			.4
Liberia.....			6.4		6.4
Total, Africa.....		12.2	6.4		18.6
Asia:					
China.....	44.1	66.0	35.5	<sup>2</sup> 20.0	165.6
Iran.....		4.2	8.5		12.7
Iraq.....		.9			.9
Japan.....		1.4			1.4
Korea (south).....		6.1			6.1
Lebanon.....		2.5			2.5
Netherlands Indies.....		68.3			68.3
Philippine Republic.....		5.8			5.8
Saudi Arabia.....	5.0	1.5			6.5

See footnotes at end of table, p. 31.

TABLE 2.—U. S. Government loans and credits utilized<sup>1</sup> by foreign countries from July 1, 1945, to Dec. 31, 1946, by country and by lending agency—Continued

[In millions of dollars]

Area and country	Export-Import Bank	Foreign Liquidation Commissioner	Lend-Lease	Other	Total
<b>Asia—Continued</b>					
Siam.....		4.6			4.6
Turkey.....		3.2			3.2
<b>Total, Asia.....</b>	<b>49.1</b>	<b>164.5</b>	<b>44.0</b>	<b>20.0</b>	<b>277.6</b>
<b>Europe:</b>					
Austria.....		1.9			1.9
Belgium.....	100.0	<sup>2</sup> 49.0			149.0
Czechoslovakia.....	14.1	9.3			23.4
Denmark.....	15.0				15.0
Finland.....	36.9	14.9			51.8
France.....	626.0	300.0	420.0	<sup>4</sup> 15.4	1,361.4
Greece.....	3.4	23.8		<sup>4</sup> 9.3	36.5
Hungary.....		14.7			14.7
Italy.....	14.6	160.0		<sup>4</sup> 3.7	178.3
Netherlands.....	115.3	12.8	43.7		171.8
Norway.....		1.9			1.9
Poland.....	6.4	30.4			36.8
Spain.....					
Sweden.....					
United Kingdom.....		60.0	590.0	<sup>6</sup> 600.0	1,250.0
Union of Soviet Socialist Republics.....			137.0		137.0
<b>Total, Europe.....</b>	<b>931.7</b>	<b>678.7</b>	<b>1,190.7</b>	<b>628.4</b>	<b>3,429.5</b>
<b>Latin America:</b>					
Bolivia <sup>7</sup> .....	5.7				5.7
Brazil <sup>7</sup> .....	20.1	8.0		<sup>8</sup> 2.0	30.1
Chile <sup>7</sup> .....	11.1				11.1
Colombia <sup>7</sup> .....	10.9				10.9
Costa Rica <sup>7</sup> .....	.1				.1
Cuba <sup>7</sup> .....	10.5				10.5
Dominican Republic <sup>7</sup> .....					
Ecuador <sup>7</sup> .....	1.7				1.7
El Salvador <sup>7</sup> .....	.6				.6
Guatemala <sup>7</sup> .....					
Haiti <sup>7</sup> .....	.4				.4
Honduras <sup>7</sup> .....	.1				.1
Mexico <sup>7</sup> .....	39.5				39.5
Nicaragua <sup>7</sup> .....					
Paraguay <sup>7</sup> .....	.8				.8
Peru <sup>7</sup> .....	.4				.4
Uruguay <sup>7</sup> .....	3.6	.6			4.1
Venezuela <sup>7</sup> .....					
<b>Total, Latin America.....</b>	<b>105.5</b>	<b>8.5</b>	<b>(7)</b>	<b>2.0</b>	<b>116.0</b>
<b>Oceania:</b>					
Australia.....		5.9	.5		6.4
New Zealand.....		4.7			4.7
<b>Total, Oceania.....</b>		<b>10.6</b>	<b>.5</b>		<b>11.1</b>
<b>Total, all countries.....</b>	<b>1,086.3</b>	<b>874.5</b>	<b>1,241.6</b>	<b>650.4</b>	<b>3,852.8</b>

<sup>1</sup> See Explanatory Notes for definition of terms.<sup>2</sup> Based on a sale of surplus property by the War Department. Amount estimated.<sup>3</sup> A bulk sale which included goods delivered prior to Oct. 1, 1946, and the estimated amount expected to be realized by the United States from the sale of other surplus property (50 percent of net proceeds), less Belgian claims against the United States.<sup>4</sup> Maritime Commission is the lending agency.<sup>5</sup> Treasury Department is the agency administering the loan.<sup>6</sup> Reconstruction Finance Corporation is the lending agency.<sup>7</sup> Lend-lease mutual aid agreements have been signed with these countries. The aid rendered has been considered as utilized before June 30, 1945, to the extent that bills were rendered to foreign governments as of Dec. 31, 1946. Unbilled portions of the authorized amounts are treated as unutilized.

TABLE 3.—Balances of U. S. Government loans and credits unutilized<sup>1</sup> as of Dec. 31, 1946, by country and by lending agency

[In millions of dollars]

Area and country	Export-Import Bank	Foreign Liquidation Commissioner	Lend-Lease	Other	Total
<b>Africa:</b>					
Ethiopia.....	3.0	0.6			3.6
Liberia.....			11.0		11.0
Union of South Africa.....		<sup>2</sup> 2.0			2.0
<b>Total, Africa.....</b>	<b>3.0</b>	<b>2.6</b>	<b>11.0</b>		<b>16.6</b>
<b>Asia:</b>					
China.....	<sup>3</sup> 54.6	4.0	23.4		82.0
Iran.....		<sup>2</sup> 30.4			30.4
Japan.....		<sup>3</sup> 19.6			19.6
Korea (South).....		18.9			18.9
Lebanon.....		2.5			2.5
Netherlands Indies.....	<sup>3</sup> 100.0	31.7			131.7
Philippine Republic.....				<sup>4</sup> 25.0	25.0
Saudi Arabia.....	20.0	.5			20.5
Siam.....		<sup>2</sup> 15.4			15.4
Turkey.....	28.1	6.8		<sup>3</sup> 2.8	37.7
<b>Total, Asia.....</b>	<b>202.7</b>	<b>129.8</b>	<b>23.4</b>	<b>27.8</b>	<b>383.7</b>
<b>Europe:</b>					
Austria.....		8.1			8.1
Czechoslovakia.....	7.9	<sup>6</sup> 40.7			48.6
Denmark.....	5.0	<sup>2</sup> 10.0			15.0
Finland.....	4.3	.1			4.4
France.....	574.0			<sup>1</sup> 15.5	589.5
Greece.....	21.6	21.2		<sup>1</sup> 14.4	57.2
Hungary.....		.3			.3
Italy.....	10.4			<sup>1</sup> 16.7	27.1
Netherlands.....	165.0	<sup>2</sup> 17.2	21.3		203.5
Norway.....	<sup>3</sup> 50.0	8.1		<sup>1</sup> 15.9	74.0
Poland.....	33.6	19.6			53.2
United Kingdom.....				<sup>3</sup> 185.0	185.0
Union of Soviet Socialist Republics.....			104.5	.3	104.8
Miscellaneous.....	50.0				50.0
<b>Total, Europe.....</b>	<b>921.8</b>	<b>125.3</b>	<b>125.8</b>	<b>3,247.8</b>	<b>4,420.7</b>
<b>Latin America:</b>					
Argentina.....	<sup>1</sup> 2				2
Bolivia <sup>2</sup> .....	0.8				0.8
Brazil <sup>3</sup> .....	<sup>1</sup> 38.0	<sup>4</sup> 4.0		<sup>6</sup> 9.4	49.4
Chile <sup>5</sup> .....	<sup>3</sup> 49.5				49.5
Colombia <sup>6</sup> .....	16.0	.8			16.8
Costa Rica <sup>7</sup> .....	( <sup>9</sup> )				( <sup>9</sup> )
Cuba <sup>8</sup> .....	7.3				7.3
Dominican Republic <sup>9</sup> .....					
Ecuador <sup>10</sup> .....	<sup>2</sup> 10.4				10.4
El Salvador <sup>11</sup> .....					
Guatemala <sup>12</sup> .....					
Haiti <sup>13</sup> .....					
Honduras <sup>14</sup> .....					
Mexico <sup>15</sup> .....	<sup>3</sup> 42.3				42.3
Nicaragua <sup>16</sup> .....					
Panama.....		.1			.1
Paraguay <sup>17</sup> .....					
Peru <sup>18</sup> .....	.1			<sup>4</sup> 4.1	4.2
Uruguay.....	3.7	.2			3.9
Venezuela <sup>19</sup> .....		<sup>1</sup> 1.5			1.5
Miscellaneous.....	25.0				25.0
<b>Total, Latin America.....</b>	<b>200.3</b>	<b>6.6</b>	<b><sup>10</sup> 43.8</b>	<b>13.5</b>	<b>264.2</b>
<b>North America: Canada.....</b>					
	<sup>4</sup> 5.7				5.7
<b>Total, North America.....</b>	<b>5.7</b>				<b>5.7</b>

See footnotes at end of table, p. 33.

TABLE 3.—Balances of U. S. Government loans and credits unutilized<sup>1</sup> as of Dec. 31, 1946, by country and by lending agency—Continued

[In millions of dollars]

Area and country	Export-Import Bank	Foreign Liquidation Commissioner	Lend-Lease	Other	Total
Oceania:					
Australia.....		0.6			0.6
New Zealand.....		.8			.8
Total Oceania.....		1.4			1.4
Various countries.....	5.0				5.0
Total, all areas.....	<sup>2</sup> 1,338.5	<sup>2</sup> 265.7	294.0	3,289.1	5,097.3

<sup>1</sup> See Explanatory Notes for definition of terms.<sup>2</sup> Included in these data are credits authorized in principle but not yet signed as of Dec. 31, 1946, amounting in millions of dollars to: Total, 73.7; Brazil, 4.0; Denmark, 10.0; Iran, 30.2; Japan, 6.0; Netherlands, 10.0; Siam, 10.0; Union of South Africa, 2.0; and Venezuela, 1.5.<sup>3</sup> Included in these data are loans authorized by the Board but which had not been formalized by credit agreements as of Dec. 31, 1946, amounting in millions of dollars to: Total, 191.9; Argentina, 0.2; Brazil, 8.6; Chile, 10.4; Ecuador, 9.0; Mexico, 3.8; China, 4.2; Netherlands Indies, 100.0; Canada, 5.7; and Norway, 50.6.<sup>4</sup> Reconstruction Finance Corporation is the lending agency.<sup>5</sup> Maritime Commission is the lending agency.<sup>6</sup> Sales under this unutilized balance suspended Sept. 13, 1946.<sup>7</sup> The Reconstruction Finance Corporation and the Treasury Department are the agencies administering these loans.<sup>8</sup> Lend-lease mutual-aid agreements have been signed with these countries. Data with respect to them are shown in the Latin American and all areas totals only. Those portions of the authorized amount unutilized as of Dec. 31, 1946, are treated as unutilized.<sup>9</sup> Less than \$50,000.<sup>10</sup> Total unutilized portion of authorized amounts for Latin America under the mutual aid agreements. See Explanatory Notes.TABLE 4.—Repayments<sup>1</sup> on U. S. Government loans and credits from July 1, 1945, to Dec. 31, 1946, by country and by lending agency

[In millions of dollars]

Area and country	Export-Import Bank	Lend-Lease	Other	Total
Africa: Ethiopia.....	0.3			0.3
Total, Africa.....	.3			.3
Asia:				
Bahrain Islands.....			<sup>2</sup> 3.0	3.0
China.....	23.8			23.8
Iran.....		1.4		1.4
Total, Asia.....	23.8	1.4	3.0	28.2
Europe:				
Belgium.....	1.8			1.8
France.....	4.8			4.8
Italy.....	1.0			1.0
Netherlands.....	1.4	1.3		2.7
United Kingdom.....			<sup>2</sup> 57.9	57.9
Total, Europe.....	9.0	1.3	57.9	68.2
Latin America:				
Bolivia <sup>3</sup> .....			<sup>2</sup> .2	.2
Brazil <sup>3</sup> .....	5.4		<sup>2</sup> 1.0	6.4
British Honduras.....			( <sup>4</sup> )	( <sup>4</sup> )
Chile <sup>2</sup> .....	6.8			6.8
Colombia <sup>2</sup> .....	2.4			2.4
Costa Rica.....	.1			.1
Cuba <sup>2</sup> .....	.7			.7
Dominican Republic <sup>2</sup> .....	.7			.7
Ecuador <sup>2</sup> .....	.3			.3
El Salvador <sup>2</sup> .....	.1			.1
Haiti <sup>2</sup> .....	1.2			1.2
Honduras <sup>2</sup> .....	.2			.2
Mexico <sup>2</sup> .....	5.2		.1	5.3

See footnotes at end of table, p. 34.

TABLE 4.—Repayments<sup>1</sup> on U. S. Government loans and credits from July 1, 1945, to Dec. 31, 1946, by country and by lending agency—Continued

[In millions of dollars]

Area and country	Export-Import Bank	Lend-Lease	Other	Total
<b>Latin America—Continued</b>				
Nicaragua <sup>2</sup> .....	.6			.6
Paraguay <sup>2</sup> .....	.8			.6
Peru <sup>3</sup> .....	(4)			(4)
Uruguay <sup>3</sup> .....	.1			.1
Venezuela <sup>3</sup> .....	1.4			1.4
<b>Total, Latin America.....</b>	<b>25.8</b>	<b>7.3</b>	<b>1.3</b>	<b>34.4</b>
<b>North America: Newfoundland.....</b>			<b>.2</b>	<b>.2</b>
<b>Total, all areas.....</b>	<b>58.9</b>	<b>10.1</b>	<b>62.4</b>	<b>131.3</b>

<sup>1</sup> Payments on principal account only. Payments made between July 1, 1945, and Dec. 31, 1946, were included even if they related to loans authorized or utilized at an earlier date.

<sup>2</sup> Reconstruction Finance Corporation is the lending agency.

<sup>3</sup> Lend-lease mutual aid agreements have been signed with these countries. Data with respect to them are shown in totals only.

<sup>4</sup> Less than \$50,000.

<sup>5</sup> Amount does not include small repayments received by the Office of Foreign Liquidation Commissioner through Dec. 31, 1946, for which detailed data are not yet available in Washington, D. C.

TABLE 5.—Outstanding indebtedness<sup>1</sup> of foreign countries on loans and credits by the U. S. Government as of June 30, 1945, and Dec. 31, 1946, by country and by lending agency

[In millions of dollars]

Area and country	Outstanding June 30, 1945 <sup>1</sup>	Outstanding Dec. 31, 1946				Total
	Total	Export-Import Bank	Foreign Liquidation Commissioner	Lend-lease	Other	
<b>Africa:</b>						
Egypt.....			11.8			11.8
Ethiopia.....	0.3		.4			.4
Liberia.....	1.8			8.2		8.2
<b>Total Africa.....</b>	<b>2.1</b>		<b>12.2</b>	<b>8.2</b>		<b>20.4</b>
<b>Asia:</b>						
Bahrain Islands.....	16.1				13.2	13.2
China.....	49.1	69.4	66.0	35.5	20.0	190.9
Iran.....			4.2	7.1		11.3
Iraq.....			.9			.9
Japan.....			1.4			1.4
Korea (south).....			6.1			6.1
Lebanon.....			2.5			2.5
Netherlands Indies.....			68.3			68.3
Philippine Republic.....			5.8			5.8
Saudi Arabia.....		5.0	1.5			6.5
Siam.....			4.6			4.6
Turkey.....			3.2			3.2
<b>Total Asia.....</b>	<b>66.2</b>	<b>74.4</b>	<b>164.5</b>	<b>42.6</b>	<b>33.2</b>	<b>314.7</b>
<b>Europe:</b>						
Austria.....			1.9			1.9
Belgium.....		98.2	49.0			147.2
Czechoslovakia.....		14.1	9.3			23.4
Denmark.....		15.0				15.0
Finland.....	23.9	60.8	14.9			75.7
France.....		621.2	300.0	420.0	15.4	1,356.6
Greece.....		3.4	23.8		9.3	36.5
Hungary.....			14.7			14.7
Italy.....		13.6	160.0		3.7	177.3
Netherlands.....		113.9	12.8	42.4		169.1
Norway.....			1.9			1.9

See footnotes at end of table, p. 35.

TABLE 5.—Outstanding indebtedness<sup>1</sup> of foreign countries on loans and credits by the U. S. Government as of June 30, 1945, and Dec. 31, 1946, by country and by lending agency—Continued

[In millions of dollars]

Area and country	Outstanding June 30, 1945 <sup>1</sup>	Outstanding Dec. 31, 1946				Total
	Total	Export-Import Bank	Foreign Liquidation Commissioner	Lend-lease	Other	
<b>Europe—Continued</b>						
Poland.....	3.3	9.7	30.4			40.1
United Kingdom.....	271.9		60.0	590.0	814.0	1,464.0
Union of Soviet Socialist Republics.....				137.0		137.0
<b>Total Europe.....</b>	<b>299.1</b>	<b>949.9</b>	<b>678.7</b>	<b>1,189.4</b>	<b>842.4</b>	<b>3,660.4</b>
<b>Latin America:</b>						
Bolivia <sup>2</sup> .....	2.1	5.7			1.0	6.7
Brazil <sup>3</sup> .....	63.5	78.2	8.0		1.0	87.2
British Honduras.....	2.5				3.4	4.4
Chile <sup>4</sup> .....	13.6	18.0				18.0
Colombia <sup>5</sup> .....	10.4	18.9				18.9
Costa Rica <sup>6</sup> .....	6.9	6.8				6.8
Cuba <sup>7</sup> .....	2.7	12.6				12.6
Dominican Republic <sup>8</sup> .....	2.6	1.9				1.9
Ecuador <sup>9</sup> .....	5.0	6.3			1.1	6.3
El Salvador <sup>10</sup> .....	.9	1.3				1.3
Guatemala <sup>11</sup> .....						
Haiti <sup>12</sup> .....	8.5	7.7				7.7
Honduras <sup>13</sup> .....	.8	.7				.7
Mexico <sup>14</sup> .....	11.0	45.3			18.1	45.3
Nicaragua <sup>15</sup> .....	3.1	2.5				2.5
Paraguay <sup>16</sup> .....	4.9	5.1				5.1
Peru <sup>17</sup> .....		.4				.4
Uruguay <sup>18</sup> .....	7.1	10.6	.5		(14)	11.1
Venezuela <sup>19</sup> .....	3.1	1.7				1.7
<b>Total, Latin America.....</b>	<b>199.6</b>	<b>223.7</b>	<b>8.5</b>	<b>45.5</b>	<b>2.4</b>	<b>280.1</b>
<b>North America:</b>						
Canada.....	5.0				5.0	5.0
Newfoundland.....	1.7				1.5	1.5
<b>Total, North America.....</b>	<b>6.7</b>				<b>6.5</b>	<b>6.5</b>
<b>Oceania:</b>						
Australia.....			5.9	.5		6.4
New Zealand.....			4.7			4.7
<b>Total Oceania.....</b>			<b>10.6</b>	<b>.5</b>		<b>11.1</b>
<b>Total all areas.....</b>	<b>572.7</b>	<b>1,248.0</b>	<b>874.5</b>	<b>1,286.2</b>	<b>884.5</b>	<b>4,293.2</b>

<sup>1</sup> See Explanatory Notes for definition of terms. The column "Outstanding, June 30, 1945," is included to show readily the net change in indebtedness that has taken place as a result of postwar lending operations. The items in this column which are not specifically identified by footnotes relate to Export-Import Bank credits.

<sup>2</sup> Lend-lease credit.

<sup>3</sup> Reconstruction Finance Corporation is the lending agency.

<sup>4</sup> Based on a sale of surplus property by the War Department. Amount is estimated.

<sup>5</sup> The estimated net proceeds of a bulk sale. The exact amount will depend on the amount realized by Belgium from the sale of the surplus property.

<sup>6</sup> Maritime Commission is the lending agency.

<sup>7</sup> Of the \$814,000,000 indebtedness, \$600,000,000 was incurred under the loan administered by the Treasury Department and \$214,000,000 under a loan by Reconstruction Finance Corporation.

<sup>8</sup> Lend-lease mutual aid agreements have been signed with these countries. Data with respect to them are shown in totals only.

<sup>9</sup> Does not include \$900,000 of a loan to a private borrower in Bolivia written off to profit and loss.

<sup>10</sup> Includes \$7,000,000 participation by another agency.

<sup>11</sup> Of the \$5,000,000 indebtedness, approximately \$100,000 was incurred under a loan by Reconstruction Finance Corporation and \$4,900,000 under credits by the Export-Import Bank.

<sup>12</sup> Of the \$11,000,000 indebtedness, approximately \$100,000 was incurred under a loan by the Office of Inter-American Affairs and \$10,900,000 under credits by the Export-Import Bank.

<sup>13</sup> Office of Inter-American Affairs is the lending agency.

<sup>14</sup> Less than \$50,000.

<sup>15</sup> As of June 30, 1945, outstanding indebtedness incurred under Latin-American lend-lease accounts and included in this total was \$52,800,000.

<sup>16</sup> Amount does not reflect small payments received through Dec. 31, 1946, for which detailed data are not yet available in Washington, D. C.

TABLE 6.—Other postwar aid furnished by the U. S. Government for use in foreign countries, as of Dec. 31, 1946, by country and by type

[In millions of dollars]

Area and country	Civilian supplies <sup>1</sup>	Lend-lease <sup>2</sup>	Other
Africa: Egypt.....		0.1	
Total, Africa.....		.1	
Asia:			
China.....		711.7	
Japan.....	188.1		<sup>3</sup> 115.9
Japanese Pacific islands.....	24.9		
Korea (south).....	22.0		
Netherlands Indies.....	4.1		
Philippine Republic.....	28.3		
Saudi Arabia.....		2.5	
Total, Asia.....	267.4	714.2	115.9
Europe:			
Austria.....	54.6		
Czechoslovakia.....		.2	
Germany.....	258.4		<sup>4</sup> 28.7
Greece.....		5.9	
Italy.....	<sup>5</sup> 215.6		
Norway.....		5.7	
Poland.....		.1	
Yugoslavia.....		(6)	
Unspecified.....	180.6		
Total, Europe.....	709.2	11.9	28.7
Total, all areas.....	976.6	726.2	144.6

<sup>1</sup> Supplies distributed for the prevention of disease and unrest by the War and Navy Departments in areas occupied by the armed forces. These data cover the period from July 1, 1945, through Dec. 31, 1946. Terms were still subject to settlement as of Dec. 31, 1946.

<sup>2</sup> Aid rendered during the period from Sept. 2, 1945, through Dec. 31, 1945, and not included in war settlements during that period. Small additional amounts of lend-lease aid, not as yet recorded, may have been rendered to some countries. Terms were still subject to settlement as of Dec. 31, 1946.

<sup>3</sup> Value of raw cotton (including freight and insurance costs) owned by the Commodity Credit Corporation and, through an arrangement with the United States Commercial Company, shipped under the supervision and control of military authorities in Japan for manufacture into cotton textiles. Payments for the raw cotton and all other expenses in connection with the program are made from proceeds of sale of the textiles.

<sup>4</sup> Includes \$20,900,000 of raw cotton (including freight and insurance costs) for use in Germany under an arrangement similar to that described in footnote 3 for Japan; also \$7,800,000 approved under an agreement between the United States Commercial Company and the Office of Military Government for Germany (United States) for financing the procurement of raw materials needed to develop 5 specific export programs in the combined British and American zones of occupation. No part of the \$7,800,000 had been utilized as of Dec. 31, 1946; repayment of amounts utilized will be made from 50 percent of the proceeds of exports under these programs.

<sup>5</sup> Includes supplies provided out of funds other than those of the War and Navy Departments.

<sup>6</sup> Less than \$50,000.

TABLE 7.—U. S. Government foreign financial aid agreements,<sup>1</sup> July 1, 1945, to Dec. 31, 1946, by country

[In millions of dollars]

Area and country	Unutilized balance, June 30, 1945	Net authorizations, July 1, 1945-Dec. 31, 1946	Utilization, <sup>2</sup> July 1, 1945-Dec. 31, 1946	Unutilized balance, Dec. 31, 1946
Asia:				
China.....	119.6		119.6	
Philippine Republic.....		620.0	100.0	620.0
Total, Asia.....	119.6	620.0	219.6	520.0
Latin America:				
Argentina.....		.1	.1	
Bolivia.....	1.4		.6	.6
Brazil.....	3.8		1.4	2.4
Chile.....	4.0		2.3	1.7
Colombia.....	.8	.2	.6	.4
Costa Rica.....	.9	.2	.6	.5
Dominican Republic.....	.5		.2	.3
Ecuador.....	1.0	.1	.6	.5
Guatemala.....	1.0	.3	.4	.9
Haiti.....	.8	.6	.7	.7
Honduras.....	.3		.1	.2
Mexico.....	5.6	.3	3.1	2.8

See footnotes at end of table, p. 37.

TABLE 7.—U. S. Government foreign financial aid agreements,<sup>1</sup> July 1, 1945, to Dec. 31, 1946, by country—Continued

[In millions of dollars]				
Area and country	Unutilized balance, June 30, 1945	Net authorizations, July 1, 1945—Dec. 31, 1946	Utilization, <sup>1</sup> July 1, 1945—Dec. 31, 1946	Unutilized balance, Dec. 31, 1946
<b>Latin America—Continued</b>				
Nicaragua.....	.2		.1	.1
Panama.....	.1			.1
Paraguay.....	1.1	.2	.6	.7
Peru.....	1.0	.4	.6	.8
El Salvador.....	.5		.3	.2
Uruguay.....	.4	.2	.4	.2
Venezuela.....	1.2		.8	.4
<b>Total, Latin America.....</b>	<b>24.6</b>	<b>2.6</b>	<b>13.7</b>	<b>13.5</b>
<b>Total, all areas.....</b>	<b>144.2</b>	<b>622.6</b>	<b>233.3</b>	<b>533.5</b>

<sup>1</sup> Includes (a) the unutilized balance as of June 30, 1945, of the \$500,000,000 aid to China under the 1942 agreement—forms of the entire \$500,000,000 still subject to settlement as of Mar. 31, 1947; (b) the authorizations in the Philippine Rehabilitation Act of \$400,000,000 to settle claims for war damage, \$120,000,000 for restitution of public property, and \$100,000,000 of surplus property to be turned over to the Philippine Government—no repayment involved; and (c) the grants-in-aid by the Office of Inter-American Affairs to Latin-American countries—no repayment involved.

<sup>2</sup> Equivalent to disbursement of the funds made available.

TABLE 8.—Assistance to foreign countries through the United Nations Relief and Rehabilitation Administration, by country

[In millions of dollars]				
Item	Total program <sup>1</sup>	Shipments and disbursements to Dec. 31, 1946	Balance of program as of Dec. 31, 1946	Goods, services, and funds provided UNRRA by U. S. Government <sup>2</sup> through Dec. 31, 1946
<b>Countries:</b>				
Albania.....	27.2	18.3	8.9	15.8
Austria.....	136.1	101.5	34.6	34.7
Byelorussian S. S. R.....	60.7	48.8	11.9	
China.....	529.6	294.5	235.1	184.2
Czechoslovakia.....	264.1	232.3	31.8	150.4
Dodecanese Islands.....	4.1	4.0	.1	1.3
Ethiopia.....	.7	.2	.5	(3)
Finland.....	2.5	2.3	.2	1.2
Greece.....	350.5	329.1	21.4	243.2
Hungary.....	4.5	3.2	1.3	1.3
Italy.....	420.7	318.2	102.5	265.4
Korea.....	1.0	(2)	1.0	.1
Philippine Republic.....	10.3	5.3	5.0	6.1
Poland.....	481.3	401.9	79.4	287.8
San Marino.....	(2)			
Ukrainian S. S. R.....	188.1	155.3	32.8	139.2
Yugoslavia.....	420.6	362.6	58.0	257.3
Unclassified areas.....	* 39.1	33.7	5.4	81.4
<b>Total, countries.....</b>	<b>2,941.1</b>	<b>2,311.2</b>	<b>629.9</b>	<b>1,669.4</b>
Shipping, mission and administrative expenses.....	782.2	(4)	(5)	* 214.9
<b>Total, all items.....</b>	<b>3,723.3</b>	<b>(6)</b>	<b>(6)</b>	<b>* 1,884.3</b>

<sup>1</sup> These data represent the total program of UNRRA, a small part of which was completed before July 1, 1945. The contribution of the Government of the United States comprised about 72 percent of the total contributed by all.

<sup>2</sup> Based on data supplied to the Clearing Office for Foreign Transactions and Reports. These country data include an estimate of the ocean transportation charges. (See also footnote 5.) A small part of this total had been utilized before July 1, 1945.

<sup>3</sup> Less than \$50,000.

<sup>4</sup> Includes Byelorussian Soviet Socialist Republic.

<sup>5</sup> Includes countries in which the UNRRA special projects and displaced-persons camps operated; also, in the last column, countries of initial destination from which goods may have been transhipped, with or without processing, or to which goods may have been delivered as repayment for stocks previously received by UNRRA.

<sup>6</sup> Not available.

<sup>7</sup> United States contribution to administrative expenses and free funds.

<sup>8</sup> The total contribution of the U. S. Government amounted to \$2,700,000,000, of which \$816,000,000 was as yet unutilized as of Dec. 31, 1946, according to Government fiscal records.