

# DEBT CEILING INCREASE

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HEARINGS  
BEFORE THE  
COMMITTEE ON FINANCE  
UNITED STATES SENATE  
EIGHTY-FIFTH CONGRESS  
SECOND SESSION  
ON

## H. R. 9955

AN ACT TO PROVIDE FOR A TEMPORARY INCREASE IN  
THE PUBLIC DEBT

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JANUARY 27, 28, FEBRUARY 4 AND 7, 1958

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Printed for the use of the Committee on Finance



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## DEBT CEILING INCREASE

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MONDAY, JANUARY 27, 1958

UNITED STATES SENATE,  
COMMITTEE ON FINANCE,  
Washington, D. C.

The committee met, pursuant to call, at 10 a. m., in room 312, Senate Office Building, Senator Harry Flood Byrd (chairman) presiding.

Present: Senators Byrd (chairman), Kerr, Frear, Anderson, Douglas, Long, Martin, Williams, Flanders, Malone, Carlson, and Bennett.

Also present: Elizabeth B. Springer, chief clerk.

Hon. Robert B. Anderson, Secretary of the Treasury; Julian Baird, Under Secretary for Monetary Affairs, Department of the Treasury; William T. Heffelfinger, Fiscal Assistant Secretary; and Paul Wren, assistant to the Secretary, Department of the Treasury; and Robert P. Mayo, Chief, Debt Analysis Staff, Department of the Treasury.

The CHAIRMAN. The committee will come to order.

The committee has now under consideration House bill 9955, for the purpose of increasing the debt limit on a temporary basis until June 20, 1959, by \$5 billion.

(The bill H. R. 9955 is as follows:)

[H. R. 9955, 85th Cong., 2d sess.]

AN ACT To provide for a temporary increase in the public debt limit

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, during the period beginning on the date of the enactment of this Act and ending on June 30, 1959, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended, shall be temporarily increased by \$5,000,000,000.

Passed the House of Representatives January 23, 1958.

Attest:

RALPH R. ROBERTS, Clerk.

The CHAIRMAN. Now, Mr. Secretary, the committee and I are pleased to welcome you, for I believe this is your first appearance as Secretary of the Treasury, and, personally, I want to express my respect for you and my confidence in you. I feel certain it is shared by every member of the committee.

In the days ahead of us we shall look forward to your appearances before the committee, because all of us realize that we have very difficult fiscal problems confronting us.

So you may proceed, sir, and make your statement.

STATEMENT OF HON. ROBERT B. ANDERSON, SECRETARY OF THE  
TREASURY

Secretary ANDERSON. Thank you, Mr. Chairman.

I should first like to read a statement, a copy of which I think has been given to each member of the committee.

H. R. 9955, which was passed by the House of Representatives and is now before your committee for consideration, provides a temporary increase from \$275 billion to \$280 billion until June 30, 1959, in the statutory limitation on the public debt.

I sent to each member of the committee a copy of my statement (with accompanying tables and charts) before the House Ways and Means Committee on January 17. I am attaching the same exhibits and would like to review them briefly with you this morning.

Before doing so, however, I want to emphasize again that the need at this time for a debt limit increase is based on:

1. The fact that cash balances have been running distressingly low, as I will show in detail later.

2. There is need for more flexibility for more efficient and economical management of the debt.

3. Even with a balanced budget there will still be large seasonal fluctuations in receipts which make operations under the \$275 billion limitation most difficult.

I would like to direct your attention to table I, which summarizes the various changes in the statutory debt limitation during the past 40 years.

Previous changes made in the debt limitation consistently provided larger margins between the outstanding debt and the successive limits than now exist or which would result from the temporary increase under consideration.

Chart 2 compares the debt outstanding in recent years with the debt limit. I should like here to call your attention particularly to the fact that the Treasury operated very close to the \$275 billion limit during the fiscal year 1954, but to keep under the limit we had to adopt relatively costly expedients.

There was somewhat more leeway under the temporary debt increase to \$281 billion during the fiscal year 1955, but in the fiscal year 1956 the debt was very close to the limit during a substantial part of the winter. There was a little greater margin under the limit a year ago, but, as the chart depicts, during the past several months the Treasury has been extremely close to the debt limit.

You will note that we normally have sufficient margin under the debt limit on June 30 of each year and that it is during the winter when the limit is the most restrictive.

One of the most serious difficulties encountered by the Treasury in operating under the present limitation is the problem of carrying out our financing in an orderly and economical manner. A large portion of our public debt is made up of securities with relatively short maturity.

More than \$25 billion of Treasury bills mature within the next 90 days and more than \$50 billion of Treasury certificates, notes, and bonds are coming due in the calendar year 1958.

I should like here to call your attention to charts 3 and 4. Chart 3 shows that our first maturity in calendar 1958 is on February 14 and that we have some further maturities almost every month during the rest of the year. Maturities on chart 3 total \$50.2 billion, of which \$21.3 billion is held by Federal Reserve banks and Government investment accounts.

The figures on this chart do not include \$3 billion of tax anticipation bills which we expect to pay off in March, nor do they include \$22 billion of regular 90-day Treasury bills which we normally turn over 4 times a year.

Chart 4 shows the total volume of Treasury financing that has taken place in recent years, which again excludes the regular Treasury bills that we roll over quarterly. The total, for example, in 1957 was \$65.5 billion, of which we were able to extend \$8.8 billion beyond 1 year in 1- to 5-year notes, and \$1.3 billion in 12- and 17-year bonds.

Some part of this debt is coming due each month, so that at all times the Treasury is faced with substantial refunding problems. An objective of sound fiscal policy is to extend the maturity of new issues whenever opportunities are available, so as to avoid concentrating too large a portion of the public debt in the area of short maturities. During the past several months, we have been able to issue only relatively small amounts of longer maturities on two occasions.

We should be able to take advantage of any such favorable opportunities that may arise in the period ahead of us. Under the present debt limit, we are not able to take full advantage of such opportunities by selling long-term issues in advance to retire part of the maturing issues. The need for temporary overlapping of the debt will be explained later. We will still experience in fiscal year 1959 a continuation of seasonal peaks in the collection of corporate income taxes. These collections of corporate taxes are gradually being leveled off, but there are still large seasonal fluctuations. Under these circumstances, it is necessary for the Treasury to borrow large sums of money in the July-December period to meet expenditures, and to pay off such borrowings in the January-June period, even in years when we have balanced budgets.

I should like to direct your attention to charts 5, 6, and 7.

Chart 5 shows quite vividly the seasonal peaks and valleys of the Federal budget. This clearly indicates the extent to which heavy Treasury borrowing is required during each July through December budget deficit period in anticipation of a budget surplus in the following spring.

Chart 6 is illustrative of the fact that in recent years there is less marked seasonal movement in budget expenditures than in receipts, and, if you look at chart 7 in relation to chart 6, you see the reason for the big seasonal swing in the Government's deficit or surplus position. Chart 7 reflects the way in which taxes flow into the Treasury. As I have said, some of this unevenness is being ironed out slowly as a result of the corporate-tax collection change under the Revenue Code of 1954, but still it has a way to go.

It is difficult to make precise month-to-month forecasts which reflect all cash operations of the Government, including collection of a great many types of revenues, the rates of expenditures under the program of each agency, the issuance and retirement of our public-

debt obligations, and all of the multitude of operations reflected in the total inflow and outflow of the Treasury. We have, however, attempted such estimates of the public debt and cash balances, based upon our best judgment at this early date, and I am submitting for your information these figures in the attached table 3. These figures are based on the assumption that for an operation of this size we should have cash on hand equal to at least 12 days' expenditures—about \$3.5 billion. We have assumed this balance at the middle and at the end of each month with the full realization that between these dates the cash might be below or above this level by a substantial amount. This margin is necessary to keep the Treasury in a strong position to meet wide fluctuations in expenditures and to minimize our vulnerability to slow collections because of weather conditions affecting the mails or other conditions beyond our control.

In addition to this moderate working balance, we are of the opinion that a reasonable margin for contingencies and provision for flexibility in financing is very important in the public interest. What we mean by "flexibility" involves a rather technical explanation, but I will try to make it clear. For example, if we go into the market to refund an outstanding issue, regardless of the terms of the new issue, we must take into consideration the fact that in the normal course of business certain holders of these securities will need cash. Others will decide that the terms of the new securities do not meet their particular investment requirements and therefore they too will take payment for their maturing securities in cash. So long as the debt margin is very narrow, and cash balances low, the Treasury has to estimate carefully what this attrition (maturing securities presented for cash payment) will be so as not to be in a position where the Treasury could not make payment for all maturing obligations presented. This might mean that the coupon rate on the new securities would have to be more generous than would otherwise be required. If the attrition proves to be greater than anticipated, the Treasury has to go back into the market almost immediately to restore working balances, even before the previous issue has been distributed properly. This threat of a new issue hanging over the market creates uncertainty in the minds of investors and keeps the market for United States Government securities in a weak position. It also unreasonably handicaps the normal financing operations of States, municipalities, and private businesses.

If, on the other hand, a cash offering is included in the refunding program and the market were to improve between the date of announcement of new United States Government financing and the date the books close, the attrition might be substantially less than anticipated. In such event, the Treasury must calculate that it runs the risk of inadvertently exceeding the limit for a short period.

While we subscribe fully to the principle that every expenditure should be scrutinized carefully in the interest of the maximum economy and efficiency, the ability to pay our bills is not the sole consideration in this problem. However, in our opinion an increase of \$5 billion is necessary to provide adequate working balances, flexibility, and a modest provision for contingencies that we deem essential to prudent and economical debt management.

It should also be made clear that the portion of the requested increase in the debt limit that is required for needed flexibility would normally be utilized only at the time of large new financing, and then for a short period. It can best be described as an overlapping operation needed until the proceeds are used either for attrition or the voluntary retirement of Treasury bills or other maturing debt.

I would like to repeat, Mr. Chairman, my pledge to the members of the Committee on Ways and Means of the House that—

We of the Treasury assure you and the members of this committee and the Congress that we will exert all of our abilities to achieve the utmost economy in Government operations and to manage the public debt as best we can in the national interest.

(The tables and charts referred to are as follows:)

TABLE 1.—*Debt limitation under sec. 21 of the Second Liberty Bond Act, as amended, history of legislation*

Act—

Sept. 24, 1917:

Sec. 1 (40 Stat. 288) authorized bonds in the amount of----- <sup>1</sup>\$7, 538, 945, 400

Sec. 5 (40 Stat. 290) authorized certificates of indebtedness outstanding (revolving authority)----- <sup>2</sup>4, 000, 000, 000

Apr. 4, 1918:

Amending sec. 1 (40 Stat. 502), increased bond authority to----- <sup>1</sup>12, 000, 000, 000

Amending sec. 5 (40 Stat. 504), increased authority for certificates outstanding to----- <sup>2</sup>8, 000, 000, 000

July 9, 1918: Amending sec. 1 (40 Stat. 844), increased bond authority to----- <sup>1</sup>20, 000, 000, 000

Mar. 3, 1919:

Amending sec. 5 (40 Stat. 1311), increased authority for certificates outstanding to----- <sup>2</sup>10, 000, 000, 000

New sec. 18 added (40 Stat. 1309), authorized notes in the amount of----- <sup>1</sup>7, 000, 000, 000

Nov. 23, 1921: Amending sec. 18 (42 Stat. 321), increased note authority to outstanding (establishing revolving authority)----- <sup>2</sup>7, 500, 000, 000

June 17, 1929: Amending sec. 5 (46 Stat. 19), authorized Treasury bills in lieu of certificates of indebtedness, no change in limitation for the outstanding----- <sup>2</sup>10, 000, 000, 000

Mar. 3, 1931: Amending sec. 1 (46 Stat. 1506), increased bond authority to----- <sup>1</sup>28, 000, 000, 000

Jan. 30, 1934: Amending sec. 18 (48 Stat. 343), increased authority for notes outstanding to----- <sup>2</sup>10, 000, 000, 000

Feb. 4, 1935:

Amending sec. 1 (49 Stat. 20), limited bonds outstanding, establishing revolving authority to----- <sup>2</sup>25, 000, 000, 000

New sec. 21 added (49 Stat. 21) consolidated authority for certificates and bills (sec. 5) and authority for notes (sec. 18). Same aggregate amount outstanding----- <sup>2</sup>20, 000, 000, 000

New sec. 22 added (49 Stat. 21) authorized United States savings bonds within authority of sec. 1.

May 26, 1938: Amending secs. 1 and 21 (52 Stat. 447), consolidated in sec. 21, authority for bonds, certificates of indebtedness, Treasury bills and notes (outstanding bonds limited to \$30,000,000,000). Same aggregate total outstanding----- <sup>2</sup>45, 000, 000, 000

July 20, 1939 (53 Stat. 1071): Amending sec. 21, removed limitation on bonds without change total authorized outstanding of bonds, certificates of indebtedness, Treasury bills and notes----- <sup>2</sup>45, 000, 000, 000

See footnotes at end of table, p. 6.

TABLE 1.—*Debt limitation under sec. 21 of the Second Liberty Bond Act, as amended, history of legislation—Continued*

June 25, 1940 (54 Stat. 526) : Sec. 302. Sec. 21 of the Second Liberty Bond Act, as amended, is hereby further amended by inserting "(a)" after "21." and by adding at the end of such section a new paragraph as follows : "(b) In addition to the amount authorized by the preceding paragraph of this section, any obligations authorized by sections 5 and 18 of this Act, as amended, not to exceed in the aggregate \$4,000,000,000 outstanding at any one time, less any retirements made from the special fund made available under section 301 of the Revenue Act of 1940, may be issued under said sections to provide the Treasury with funds to meet any expenditures made, after June 30, 1940, for the national defense, or to reimburse the general fund of the Treasury therefor, any such obligations so issued shall be designated 'National Defense Series'."	
Feb. 19, 1941 (55 Stat. 7) : Amending sec. 21, to read : "Provided, That the face amount of obligations issued under the authority of this Act shall not exceed in the aggregate \$65,000,000,000 outstanding at any one time." Eliminates separate authority for \$4,000,000,000 of National Defense Series obligations.	<sup>3</sup> 4, 000, 000, 000
Mar. 28, 1942 (56 Stat. 189) : Amending sec. 21, increasing limitation to \$125,000,000,000.	<sup>2</sup> 65, 000, 000, 000
Apr. 10, 1943 (57 Stat. 63) : Amending Sec. 21, increasing limitation to \$210,000,000,000.	<sup>2</sup> 125, 000, 000, 000
June 9, 1944 (58 Stat. 272) : Amending sec. 21, increasing limitation to \$260,000,000,000.	<sup>2</sup> 210, 000, 000, 000
Apr. 3, 1945 (59 Stat. 47) : Amending sec. 21 to read : "The face amount of obligations issued under authority of this Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), shall not exceed in the aggregate \$300,000,000,000 outstanding at any one time"	<sup>2</sup> 260, 000, 000, 000
June 26, 1946 (60 Stat. 316) : Amending sec. 21, decreasing limitation to \$275,000,000,000 and adding, "the current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder thereof shall be considered, for the purposes of this section, to be the face amount of such obligation"	<sup>2</sup> 300, 000, 000, 000
Aug. 28, 1954 (68 Stat. 895) : Amending sec. 21, effective Aug. 28, 1954, and ending June 30, 1955, temporarily increasing limitation by \$6,000,000,000.	<sup>2</sup> 275, 000, 000, 000
June 30, 1955 (69 Stat. 241) : Amending Aug. 28, 1954, act, by extending until June 30, 1956, increase in limitation to	<sup>2</sup> 281, 000, 000, 000
July 9, 1956 (70 Stat. 519) : Amending act of Aug. 28, 1954, temporarily increasing limitation by \$3,000,000,000, for period beginning on July 1, 1956, and ending June 30, 1957, to	<sup>2</sup> 281, 000, 000, 000
1957 : Effective July 1, 1957, temporary increase terminates and limitation reverts, under act of June 26, 1946, to	<sup>2</sup> 278, 000, 000, 000
	<sup>2</sup> 275, 000, 000, 000

<sup>1</sup> Limitation on issue.<sup>2</sup> Limitation on outstanding.<sup>3</sup> Limitation on issues less retirements.

TABLE 2.—*Marketable maturities January 1958 through December 1958*<sup>2</sup>

[In millions of dollars]

Maturity date	Security (issue date)	Total amount outstanding Dec. 31, 1957
1958—		
Feb. 14	3½ percent certificate (Feb. 15, 1957)	\$10,851
Mar. 15	2½ percent bond (June 2, 1941)	1,440
Apr. 1	1½ percent exchange note (Apr. 1, 1953)	383
Apr. 15	Special bill (Aug. 21, 1957)	1,751
Do.	3½ percent certificate (May 1, 1957)	2,351
June 15	2½ percent note (Dec. 1, 1955)	4,392
Do.	2½ percent bond (July 1, 1952)	4,245
Do.	2½ percent bond of 1958-63 (June 15, 1938) <sup>1</sup>	919
Aug. 1	4 percent certificate (Aug. 1, 1957)	11,519
Oct. 1	1½ percent exchange note (Oct. 1, 1953)	121
Dec. 1	3½ percent certificate (Dec. 1, 1957)	9,830
Dec. 15	2½ percent bond (Feb. 15, 1953)	2,368
	Total	50,179

<sup>1</sup> Partially tax exempt; callable June 15, 1958.<sup>2</sup> Excludes \$22,100,000,000 of regular weekly Treasury bills and \$3,000,000,000 tax anticipation bills due Mar. 24, 1958.TABLE 3.—*Forecast of cash balance and debt, January 1958-June 1959, based on constant operating cash balance of \$3.5 billion (excluding free gold)*

[In billions]

	Operating balance, Federal Reserve banks and depositaries (excluding free gold)	Public debt subject to limitation	Allowance to provide flexibility in financing and for contingencies	Total public debt limitation required
1958—Jan. 31	\$3.5	\$275.0	\$3.0	\$278.0
Feb. 15	3.5	275.6	3.0	278.6
Feb. 28	3.5	274.9	3.0	277.9
Mar. 15	3.5	276.2	3.0	279.2
Mar. 31	3.5	270.4	3.0	273.4
Apr. 15	3.5	271.8	3.0	274.8
Apr. 30	3.5	272.2	3.0	275.2
May 15	3.5	272.5	3.0	275.5
May 31	3.5	272.1	3.0	275.1
June 15	3.5	273.9	3.0	276.9
June 30	3.5	269.3	3.0	272.3
July 15	3.5	271.6	3.0	274.6
July 31	3.5	272.6	3.0	275.6
Aug. 15	3.5	273.5	3.0	276.5
Aug. 31	3.5	273.6	3.0	276.6
Sept. 15	3.5	275.2	3.0	278.2
Sept. 30	3.5	271.3	3.0	274.3
Oct. 15	3.5	273.4	3.0	276.4
Oct. 31	3.5	274.7	3.0	277.7
Nov. 15	3.5	275.3	3.0	278.3
Nov. 30	3.5	275.0	3.0	278.0
Dec. 15	3.5	277.1	3.0	280.1
Dec. 31	3.5	275.3	3.0	278.3
1959—Jan. 15	3.5	278.9	3.0	279.9
Jan. 31	3.5	276.1	3.0	279.1
Feb. 15	3.5	278.8	3.0	279.8
Feb. 28	3.5	275.4	3.0	278.4
Mar. 15	3.5	276.6	3.0	279.6
Mar. 31	3.5	271.3	3.0	274.3
Apr. 15	3.5	272.8	3.0	275.8
Apr. 30	3.5	273.1	3.0	276.1
May 15	3.5	273.4	3.0	276.4
May 31	3.5	273.1	3.0	276.1
June 15	3.5	274.9	3.0	277.9
June 30	3.5	269.3	3.0	272.3

NOTE.—When the 15th of a month falls on Saturday or Sunday, the figures relate to the following business day.



CHART 1

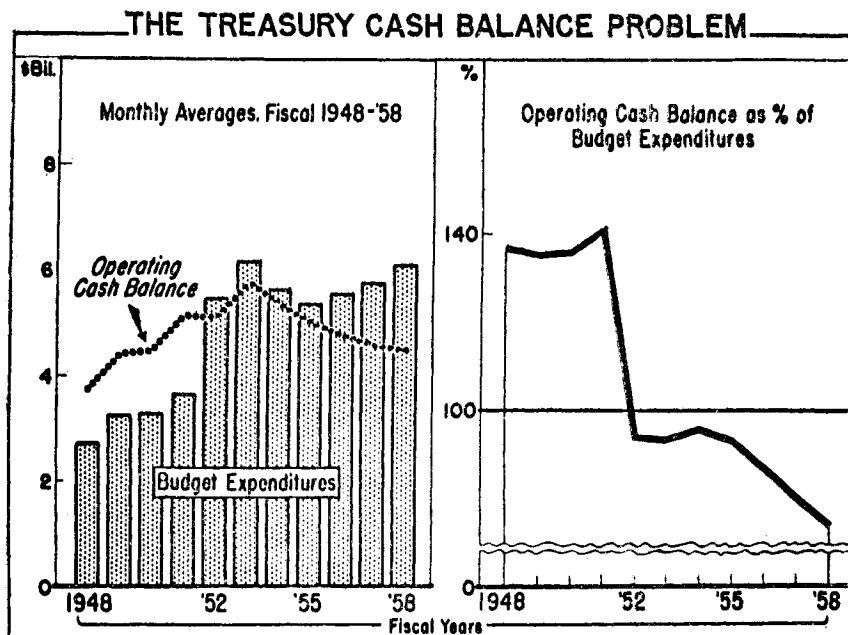


CHART 2

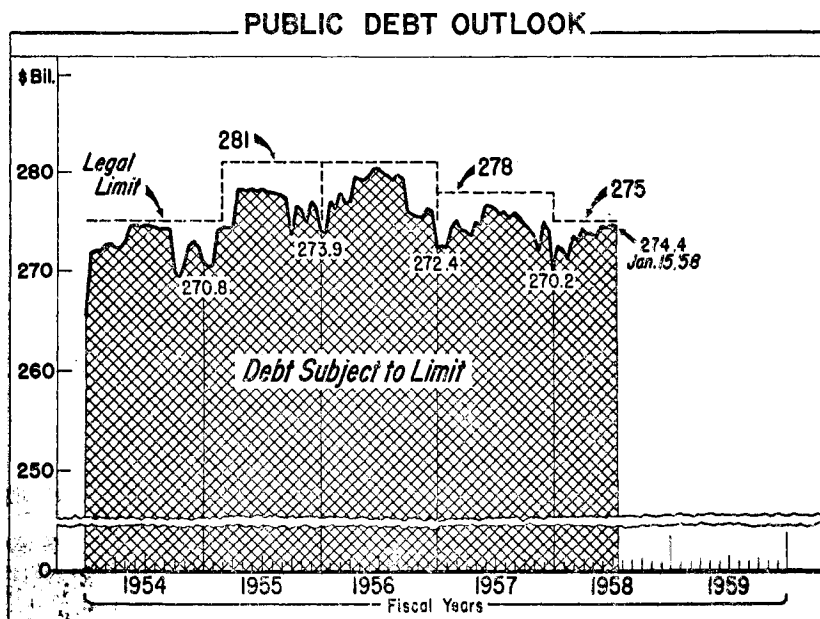
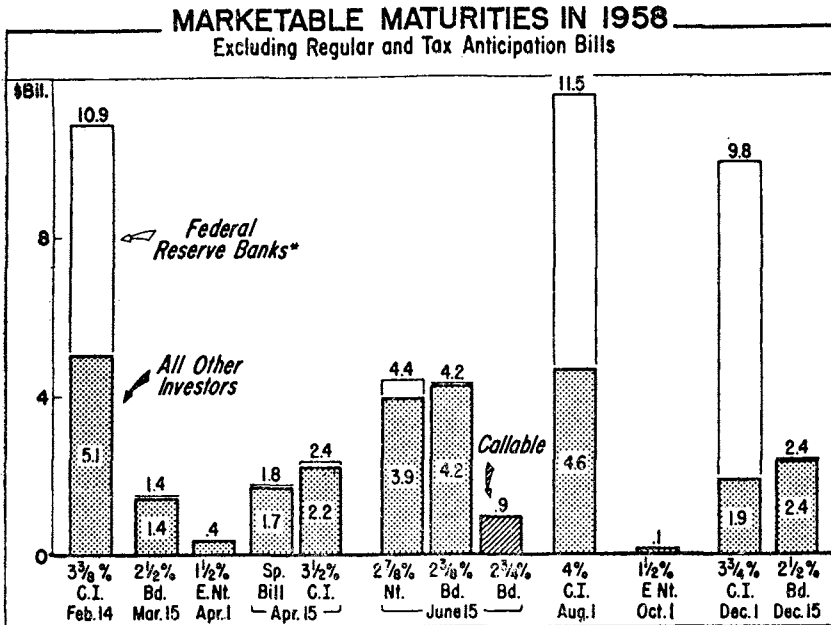
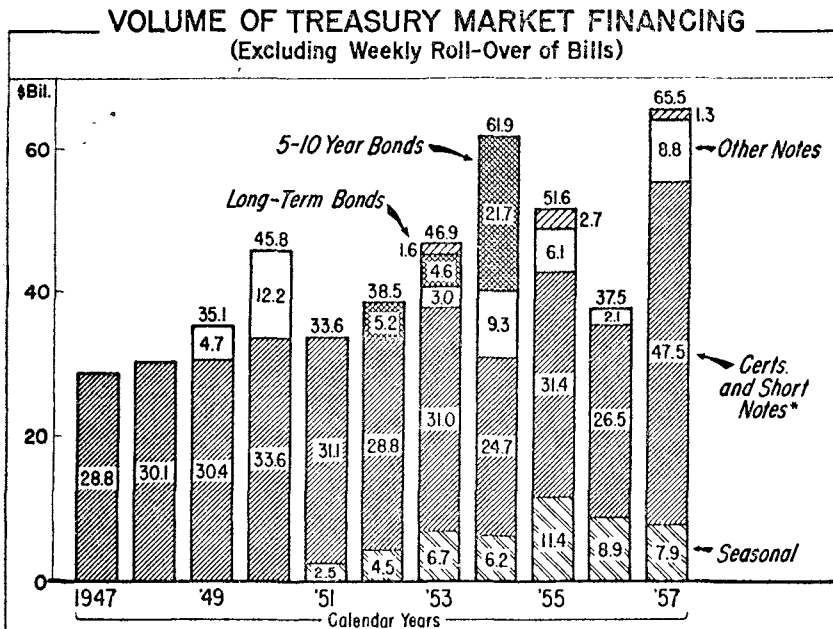


CHART 3



\*Including Government Investment Accounts.

CHART 4



\*Notes originally 20 months or less to maturity.

CHART 5

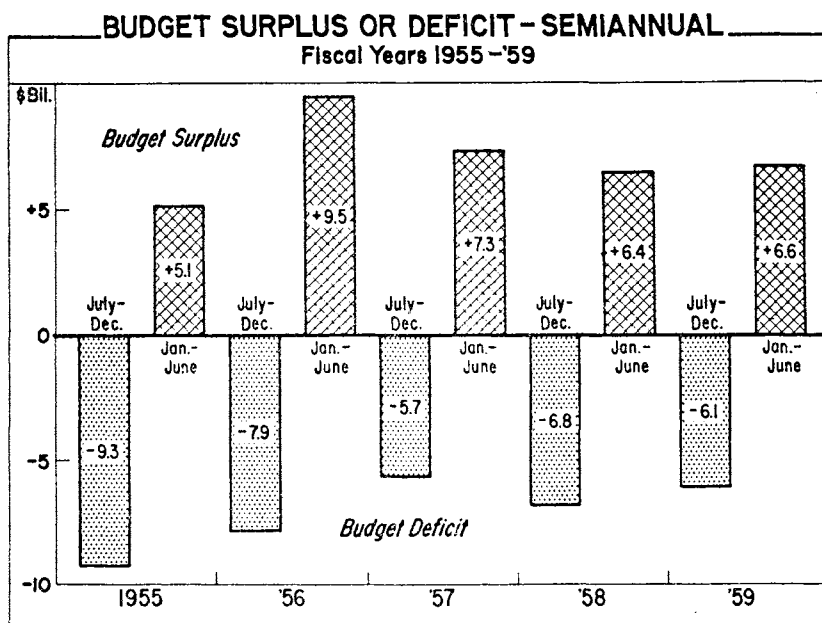


CHART 6

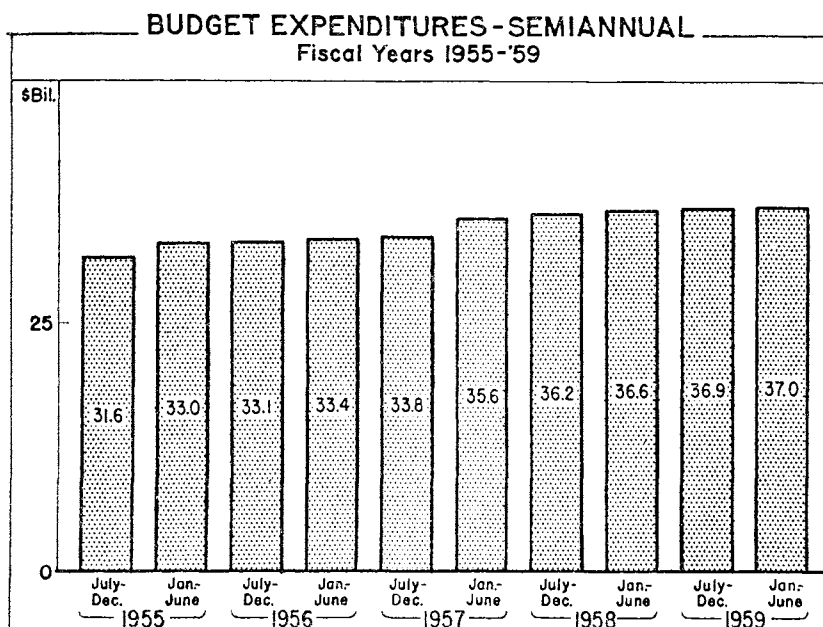
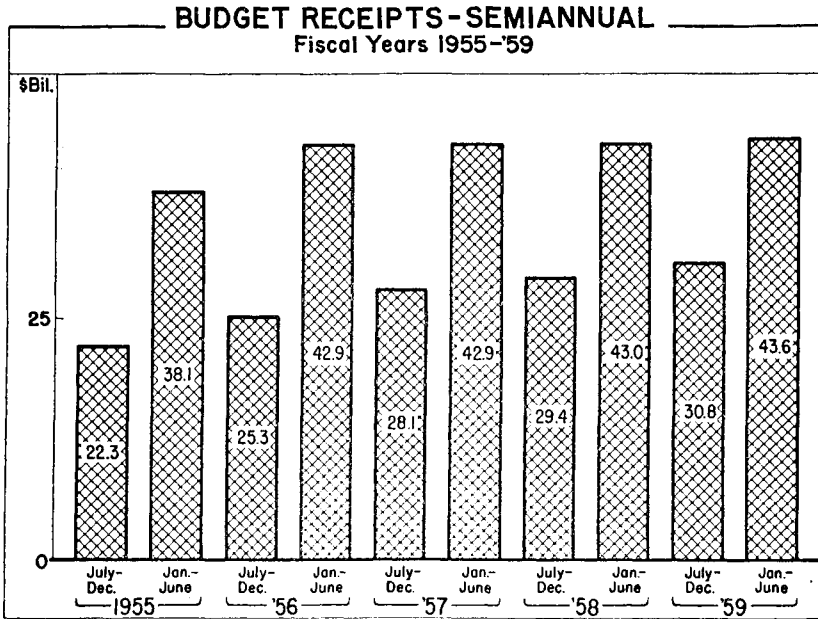


CHART 7



The CHAIRMAN. Thank you, Mr. Secretary.

Now, Mr. Secretary, it is my recollection that the first debt ceiling was established in 1917. The ceiling was \$4 billion.

Is it not true that prior to World War I specific authorizations had to be given by Congress for every bond issuance?

Secretary ANDERSON. That is correct, sir.

The CHAIRMAN. In other words, an act had to be passed in order to issue bonds each time they were issued?

Secretary ANDERSON. Yes, sir. Under the Constitution, the Congress has the power to borrow money on the credit of the United States.

The CHAIRMAN. Is it not true that prior to 1917 our national debt was about \$1 billion?

I think that is correct, and that there was no need of a limitation on the total amount of bond issues because prior to World War I there was virtually no public debt.

What I want to emphasize is that historically Congress has controlled the Federal debt by statutory limitations of one form or another.

Secretary ANDERSON. That is correct, sir.

The CHAIRMAN. And the same situation, I think, exists in practically all of the States and localities, namely, that a State is limited by its constitution or otherwise in the amount of money it can borrow and localities are likewise limited.

I simply make that as a statement of historical fact because some people think that a ceiling, a debt ceiling by Congress has no place in our economy.

Secretary ANDERSON. Mr. Chairman, if I may, in the statement which I submitted to the House Ways and Means Committee, I outlined a pretty detailed history of the debt situation.

The CHAIRMAN. Yes; that is in the table, is it not?

Secretary ANDERSON. No; it is not in the table. Well, it is, in part. But the whole history of how this delegation has been given from the Congress to the Secretary of the Treasury is set out in the House Ways and Means Committee statement.

Senator KERR. There is attached to your present statement the debt limitation history of legislation.

Secretary ANDERSON. For 40 years; yes, sir.

The CHAIRMAN. You are familiar with the fact that, in 1953, in January, I think it was, the year of 1953, Mr. Humphrey, the then Secretary of the Treasury, asked for an increase in the public debt from—increase in the public debt ceiling from—\$275 billion to \$290 billion.

Secretary ANDERSON. Yes, sir.

The CHAIRMAN. That was passed by the House at the \$290 billion figure. It then came before the Senate Finance Committee, as some members of the committee will recall, and after very exhaustive hearings, notwithstanding the fact that the Secretary of the Treasury, Secretary Humphrey, said there would be a panic, that we could not pay our bills, the committee rejected, in toto, this \$15 billion increase. There was no panic and we paid our bills.

Then, a year later, Mr. Humphrey asked for \$10 billion increase on a permanent basis, and that likewise passed the House, and, in lieu of that, and I happen to have offered the amendment, the Senate, on August 24, 1954, adopted a temporary increase of \$6 billion, which made the total debt limit \$281 billion. That limit was continued for 2 years, and the following year it was reduced by \$3 billion, and then, on July 1 last, with the approval of Mr. Humphrey, the \$3 billion increase was permitted to expire.

In other words, continuation of that \$3 billion increase was not asked by the administration, Mr. Humphrey, or you.

I remember you wrote me a letter saying that you hoped very much it would not be necessary to ask for it.

I simply bring that out to show the history of the conditions now confronting us.

I would like for you to cite for the committee, in as much detail as you can, the conditions that have changed since August, when both you and Mr. Humphrey acquiesced in the expiration of this temporary \$3 billion, that now make necessary an increase of \$5 billion which you request on a temporary basis to expire on June 30, 1959.

Secretary ANDERSON. Senator Byrd, in the—when I assumed this responsibility in July, one of the first studies I made was with reference to the ability of the Treasury to operate within the debt limit.

At that time, it was anticipated that we would have a substantial surplus during the fiscal year 1958.

There has, of course, been a decline in revenues from what was anticipated back last summer, and we are now anticipating a small deficit.

This results from about \$868 million additional expenditures that are planned by the Department of Defense, as well as a decline of about \$1,100 million in revenues.

It was not without misgivings that I undertook to operate within the \$275 billion debt limit last year. I was motivated, first, by the fact, that any request for the increase of the debt limit would have had to come at the very end of the Congress, and it was with some reluctance that I wanted to come and ask for this debt ceiling without having, personally, a little more experience in trying to live within it.

If the Senator will recall, I did say in my letter that we would make every effort to live within the debt limit, but that it might very well be necessary to resort to some more costly expedients.

We have, since that time, borrowed money for the Federal National Mortgage Association on two occasions from the public, in part because of the necessity of maintaining reasonable balances, and in part because the statute with reference to the Federal National Mortgage Association indicates that we should, from time to time, seek funds from the public.

I would say, therefore, that, preliminarily, the changed conditions which I would cite in response to your question are moving from what was anticipated to be a surplus condition to a deficit condition, because of the decline in revenues and increased expenditures.

Senator MARTIN. Mr. Chairman, would it be all right to interject a question there?

The CHAIRMAN. Senator Martin.

Senator MARTIN. I think a little bit of the detail on the decline of expected revenues would be helpful to our committee.

Secretary ANDERSON. You will remember, Senator Martin, that we make what is called the midyear review of September or October of each year, and at that time we anticipated that the revenues would be about \$100 million under the revenues which were anticipated at the time of the submission of the budget in January.

However, there has been a subsequent decline in the revenues, so that we are now anticipating about \$1,200 million less for the end of the fiscal year, June of this year, than was anticipated at the time the budget was formed in January of 1957.

Senator MARTIN. Is that a general decline, or is it particularly from corporations or individuals?

Secretary ANDERSON. For the most part, it is a decline in individual income tax.

The CHAIRMAN. Isn't it true for the next year, the next fiscal year, you estimate an increase?

Secretary ANDERSON. That is correct.

The CHAIRMAN. Something like \$3 billion?

Secretary ANDERSON. \$2 billion.

The CHAIRMAN. \$2 billion?

Secretary ANDERSON. Yes, sir.

The other thing, Senator Byrd, that I think influences me is this: In the first place, I am sure in my own mind that the Treasury ought to maintain reasonable working balances in cash.

What is reasonable? The minds of men might very honestly differ on this subject. But it has occurred to me that, in an operation where approximately \$400 billion flows, on an annual basis, in and out of the Treasury, and where we spend on an average of \$1,500 million each 5 working days, it would not be an unreasonable request to maintain an average working balance equal to about 12 days' expenditures or \$3,500 million.

At the same time, with the management of the debt as large as it is, and calling this year for some \$50 billion of refinancing other than the \$22 billion in 90-day bills, and \$3 billion in tax-anticipation bills, that some reasonable flexibility would put us in a position of doing a much better job so far as the country is concerned.

There is one other factor. It seems to me that, in a country of this size and in an operation of the kind in which we are engaged, there ought to be some reasonable margin for contingencies.

I have in mind, for example, that technological breakthroughs in our military organization might make it desirable to procure some of the weapons of our protection much more rapidly.

I have in mind the fact that as we make a budget and as we project our expenditures on the budget of the message, this Congress may very well make changes in those rates of expenditures.

And I have in mind that even though we do our very best in trying to judge the way in which the economy of the country will move, judging for 17 and 18 months ahead is a difficult question, and I recognize all of us can be fallible about that.

The CHAIRMAN. I would like to simplify the fiscal situation for this fiscal year: The original budget estimated that the surplus on the 30th of next June would be a billion and a half.

Senator KERR. May I understand that better?

The CHAIRMAN. When the budget was presented for the current year, it was estimated that there would be a billion and a half surplus.

Senator KERR. In this current—

The CHAIRMAN. Current budget year.

Now it is estimated that there will be a \$500 million deficit. So that is a \$2 billion difference.

Now, you were compensated in part for that by selling the FNMA bonds for \$802 million so your actual shortage on your estimate of this year is about \$1.2 billion, isn't that correct?

Secretary ANDERSON. To that extent Treasury working balances are protected but the \$800 million does not go against the deficit.

The CHAIRMAN. The \$800 million was included within the debt ceiling when it was originally loaned, when you originally bought the FNMA bonds and those bonds were sold then and you have got the cash for them?

Secretary ANDERSON. And part of the securities were retired within the ceiling.

The CHAIRMAN. But you got cash, you got \$802 million in cash which was previously held for the Treasury?

Secretary ANDERSON. That is correct, sir.

The CHAIRMAN. So the difference there is now a question for this fiscal year of \$1.2 billion. In other words you estimated a billion and a half surplus, you now estimate a \$500 million deficit, that is a difference of \$2 billion.

You got \$802 billion from a source that had heretofore been under the debt limit so you actually have a shortage of \$1.2 billion on your cash balance under the debt limit; that is correct, is it not?

Secretary ANDERSON. So far as operating balance is concerned.

The CHAIRMAN. That is for this fiscal year?

Secretary ANDERSON. Yes.

The CHAIRMAN. If you are asking for \$5 billion you must contemplate a deficit for other years. It seems to me that your request is not justified unless you think there would be a substantial deficit in the next fiscal year?

Secretary ANDERSON. Senator Byrd, even though you do not operate with a deficit, you still have the periods during which you collect your taxes in the latter half of the year and you are paying your bills whenever they are presented, part of them will be presented during the period.

The CHAIRMAN. I know, but that has existed, Mr. Secretary, for a long time and the condition is better now than it was because these peaks and valleys are being ironed out.

Secretary ANDERSON. There will still be about 2 years.

The CHAIRMAN. But they are in much better condition in that respect. That was the point Mr. Humphrey made.

Secretary ANDERSON. Yes.

The CHAIRMAN. Now—it was over a period, when the——

Secretary ANDERSON. Five-year period.

The CHAIRMAN. Three years have expired and the condition has been improved since Mr. Humphrey first asked for an increase in the debt limit.

Secretary ANDERSON. You have 3 years.

The CHAIRMAN. But there is not as much variation as before. You are catching up with it, by advancing payments.

Secretary ANDERSON. There is a slight decrease in the variation; yes.

The CHAIRMAN. Well, there is considerable decrease. I want to make it clear that I shall vote for necessary increases in military funds, but what disturbs me is that you are evidently contemplating a continuation of this deficit spending beyond this fiscal year, although the budget submitted indicates a \$500 million surplus on June 30, 1959.

Secretary ANDERSON. Even if we have a budgetary surplus of \$500 million in 1959 we are still going to have some very difficult periods if in fact we should maintain reasonable working balances and have some flexibility within the ceiling of the debt.

If you will refer to table III, for example, Senator Byrd, this would be based upon the assumption that you would operate pretty well within the budgetary limitations, but if you will look at the right hand figures you will notice that on March 15, for example, if we have a working balance of three and a half billion or 12 days expenditures, we will have under the current circumstances a public debt that is above the amount which is currently authorized of \$275 billion—we will be \$1.2 billion above—and if we have the provision for flexibility, then we are right up against the \$280 billion that we are suggesting, or \$279.2 billion.

Senator KERR. That is \$0.6?

Secretary ANDERSON. Yes \$276.2 billion before the allowance.

Now, then, to the extent that circumstances worsen, either because we do not collect as much revenue or to the extent to which we are in error in anticipating the amount of bills that we are going to have to pay, our circumstances will be that much worse off.

Senator KERR. January 15 shows \$279.9?

Secretary ANDERSON. Yes, sir.



The CHAIRMAN. That situation has existed, of course, for some time. We have operated under it.

You are aware of the fact that there exists today \$70 billion unexpended appropriated balances?

Secretary ANDERSON. Yes, sir.

The CHAIRMAN. Is it not true that the only protection that Congress has got, the people have got, against the wasteful expenditures, lies in the debt limit?

I mean that is practically the only check on expenditures now?

Secretary ANDERSON. Senator Byrd, it is certainly one of the primary checks, and I subscribe to the philosophy of having a debt limit, and of making requests for increases in the debt limit upon a limited basis, and of having the limit reviewed by this Congress from time to time.

I think it is a healthy thing.

The CHAIRMAN. You approve of the principle of a temporary increase requiring action by the Congress?

Secretary ANDERSON. I do, sir.

The CHAIRMAN. Let's proceed a little further: Of course, no one argues you should not have a substantial balance; I have never argued that at all.

The question is the amount of the balance and also the fact that we must bear in mind that the cash balances in the banks do not bear interest. That was all discussed at the time that Mr. Humphrey made his request in 1954.

Congress is in session a good part of the time and the ceiling can be increased in the case of an emergency.

On the basis of conditions as you see them now, do you estimate a deficit for fiscal year 1959?

Secretary ANDERSON. Senator Byrd, I do not.

Let me say, of course, that, when you are in the budget process, one has to make a judgment of what is going to happen to the economy for a period of 17 or 18 months ahead, and it would be a much simpler thing, from my point of view, if those judgments could be made within a range of a few millions or hundreds of millions of dollars.

The budget process is such that we finally have to come down to making what are precise judgments in the realization—at least, so far as I am concerned—that no one of us is probably wise enough to pick out precisely the amount of revenue that we will collect that far ahead.

I should like to point out to the Senator some of the factors which went into our thinking in trying to make the budget, the estimates which we have made with reference to our receipts. And that is a realization that we have come to the end of a very strong period of capital investment.

Since 1946 we have had a capital investment in this country of more than \$300 billion. This is an amount of money that would be equal to the cost of World War II.

A great portion of that capital investment was made within recent years. By the very process of capital investment, plant expansion, and that sort of thing, businessmen plan, build, and expend not only precisely what they need for a given moment but for something beyond that.

I think during the past several months we have seen a period in which we have run toward the end of one of these great expansion periods.

Then comes a period of readjustment in the business cycle, and the business community makes arrangements for the kind of things it has done in the past.

Now then, on a relatively short term from the statistical evidence which has been offered, and which has been available to us, from the kind of people that I see and talk with, I think that a good many adjustments in output and inventories and materials have been made.

During the last several months the balance in the inventory picture has, I think, improved substantially.

There has been a very prompt and responsive adjustment in the yield of stocks and bonds and in interest rate levels.

Credit availability is adjusting to provide more opportunities for investment in new projects.

There is apparently some increase in residential housing with elements of strength in the period ahead.

As there has been some decline in the requirements for private investment, there has been a step up of certain State and local programs.

The defense spending will be stepped up, and such programs as the highway programs and the like will be coming more into being.

The retail-sales situation, which I am sure the Senator is aware of, has demonstrated a relatively high confidence in the American people during this period.

Now on a longer range we have a growing population in the country, and a population that is constantly trying to improve its standard of living, constantly increasing demands.

We have an exceedingly large research and development organization in all kinds of companies that are going to open up new opportunities by science and technological advances in ways of making things.

We have a labor force that is growing at the rate of about three-quarters of a million workers per year. The output per man-hour in the nonfarm sector of our activity has gone up at a rate of about 2½ percent per year.

We have developed over the years a financial system that provides not only cushions but capable flexibility of meeting varying demands.

And I think that perhaps as important as anything else is a willingness, demonstrated by fiscal agencies, to utilize whatever mechanisms are at their command to be of as much assistance as they can in this kind of a situation.

Now we have an economy that has been operating between 430 and 440 billions of dollars a year on a gross national-product basis.

During the past, for example, between 1954 and 1955, personal income went up from about \$278 billion to \$305 billion. From the period 1955 to 1956 it went up from \$305 billion to \$327 billion.

During the period 1956 to 1957 it went up from \$327 billion to roughly \$343 billion.

Even if there is an increase in 1958 of something less than half of that rate we think there is reasonable judgment supporting a belief that we would have a \$2 billion increase in taxes over the period, and I say this because, Senator, I fully realize that no man can find things

precisely but in order to give you the background of the kind of things that have gone into the problem.

The CHAIRMAN. You are not disturbed about the fact that the reports indicate that the corporation income has declined in the second and third quarter of the fiscal year?

Secretary ANDERSON. Yes, sir; I am disturbed every time I read a report—

The CHAIRMAN. Personal income also has shown a substantial decline?

Secretary ANDERSON. Well, the percentage decline in personal income has been relatively small.

The CHAIRMAN. But you are convinced from what you know now, that in 1959 we will end up with a balanced budget?

Secretary ANDERSON. I would want to say that I have confidence that during the fiscal year 1959 we will assume a reasonable rate of sustainable growth that would justify our belief that we would have a \$2 billion increase in income receipts.

Now, the existence or not of a balance at the end of that period, would, as the Senator knows, depend upon how well our judgments prove to be correct and the rate at which we spend money.

The Senator has pointed out that we have not only what is being asked for for new obligational authority, but we have quite a substantial amount from prior appropriations, and we in the Treasury would not be able precisely to control those expenditures.

The CHAIRMAN. Well, the executive branch of the Government can?

Secretary ANDERSON. Yes, sir.

The CHAIRMAN. Let's go back to the discussion of deficit spending just once more.

We have lost, as you know, more than one-half of the purchasing power of the dollar since 1940.

During that period we had net deficit spending of \$225 billion.

Do you think that was a major cause of the loss of the purchasing power of the dollar?

Secretary ANDERSON. I always find it difficult to select the proper adjective.

I would say that I think it is a very important factor, Senator.

The CHAIRMAN. Is it the most important factor?

Secretary ANDERSON. Senator Byrd, I would not want to say categorically that it is the most important.

I think one simply has to weigh the fact that we have an economy that is so large and so complex and affected by so many different forces, that it is very difficult to reduce it to the terms of saying "These are the most important things in order"—but I certainly agree with the Senator—

The CHAIRMAN. You would put it near the top of the list?

Secretary ANDERSON. This is one of the most important.

The CHAIRMAN. The alternative of asking for an increase in the ceiling would be to reduce some so-called nonessential expenditures or not necessary expenditures.

Do you think the present budget has made any headway in that direction?

Secretary ANDERSON. There are, of course, a number of areas in which a number of programs have been reduced and in which there are less expenditures expected.

One of them is the actual expenditures from the Export-Import Bank. While it was never a part of the expenditure program, there has been a considerable revision in the way that we are approaching the school problem rather than to approach it from construction.

The CHAIRMAN. Construction though, was not approved by Congress?

Secretary ANDERSON. No, sir; I say it was not. I say simply there was a difference in approach.

A great deal, of course, is dependent on what happens to the decision of the Congress with reference to the postal service, which was taken into our calculations.

Public assistance grants would be down.

The CHAIRMAN. At that point is it a sound budgetary procedure to include as a cash receipt in the budget an increase in postal rates which have not yet been enacted by Congress?

Secretary ANDERSON. It seems to me that in making our calculations, which are calculations for what we would expect, that we must take into consideration that the recommendations which are made by the President would succeed.

Now, whether or not they actually do succeed, of course, varies the total result.

The CHAIRMAN. What do you estimate as the total reduction in the budget in the so-called domestic civilian expenditures as compared with the budget of the current year?

Secretary ANDERSON. Senator Byrd, I do not have that figure; we would be glad to get it for you.

The CHAIRMAN. We will get it from the Budget Director when he comes before the committee.

In regard, Mr. Secretary, to this \$500 million of gold which is being held by the Treasury, Mr. Humphrey, as you will recall, sold \$500 million.

Secretary ANDERSON. Yes, sir.

The CHAIRMAN. Is there any objection to using that gold that is lying dormant?

Secretary ANDERSON. I would have no objections to its use if it became necessary.

The CHAIRMAN. Then you have got a cash asset, so to speak, that you can realize on at any time to the extent of \$500 million in addition to the figures you have presented to the committee?

Secretary ANDERSON. That is correct, you could utilize your gold.

The CHAIRMAN. You see no objection to using it?

Secretary ANDERSON. There would be no objections.

The CHAIRMAN. What would be the consequences of a continuing inflation and a further decline in the purchasing power of the dollar?

Secretary ANDERSON. Well, if you purchased goods at the same rate or at an accelerated rate and if inflation continued, you would simply get less for what you purchased.

Therefore, if you were going to have a quantity of goods as presently contemplated, you would be paying more, and the squeeze on the Treasury payments would be even greater.

The CHAIRMAN. If they have lost one-half of the purchasing power of the dollar in the past 17 years, suppose we lost one-half again of the purchasing power of the present dollar.

Would that create a very disastrous situation?

Secretary ANDERSON. It would be a very disastrous and undesirable situation, Senator.

The CHAIRMAN. In other words, any further loss in the purchasing power of the dollar would possibly have very bad consequences?

Secretary ANDERSON. I would certainly think we ought to make every effort to avoid any additional losses.

The CHAIRMAN. Our total tax revenue from all sources, State and National and local, social security taxes, etc., amounts to \$112,687 million.

That is a correct figure, I think.

Is that a burden that you think the American people can indefinitely stand? This is the local taxes, the State taxes, everything that is paid in cash in the way of taxes.

Secretary ANDERSON. Senator Byrd, I would certainly hope that the time will come when the tensions which exist in the world, and the problems with which the Nation and the rest of the present world are confronted are such that we can alleviate a part of this burden, and I am sure that it would be helpful in developing our own standards of living and our own way of life if those burdens could be alleviated.

The CHAIRMAN. It is a very large burden in relation to that?

Secretary ANDERSON. Yes, sir.

The CHAIRMAN. Just one more question.

I think you and I agree on the fact we have two fronts here; we have a military front which we must keep up and on the other front we must maintain a strong economy in this country.

Secretary ANDERSON. I agree with you, sir.

The CHAIRMAN. Mr. Secretary, I want to present to the committee and to you a plan with respect to the increase in the debt limit of \$278 billion, which is based on Treasury figures.

The only difference is that it allows for 3 billion cash on hand instead of three and a half, which is contemplated in the administration proposal, and it utilizes the \$500 million in gold.

I won't ask you to pass judgment on it today but I want to submit it to you for your consideration and ask as to whether or not the figures in this table I have prepared are accurate.

It shows substantial leeways, some as high as \$12 billion at one time.

The lowest is approximately \$5 billion for a temporary period, if you get \$278 billion, keep \$3 billion on hand, and use the gold.

Of course, I have in mind always that Congress can change the ceiling if the necessity arises, so I would like to submit this proposal to you and have your comment before the committee takes action. I wish especially that you would check the accuracy of these figures which I feel certain are correct because they are based on your estimates.

I will ask that copies of the table be passed to the members of the committee and also to the press.

(The document referred to is as follows:)

*Leeway under \$278 billion temporary statutory debt limit—Allowing for \$3 billion balance, including \$500 million from unused free gold*

(Based on Treasury estimates of outstanding debt subject to limit, operating cash balance, and unseparated free gold)

[In billions]

Date	Outstanding debt subject to limit (adjusted to maintain a constant \$3 billion cash balance)	Leeway under \$278 billion limit (composed of \$3 billion cash balance including unused free gold, and unused debt authority)	Date	Outstanding debt subject to limit (adjusted to maintain a constant \$3 billion cash balance)	Leeway under \$278 billion limit (composed of \$3 billion cash balance including unused free gold, and unused debt authority)
2d half, fiscal year 1958:			Fiscal year 1959—Con.		
Jan. 31, 1958.....	\$274.0	\$7.0	Oct. 15.....	\$272.4	\$8.6
Feb. 15.....	274.6	6.4	Oct. 31.....	273.7	7.3
Feb. 28.....	273.9	7.1	Nov. 15.....	274.3	6.7
Mar. 15.....	275.2	5.8	Nov. 30.....	274.0	7.0
Mar. 31.....	269.4	11.6	Dec. 15.....	276.1	4.9
Apr. 15.....	270.8	10.2	Dec. 31.....	274.3	6.7
Apr. 30.....	271.2	9.8	Jan. 15, 1959.....	275.9	5.1
May 15.....	271.5	9.5	Jan. 31.....	275.1	5.9
May 31.....	271.1	9.9	Feb. 15.....	275.8	5.2
June 15.....	272.9	8.1	Feb. 28.....	274.4	6.6
June 30.....	268.3	12.7	Mar. 15.....	275.6	5.4
Fiscal year 1959:			Mar. 31.....	270.3	10.7
July 15, 1958.....	270.6	10.4	Apr. 15.....	271.8	9.2
July 31.....	271.6	9.4	Apr. 30.....	272.1	8.9
Aug. 15.....	272.5	8.5	May 15.....	272.4	8.6
Aug. 31.....	272.6	8.4	May 31.....	272.1	8.9
Sept. 15.....	274.2	6.8	June 15.....	273.9	7.1
Sept. 30.....	270.3	10.7	June 30.....	268.3	12.7

(The following letter was subsequently submitted by the Secretary of the Treasury commenting on the chairman's plan as printed above:)

THE SECRETARY OF THE TREASURY,  
Washington, D. C., January 28, 1958.

HON. HARRY F. BYRD,

Chairman, Senate Finance Committee, Washington, D. C.

MY DEAR MR. CHAIRMAN: The figures contained in the statement submitted by you during my testimony yesterday on H. R. 9955, a bill to amend the statutory debt limit, showing the estimated outstanding public debt subject to the limitation, adjusted on the basis of maintaining a \$3 billion cash balance, including gold, reconcile with the figures contained in table 3 furnished to the committee in my testimony.

I would like to point out that the figures in your table showing leeway under a \$278 billion limitation, including a \$3 billion cash balance, including gold, are predicated upon cash balances of \$1 billion less than the cash balances projected by the Treasury. The cash balance figures projected by the Treasury of \$3½ billion excluded gold of \$500 million.

I would also like to point out that the actual cash balances of the Treasury during this projected 18-month period ahead will vary from the assumed constant figures shown in Treasury table 3. Our cash balances will be influenced by decisions during this period in the future concerning the manner and amounts of securities that may be issued to raise cash or the securities that may be issued to refund maturing securities. They will also differ because of the need to keep high end-of-month balances during some months to meet heavy expenditures which are concentrated during the first week or 10 days of the following months. In each month of the year, heavy expenditures occur during the first few days for social security and other benefit and pension payments, and in some months certain classes of taxes are not payable to the Treasury until the

last half of the month. These monthly swings in the Treasury's cash balances can be anywhere from \$1 billion to \$3 billion between the end of 1 month until the middle or end of the following month.

For example, between June 30 and July 15, 1956, the Treasury's cash balance was reduced from \$5.7 billion to \$4.2 billion with practically no change in the public debt, and was further reduced by July 31 to \$3.5 billion without any change in the public debt, a decrease of \$2.2 billion. The Treasury's balance on November 30, 1956, amounted to \$5.1 billion and on December 15 it amounted to \$3.2 billion, a drop of \$1.9 billion with only \$0.1 billion reduction in the public debt. In addition, the cash balance was reduced from \$6.7 billion on September 30, 1957, to \$4.3 billion on October 15, a decrease of \$2.4 billion, accompanied by a reduction of \$0.4 billion in the public debt. Swings of this nature are occurring constantly throughout the year.

We are, Mr. Chairman, fully appreciative of your desire to encourage as much economy as possible in the expenditure of our public funds and the motivation which underlies your proposal. We share with you a mutual concern of being economical in our operations.

We should like to reiterate our assurances to you and the members of your committee that if the debt limit is extended as we have asked, we will not relax our efforts or our influence to achieve our common objective. We continue to believe, however, that our request for the \$5 billion increase in the debt limit is under all considerations in the public interest. We have sincerely tried to demonstrate our reasons for this belief to the members of your committee.

We cannot bring ourselves to conclude that the debt limit which you suggest would, in the opinion of the Treasury and in the judgment of the Treasury experts whom we have asked to examine your suggestion with us, provide sufficient allowances for a reasonably needed flexibility in financing and for contingencies in addition to the responsibility for meeting our projected budgetary payments.

We recognize, of course, that there is always the additional consideration of taking into account margins of error which necessarily must go into our calculations in long-range projections. We must, as well, realize the change of programing and the rate of expenditures that may occur because of the judgments of the Congress or the judgments of other Departments of the Government which, more directly than we, influence our rate of payments.

We sincerely hope that you and your committee will continue your examination of our proposals and that you will find them reasonable and prudent.

With warmest regards, I am

Sincerely yours,

ROBERT B. ANDERSON,  
*Secretary of the Treasury.*

The CHAIRMAN. Thank you, Mr. Secretary.

Senator KERR?

Senator KERR. Mr. Secretary, is it your opinion that this requested increase in the debt limit, if granted, could result in savings of interest on the public debt?

Secretary ANDERSON. I think it could, sir.

Senator KERR. It is your opinion that the additional flexibility it would give you in determining percentage-wise whether issues could be shorter term or longer term could be of material benefit to the Treasury in meeting its responsibility for the management of the public debt?

Secretary ANDERSON. I think it would give us a kind of flexibility that would be advantageous from the standpoint of the dollars which might be saved, and I think that it would be advantageous also from another point of view: We have one great market in this country, made up of many, many segments to which people resort to finance all kinds of operations.

The numbers of times which the Federal Government has to go to that market, whether for refinancing or for cash or for whatever pur-

pose, is a disturbing element in market arrangements, which would be made by citizens, individuals, States, all other people.

If, therefore, we had a margin of flexibility so that we might run larger risks at the time of our financings, or to deal in larger volumes of financing at one time, we would, I hope, be able to get some better balance in the debt, and by utilizing the market less frequently, we would be less of an impediment to other elements of our business world than we are currently.

Senator KERR. Then is it safe for me to assume that you agree with me that the Treasury in the management of the public debt can have a decided influence on the rate of credit on the public debt?

Secretary ANDERSON. Well, from our point of view, of course, I conceive it to be my duty to manage the debt as economically as we can and therefore to try to determine not what market conditions ought to be but what market conditions are. Nevertheless, if I have to take into account the rate at which I might get attrition, then I have to be influenced to some extent by the offering, by calculating the rate so it can minimize that attrition, if I do not have the flexibility.

Senator KERR. Flexibility?

Secretary ANDERSON. That is right.

Senator KERR. Then am I correct in assuming that you agree with me that the Treasury can be effective in the matter of having influence on the interest rates paid by the Treasury on the public debt?

Secretary ANDERSON. Yes; in the way in which I have stated.

Senator KERR. Is it a fact that lack of the greater debt limit has resulted in the past fiscal year in expenses which would not otherwise have occurred in connection with operations of the Defense Department where they found it necessary to terminate contracts or stretch out contracts or adopt a new time schedule for outstanding contracts?

Secretary ANDERSON. Senator Kerr, I have never tried to tell any department what the——

Senator KERR. I am not asking what you tried to tell them.

Secretary ANDERSON. Yes.

Senator KERR. I am just asking you as to the facts about what the situation was.

Secretary ANDERSON. I am sure that the actions, not only of the Defense Department but others, have taken into account the nearness that we were to the debt limit and have been governed in making some of their decisions by the fact that we were this close.

Senator KERR. With the least possible result that costs were increased in connection with contracts either that had to be terminated or a new time schedule effected.

Secretary ANDERSON. That is correct, sir. And not only that, but the schedules would be modified.

Senator KERR. Now, it has been indicated to me, and I am sure you know, or I hope you know whether it is true or not, and I would like to know whether it is true or not, that there have been times when the Defense Department, even though they did not terminate or partially terminate or implement a new time schedule on contracts, have had to be slow in the payment to contractors furnishing equipment and supplies to the Defense Department.



Secretary ANDERSON. I think that what actually happened was to decrease by some 5 or 6 percent the amount of progress payments on certain of the contracts.

Senator KERR. Well, that was put into effect after the contracts were let, and which had been let on either specifications or accepted understandings that the progress payments would be made at the higher rate.

Secretary ANDERSON. Yes, sir.

Senator KERR. And that resulted in the contractors having to go more into the market for money and oftentimes at a higher carrying charge to them than they had contemplated, which was then reflected in an increased cost to the Defense Department if it were a cost-plus contract.

Secretary ANDERSON. That is correct.

Senator KERR. Is it also true that under the directives of the Budget, the Defense Department and other agencies of the Government have had to postpone starting of work for which Congress had appropriated the money at later periods in this fiscal year so that they might bring about the result that a part of the liability would mature in a subsequent fiscal year instead of this fiscal year?

Secretary ANDERSON. The extent to which this has been done I do not know, but I am sure that judgments have been made of this nature because of the closeness that we were to the debt limit.

Senator KERR. Now you use a figure of \$2 billion in connection with the budget, the balanced aspect of the budget for fiscal 1959 as compared to this year. That was not your estimate of what the surplus would be, but that was your estimate of what the increased revenue would be.

Secretary ANDERSON. That is correct, sir. We assumed that corporation collections would be about the same and that individual income tax will be up.

Senator KERR. Well, how much of that result did you figure would come from the 5-cent postage stamp?

Secretary ANDERSON. Well, so far as the income tax revenues are concerned, it would not be effected by the postage-stamp rate. But as far as arriving at whether or not we would be able to meet our expenditures out of our current revenues, we took into consideration the postal rate moreover.

Senator KERR. The estimated surplus of how much for the year? How much was used?

Secretary ANDERSON. \$500 million.

Senator KERR. Was based on Congress fixing postage stamp costs at 5 cents instead of 3 cents, was it not?

Secretary ANDERSON. That is correct.

Senator KERR. Was it not also based on an assumption that there would be some difference brought about by congressional action in the handling of the highway funds?

Secretary ANDERSON. I do not believe that the highway funds were figured in that calculation.

Senator KERR. Was there not a proposal to shift certain taxes now going into the highway trust fund?

Secretary ANDERSON. Oh, yes, sir.

Senator KERR. Being in the general revenue fund?

Secretary ANDERSON. There was a proposal to take out the costs of collecting the highway funds. And then, of course, the costs of the jet fuel would be shifted to the construction of airport facilities.

Senator KERR. And thereby decreasing the trust fund for highways by that amount?

Secretary ANDERSON. By that amount.

Senator KERR. And making that amount—

Secretary ANDERSON. Available.

Senator KERR. Conditional in a general revenue fund?

Secretary ANDERSON. Making it available for other purposes; yes, sir.

Senator KERR. Was that \$500 million surplus not also based on the assumption that Congress would change the law and pay for those highways now being built out of the general revenue fund through the public lands out of this trust fund?

Secretary ANDERSON. Yes, sir.

Senator KERR. In other words, \$500 million surplus was based upon a number of assumed contingencies for which there is no positive assurance of their being results.

Secretary ANDERSON. It was based upon the assumption that the recommendations in the budget message, would be carried through, and of course that is subject to the determination of Congress.

Senator KERR. But without action of the Congress, then those assumptions, of course, would not be valid?

Secretary ANDERSON. That is correct, sir.

Senator KERR. Now, it was also based on an assumption that there would be certain restrictions by the Congress in nondefense spending, was it not?

Secretary ANDERSON. Yes, certain programs were reduced.

Senator KERR. Such as benefits to veterans, and what else?

Secretary ANDERSON. Well, there is quite a list of them.

Senator KERR. Would you give them to us?

Secretary ANDERSON. There were reductions in programs in a number of things—public assistance.

Senator KERR. How much did the President estimate the Congress would reduce public assistance in order to make that \$500 million surplus possible?

Secretary ANDERSON. About \$13 million.

Senator KERR. And would you give me the other assumed reductions in nondefense spending?

Secretary ANDERSON. Yes, sir. There is a list of a great many here. I would be glad to supply the Senator with a complete list.

Senator KERR. May I have it?

Secretary ANDERSON. Yes, sir.

Senator KERR. I am going to put it into the record. I just want to look at it at this time.

The CHAIRMAN. I would just like to state to the committee that the Budget Director will appear before it.

Senator KERR. Reduction of \$342 million to the Export-Import Bank; \$11 million reduction in the assistance for public schools in federally impacted areas; \$702 million, improvement in the postal service; \$150 million reduction in Veterans' Administration operations; \$27 million reduction in Federal Housing Administration; \$22

million reduction in miscellaneous housing; \$29 million reduction in small business operations; \$129 million reduction in veterans' benefits; \$6 million reduction in veterans' hospital care and hospital construction; \$9 million, miscellaneous veterans' services; \$4 million reduction in veterans' insurance and indemnities; \$365 million in Commodity Credit Corporation; \$62 million reduction in Farmers' Home Administration; and other items totaling \$1,999 million.

I would like for that tabulation to appear in this record at this place, Mr. Chairman.

The CHAIRMAN. Without objection, it will go in the record.

(The tabulation referred to is as follows:)

*Specific program cuts in the 1959 budget*

[In millions of dollars]

	Fiscal years		Change
	1958 estimate	1959 estimate	
Export-Import Bank.....	393	51	-342
Foreign information and exchange.....	141	139	-2
Assistance for schools in Federal areas.....	223	212	-11
Public assistance.....	1,822	1,809	-13
Postal service.....	686	-16	-702
Urban renewal.....	61	56	-5
Federal Housing Administration.....	-53	-80	-27
Veterans' Administration: Housing functions.....	145	-5	-150
Miscellaneous housing.....	-1	-23	-22
Highways (in the budget).....	38	7	-31
Small Business Administration.....	92	63	-29
Federal Civil Defense Administration.....	67	64	-3
Veterans' readjustment benefits.....	806	737	-129
Veterans' hospital care and hospital construction.....	846	840	-6
Veterans insurance and indemnities.....	44	40	-4
Miscellaneous veterans services.....	171	162	-9
Commodity Credit Corporation.....	2,745	2,380	-365
Soil bank (excluding conservation).....	620	604	-16
Farmers' Home Administration.....	270	208	-62
Interior: Power marketing agencies.....	41	38	-3
St. Lawrence seaway.....	44	19	-25
Forest resources.....	171	169	-2
Fish and wildlife resources.....	65	58	-7
Recreational resources.....	78	73	-5
Mineral resources.....	63	56	-7
Federal financial management.....	508	507	-1
Central personnel management.....	124	108	-16
Total.....	10,270	8,276	-1,994

Senator KERR. Can you remember when any other budget was ever given to the Congress and a surplus predicted on the assumption that Congress would reduce the benefits and programs that it had implemented and had been carrying on by the amount of \$1,994 million?

Secretary ANDERSON. I frankly do not have in mind sufficiently other budgets to compare them, Senator.

Senator KERR. If it should happen that the revenues estimated or as estimated, and Congress in its wisdom or lack of wisdom, but in the exercise of its constitutional power, decided to have the same program of governmental operation in fiscal 1959 that it had in fiscal 1958, then instead of there being \$500 million surplus, there would be a \$1.5 billion deficit, would there not?

Secretary ANDERSON. Yes.

Senator KERR. In the event the revenues are not as estimated and Congress continues its same program, then the deficit would be increased to the extent that the revenues failed to meet up to the assumptions.

Secretary ANDERSON. To the extent that we are incorrect in our revenue estimates, the problem is increased, yes, sir.

Senator KERR. Now, the President has repeatedly stated that there would be a decided upturn in the business activity and dynamics of the economy during the second half of 1958?

Secretary ANDERSON. Well, as I recall, he has said sometime during the year.

Senator KERR. And that, of course, is the beginning of fiscal 1959.

Secretary ANDERSON. Yes, sir.

Senator KERR. And his estimates of revenue are based upon the accuracy of his belief and forecast that there would be a decided upturn in the business activity of the Nation.

Secretary ANDERSON. That is correct, sir.

Senator KERR. Now, if one has the decided conviction that there will not be a decided upturn in the economy of the country, then he would do well to contemplate the extent of the difference that that would make in the forecast of revenue, is that correct?

Secretary ANDERSON. One would be required to.

Senator KERR. Then the President's estimated \$500 million surplus was also based upon the assumption that Congress would appropriate no more money for defense than he has recommended for fiscal 1959?

Secretary ANDERSON. That is correct, and also that the rate of expenditures by the Department of Defense would be as anticipated, because in addition to new obligational authority, there is this holdover.

Senator KERR. You mean the holdover obligation?

Secretary ANDERSON. Yes, sir.

Senator KERR. Which, if the Defense Department became of such a critical nature that the administration decided to try to meet it by stepped-up expenditures, would adversely affect that estimated surplus?

Secretary ANDERSON. Yes; and it would, of course, make the debt-limit problem very important, if the upswing——

Senator KERR. I am getting around to that.

Secretary ANDERSON. Yes; pardon.

Senator KERR. I am getting around to that. Now, I am not asking you to agree with my belief as to what the business conditions in the next fiscal year will be, nor am I asking you to agree with my belief of what the Congress will do, but I would like to ask you this question: Is there not in your mind, as you ask for this increased debt limit, some element of contemplation on your part of the possibilities that I have referred?

Secretary ANDERSON. There is.

Senator KERR. Or your awareness of the possibility?

Secretary ANDERSON. There is, Senator. I think we have to take into consideration—this is precisely one of the things we talk about in contingencies: What will be the program changes made by Congress; what will be the actual rate of expenditures that either circumstances or fortuitous technological breakthroughs and this sort of

thing make possible; what will be the expenditures under flexible programs when we are committed to purchase surplus commodities; and that sort of thing? And these are the sorts of imponderables that, it seems to me, justify us in asking for some reasonable margin for taking care of the contingencies in the debt limit.

Senator KERR. I will say, Mr. Secretary, that I congratulate you upon what I believe to have been the part you played in reversing the deadly type-credit causes of this administration, the reversals that have moved in the last few months to tend to correct some of the more critical evils of the hard-money-type credit and high-interest-rate policies of your predecessor. And I congratulate you upon what I think is the tremendous saving that you are going to have a part in bringing about in the cost of serving the public debt.

I wish I could share the optimism of your Chief that what has been done would result in this decided upturn in the economy, but I think that you got there too late to effect so great a reversal in such a short time.

Now, your estimate of the deficit for this fiscal year is how much?

Secretary ANDERSON. \$400 million.

Senator KERR. If you had the conviction that I do, that it would be nearer \$1 billion than \$400 million, you would base your estimate on the requirement for the increase in the national debt limit accordingly, would you not?

Secretary ANDERSON. That would be an additional consideration.

Senator KERR. Now, the chairman asked you about the amount of deficit spending that has occurred in the last 17 years. What was that amount, Senator?

The CHAIRMAN. \$225 billion.

Senator KERR. \$225 billion, and related it to the reduction in the value of the dollar as compared to the 1940 dollar. Can you tell us what part of that deficit spending occurred prior to 1946?

Secretary ANDERSON. I think we have those tables.

Senator KERR. I want to tell you there is a man that has come to the rescue of both Secretaries in this committee countless times. He is an indispensable man. He is a living refutation on the part of some that there is no indispensable man.

Secretary ANDERSON. I can say to you, Senator Kerr, that I am not unaware of the importance and capability of Mr. Mayo.

Senator KERR. I want to tell you right now that if this fellow Benton gets hold of him, he will commercialize him into a greater encyclopedia than the Britannica.

Secretary ANDERSON. The deficit starting back in 1940 was \$3,918 million; 1941, \$6,159 million; 1942, \$21,490 million; 1943, \$57,420 million; 1944, \$51,423 million; 1945, \$53,941 million; 1946, \$20,676 million.

Senator KERR. Now, Mr. Mayo, could you tell us how much those figures total?

Secretary ANDERSON. You want to add them up.

Mr. MAYO. Well, we can do it.

Secretary ANDERSON. The debt, Senator Kerr, went from \$40,440 million in 1939 to \$269,422 million in 1946. That would be roughly it.

Senator KERR. All right. Now, in other words, most of that \$225 billion deficit spending occurred prior to June 30, 1946?

Secretary ANDERSON. Yes, sir.

The CHAIRMAN. Would you mind adding the loss in the purchasing power of the dollar at that same period?

Senator KERR. That is what I am going to ask him right there. That is the exact question I want to ask him.

The CHAIRMAN. I think they should be shown together, so I want Mr. Mayo to give that.

Senator KERR. Now, would this dollar be comparing the present dollar to the 1939 dollar, or the 1940 dollar?

Mr. MAYO. They are approximately the same, Senator.

Senator KERR. All right. I would like to know now what that dollar's value was each of these years.

Secretary ANDERSON. All right, sir. We will get the chart. Senator Kerr, we do not have it in those terms. Could we supply that to you and the committee?

Senator KERR. I believe that fellow has either got it or——

Secretary ANDERSON. Can get it.

Senator KERR. Can give it to us right now.

Secretary ANDERSON. Suppose he works it out here for us.

Senator KERR. I have no doubt that his memory capacity and ability is far greater than yours, Secretary.

Secretary ANDERSON. He will work them back.

Senator KERR. I know he will.

The CHAIRMAN. Well, you are working them by the year, are you not, Mr. Mayo?

Mr. MAYO. As a matter of fact, if there is a copy handy of the monetary hearings last summer, they are already in there. I didn't bring that along with me.

The CHAIRMAN. I would like to see first, the deficit, and then, in the next column, how much the purchasing power of the dollar was.

Mr. MAYO. Yes, sir.

Senator KERR. And then, Mr. Secretary, I want you to ask him to give us the value of the 1940 dollar as compared to the 1873 dollar.

Secretary ANDERSON. All right, sir; we will be glad to get that one for you. This chart does not show it by years, which is what you have requested. It shows that the 1939 dollar had declined to about 90 cents, slightly above 90 cents, by 1941.

Senator KERR. What page is that on?

Secretary ANDERSON. Page 292.

Senator ANDERSON. The chart is on page 338, is it not?

Mr. MAYO. That is just the index again, gentlemen.

Secretary ANDERSON. That is the Consumer Price Index. You would have to work it back from the Consumer Price Index.

Mr. MAYO. We have it in here the other way, if I can just put my finger on it.

Senator KERR. What page is the one you were talking about on?

Secretary ANDERSON. 292 is the one I was talking about. Senator Kerr, if you will look on page 418.

Senator KERR. 418. I knew that boy Mayo would come up with it. Now, Mr. Mayo, I am going to ask you to help me a lot more here before we are through; 1939 is taken as the standard in this table on page 418, is it not?

(The table which appeared on page 418 of the printed hearings on the Investigation of the Financial Condition of the United States is inserted in the record of this hearing on page 51.)

Senator MALONE. It is 1937 to 1939.

Senator KERR. Is that correct, Mr. Mayo?

Mr. MAYO. Yes; 1939 is correct, sir.

Senator KERR. Well, this shows that the purchasing power of the 1939 dollar was 71.2 cents in 1946, does it not?

Secretary ANDERSON. Yes, sir.

Senator KERR. That in May 1957 it was 49.7?

Secretary ANDERSON. Yes, sir, 49.7.

Senator KERR. Now I would like for Mr. Mayo to tell us percentagewise the decrease from 1939 to 1946 and from 1946 to 1957, in May?

Mr. MAYO. From 1939 to 1946, percentagewise, is a decline of 29 percent.

Senator KERR. Twenty-nine percent?

Mr. MAYO. And from 1946, which was 71 cents——

Senator KERR. 71.2 cents.

Mr. MAYO. To 50 cents.

Senator KERR. It was 49.7, was it not?

Mr. MAYO. That is correct. That is another 22 cents, then.

Senator KERR. Well, that is 22 cents, but how much is that percentagewise to the 71.2?

Mr. MAYO. That is a little less than a third. It is about a 30-percent decline, Senator.

Senator KERR. In other words, there has been a greater percentage of decline in the purchasing power of the dollar since that deficit spending than occurred during that deficit spending, has there not?

Mr. MAYO. Yes, sir, I think that is correct.

Secretary ANDERSON. There has.

The CHAIRMAN. The Chair would like to ask, though, that there be put into the record the amount of the deficit spending and, opposite that figure, the loss of the purchasing power of the dollar for each of these years.

Senator KERR. I am going to put that in.

The CHAIRMAN. The Senator from Oklahoma is speaking on another basis.

Senator KERR. I am just drawing some conclusions, Mr. Chairman, from the very table that you want put into the record, and asking the witness if they are correct.

The CHAIRMAN. This table does not include the deficit spending.

Senator KERR. Well, but the Chairman has given it to us himself. The Chairman and the Secretary has given it to us.

The CHAIRMAN. I would like the Senator from Oklahoma to read that, and at the same time show the loss of the purchasing power of the dollar in each year.

Senator KERR. Then we will include in the record at this point a tabulation of the deficit spending per year by year beginning with 1940 through 1957.

Senator BENNETT. Before you leave, that, Senator—

Senator KERR. Yes.

Senator BENNETT. What I understood the chairman wanted was a single table combining these two, showing on the same line the year, the amount of deficit spending, and the amount of the decline in the dollar, year by year, so that in one sweep of the eye we can see the relationship year by year.

May I ask that the table be prepared in that way?

Senator KERR. The Senator may ask that another table be prepared in that way, and I will be glad to have it in the record. I presume he is willing for me to have the tables in the record the way I have designated them.

The CHAIRMAN. One table called the Kerr table and another table called the Bennett table and have both appear in the record.

Senator KERR. And a third called the Byrd table.

Senator BENNETT. May I ask that they all appear in the same place as nearly as possible?

Senator KERR. As nearly as the consummation of the size and the printing will permit.

The CHAIRMAN. Without objection, that will be followed.

(The tables referred to are as follows:)

*Changes in purchasing power of the dollar and deficit financing,<sup>1</sup> 1873-1957<sup>2</sup>*

	Consumer price index (1947-48=100)	Value of the dollar (calendar year 1939=100)	Change in value of the dollar		Public debt, June 30	
			Cents	Percent	Amount outstanding	Dollar change
					<i>Billions</i>	<i>Billions</i>
1873 .....	37.0	160.5			\$2.2	
1913 .....	42.3	140.4	-20.1	-12.5	1.2	-\$1.0
1939 .....	59.4	100.0	-40.4	-28.8	40.4	+39.2
1946 .....	83.4	71.2	-28.8	-28.8	269.4	+229.0
1957 .....	120.2	49.4	-21.8	-30.6	270.5	+1.1

<sup>1</sup> As reflected in changes in the public debt.

<sup>2</sup> As compiled by the Bureau of Labor Statistics except for 1873, which is based on a series published by the Federal Reserve Bank of New York.

Senator KERR. Now, then, I note here on page 418 of the investigation hearings last summer that in 1913 the purchasing power of the actual dollar was 40 percent above what it was in 1939; is that correct, Mr. Mayo?

Mr. MAYO. That is correct.

Senator KERR. Then I would ask you to tell me how much decrease there had been, percentagewise, in the purchasing power of the dollar from 1913 to 1939?

Mr. MAYO. Again, about 30 percent.

Senator BENNETT. Fifty percent.

Secretary ANDERSON. It is about 40, is it not?



Senator BENNETT. 14271.

The CHAIRMAN. I do not believe even so great a man as Mr. Mayo could get these figures so quickly, so I think he should have an opportunity to go over the figures before they are printed in the record.

Senator KERR. All he has to do is a mathematical calculation.

Mr. MAYO. Thirty percent.

Senator KERR. I think the 30 percent is correct; yes. In other words, then, the reduction in the purchasing power of the dollar from 1913 to 1939 was approximately 30 percent; is that right, Mr. Mayo?

Mr. MAYO. Yes, sir.

Senator KERR. From 1939 to 1946, through 1946, it was approximately 29 percent?

Mr. MAYO. Yes, sir.

Senator KERR. From 1956 through 1957, it is approximately 30 percent?

Mr. MAYO. That is correct, using the later year as the base in each case.

Senator KERR. Now, then, what is the reduction in the purchasing power of the 1913 dollar in this, the year of our Lord 1958?

Mr. MAYO. Well, the dollar is currently worth approximately 49 cents as against \$1.40 in 1913. That is a reduction, then, of just roughly, about two-thirds.

Senator KERR. About two-thirds?

Mr. MAYO. Yes, sir.

The CHAIRMAN. Will the Senator from Oklahoma yield just a minute?

Senator KERR. Yes.

The CHAIRMAN. Price controls operated in some of these years, and that held down the inflation, so I think for proper consideration the years in which price controls were in effect should be noted because, naturally, the inflation would not be as great in those years as it was when there was no control. So please note that, Mr. Mayo, in your table.

Mr. MAYO. All right, sir.

Senator KERR. Now, then, the answer to the question as to the value of the dollar today relative to the 1913 dollar is what?

Mr. MAYO. It is down about two-thirds.

Senator KERR. It is about 33 cents?

Mr. MAYO. Yes.

Senator KERR. Well, then, the question that the distinguished chairman asked the Secretary a while ago as to what would be the effect if there was as much depreciation of the dollar in the next 17 years as there has been in the last 17 years might have some light thrown on it by figuring what has happened in 1958 as compared to 1913, might it not?

Mr. MAYO. Yes.

Senator KERR. Because there has been just as much decrease in the value of the dollar in 1958 compared to 1913 as there will have been in another 17 years as compared to 1939 if the decrease in the next 17 years is just as much as it has been the last 17 years?

Mr. MAYO. Yes.

Senator KERR. That is correct?

Mr. MAYO. On that assumption, yes, sir; that is right.

Senator KERR. Well, are my assumptions valid; are they in accordance with the figures you have given me?

Mr. MAYO. That is right, on the basis of those figures.

Senator KERR. I might say that I share the concern of the chairman about inflation and I am just as much interested in it as he and as the Secretary. But you would not say that our economy today is in a disastrous condition as compared to 1913, would you, Mr. Secretary?

Secretary ANDERSON. No, sir.

The CHAIRMAN. I think you ought to add to that the debt of 1913 and the debt of today. We had virtually no debt in 1913.

Secretary ANDERSON. The question, as I gathered from the chairman a while ago, was a more rapid decline in the value of the dollar than is now indicated, so that the more rapid the decline the more severe would be the problem.

Senator KERR. Now, I think, Mr. Secretary, if you have Mr. Mayo get it for us, we will find that the 1913 dollar was just as much depreciated compared to the 1873 dollar as the 1939 dollar was as compared to the 1913 dollar. And yet, though we were debt free in 1913, economic disaster had not descended upon us by reason of the fact that the value of the 1913 dollar was as much below 1873 as 1939 was below 1913.

Secretary ANDERSON. Yes, sir.

Senator KERR. I would not, for the world, minimize what I regard as the importance of maintaining the stability of the value of the dollar. And I want to say, Mr. Chairman, that we could restore the value of the 1939 dollar if the people were of a mind to do so. I think Congress would have to be working for \$5,000 a year, would they not? Was that not the salary in 1939? Some of you boys were here.

Labor would have to be working for 25 cents an hour. The farmer would have to be selling his cotton for 7 or 8 cents a pound. In other words, the only way that you could restore the value of the dollar to the 1939 level would be to reduce the value of the things you use the dollar to buy to their 1939 level; would it not, Mr. Secretary?

Secretary ANDERSON. There always has to be a relationship between the volume of money and the volume of goods.

Senator KERR. No; I am talking about the value now.

Secretary ANDERSON. Yes.

Senator KERR. The only way that you could restore the value of the 1939 dollar would be to restore the price level of things for which the dollar was used to purchase to the 1939 levels?

Secretary ANDERSON. If you were going to do it just at one swoop, that would be the way you would do it.

Senator KERR. Well, if you were going to do it in two swoops, that is the only way you could do it, is it not?

Secretary ANDERSON. Yes, sir.

Senator KERR. So, when we talk about restoring the value of that dollar, I think it is well that we bear in mind the specifications of what we are talking about.

Secretary ANDERSON. Yes, sir.

Senator KERR. And I am not now taking the position either for or against, Mr. Chairman. I am just exploring the fundamentals that would be required. Now, Mr. Mayo, you will get us the relative value of the 1873 dollar to the 1958 dollar?

Mr. MAYO. Yes, sir. I will get that.

(Data referring to the 1873 dollar are shown on the tables in response to the requests of Senator Kerr and Senator Frear.)

The CHAIRMAN. Will the Senator yield?

Senator KERR. Yes.

The CHAIRMAN. I would like Mr. Mayo's table to show whether or not, in the history of this country, we lost 48 percent of the purchasing power of a dollar in 12 years; whether this ever occurred in the history of this country before except in the period from 1940 to 1952.

Mr. MAYO. All right, sir.

(The material referred to is as follows:)

The table in response to the request of Senator Frear indicates a decline in the purchasing power of the dollar from 1913 to 1920 of slightly more than half. In other words, the 1920 dollar was only worth 49.4 cents in comparison with the 1913 dollar. The year 1920, however, represented a temporary peak in the price level and throughout the remainder of the twenties the dollar was worth approximately 57 cents in reference to its 1913 value.

The CHAIRMAN. Do you have more questions?

Senator KERR. Yes. I want to get to that question here before we go any further.

The CHAIRMAN. I just want to see a complete picture here. I do not know anybody who is advocating going back to the 1939 dollar, but there are many people deeply concerned with the continuing inflation and decrease in the purchasing power of the dollar.

*Consumer prices, purchasing power of the dollar, and selected factors affecting prices, 1939-57*

Calendar years	Consumer prices		Purchasing power of dollar <sup>1</sup>		Federal surplus or deficit <sup>2</sup>	Money supply <sup>3</sup>		Factors affecting prices
	Price index (1947-49 =100)	Percent change	In cents	Change		Total	Change	
1939.....	59.4		100.0		<i>Billions</i> -\$3.9	<i>Billions</i> \$36.2	<i>Billions</i>	
1940.....	59.9	+0.8	99.2	-0.8	-3.9	42.3	+6.1	Defense program initiated. Heavy industry started sharp rise.
1941.....	62.9	+5.0	94.4	-4.8	-6.2	48.6	+6.3	General inflation began, accompanying rising deficit and industrial boom.
1942.....	69.7	+10.8	85.2	-9.2	-21.5	62.9	+14.3	All-out war effort greatly increased deficit. Price controls, rationing and other restrictions initiated, but only after sharp price rise.
1943.....	74.0	+6.2	80.3	-4.9	-57.4	79.6	+16.8	War production at peak. Money supply rising sharply but inflation held down by wartime restrictions, savings bond sales, reduction in private debt.
1944.....	75.2	+1.6	79.0	-1.3	-51.4	90.4	+10.8	
1945.....	76.9	+2.3	77.2	-1.8	-53.9	102.3	+11.9	Index appeared to show inflation still under control as war ended, but inflationary pressures evidenced by increasing black markets.
1946.....	83.4	+8.5	71.2	-6.0	-20.7	110.0	+7.7	Controls became virtually ineffective after June 1946, and prices began steep rise. Demand increased by wartime shortages.
1947.....	95.5	+14.5	62.2	-9.0	+8	113.6	+3.6	Continued steep rise due to delayed effect of wartime deficits and goods shortages, combined with great wartime increase in money supply.
1948.....	102.8	+7.6	57.8	-4.4	+8.4	111.6	-2.0	Prices reached peak at midyear. Later decline reflected downturn in business, substantial budget surplus, and leveling out in money supply.
1949.....	101.8	-1.0	58.3	+5	-1.8	111.2	-4	Price decline, notably for farm products, reflected business recession and sharp expansion in farm output, with continued leveling out in money supply.
1950.....	102.8	+1.0	57.8	-5	-3.1	117.7	+6.5	Korean invasion brought speculative buying boom. Bank credit sharply expanded, aided by market sales of Treasury bonds to Federal Reserve at supported prices.
1951.....	111.0	+8.0	53.5	-4.3	+3.5	124.5	+6.9	Price rise, particularly in 1951, due to speculative boom, a marked increase in bank credit, and a sharp rise in labor costs accompanying the war program.
1952.....	113.5	+2.3	52.3	-1.2	-4.0	129.0	+4.5	
1953.....	114.4	+8	51.9	-4	-9.4	130.5	+1.5	Moderating of inflationary pressures reflected progress in controlling Government expenditures and reducing the deficit, effective credit control under free Federal Reserve action, and effects of the 1954 business recession, in spite of an increase in the money supply.
1954.....	114.8	+3	51.7	-2	-3.1	134.4	+3.9	
1955.....	114.5	-3	51.9	+2	-4.2	138.2	+3.8	The moderate advance in prices, despite restrictive monetary policies, reflected a widespread demand for bank credit and investment funds, a rise in labor costs, continued upward adjustment in slow-moving prices, and programs to improve prices of farm products.
1956.....	116.2	+1.5	51.1	-8	+1.6	139.7	+1.5	
1957.....	120.2	+3.4	49.4	-1.7	+1.6	138.2	-1.5	The price advance slackened after midyear, reflecting less active demand, and increased supplies of various products.

<sup>1</sup> As measured by BLS consumer price index, assuming purchasing power at 100 cents in 1939.

<sup>2</sup> Fiscal year ending June 30 of year shown.

<sup>3</sup> Currency outside of banks and demand deposits adjusted, end of December.

NOTE.—Most stringent price controls were in effect from 1942 through June 1946, with more limited controls in effect both before and after this period and during the height of the Korean conflict in 1951 and 1952.

Source: Department of Labor, Treasury Department, and Federal Reserve Board.

Senator MALONE. Mr. Chairman, I would like to see the new Senator from West Virginia sworn in. It is about 12 o'clock, and some of us would like to ask some questions of the witness. I wonder if we could come back after, say, 2 o'clock?

The CHAIRMAN. Some Senate Finance Committee bills are going to be taken up today.

Mrs. Springer, could you arrange that for 2 o'clock and let us meet this afternoon? I would like the members of this committee to be on the floor at 2 o'clock. If we have an afternoon session, we might meet here at 3.

Is that satisfactory?

Secretary ANDERSON. Yes, sir.

Senator KERR. Well, Mr. Secretary, I want to thank you, sir, for your frank and able answers to the questions, and I want to say to you that I think your request for an increase in the debt limit is reasonable, and if I shared the chairman's optimism as to what the revenues were going to be next year and the expenditures were not going to be—

The CHAIRMAN. Wait one minute. The chairman has not indicated any optimism. My questions to the Secretary did not indicate any optimism. It was the Secretary who indicated optimism.

Senator KERR. I believe I have in a table here before me, Mr. Chairman—

The CHAIRMAN. The Senator from Oklahoma should understand those figures were based on figures furnished by the Secretary of the Treasury.

Senator KERR. Well, now, in making your proposal you accepted them.

The CHAIRMAN. I accept them. I accept them, and I show by these figures that they have got a comfortable balance all the way through on their own figures.

Senator KERR. I think in doing so you have exercised an undue optimism, because I do not think the figures are realistic.

The CHAIRMAN. I never said the figures were my estimates.

Senator KERR. I did not say that you did.

The CHAIRMAN. Well, you said I was optimistic in my figures. There are no figures I could take except those that were presented by the Treasury Department, of course.

Senator KERR. You see, the Senator from Oklahoma has not been limited in the figures.

The CHAIRMAN. The Senator from Oklahoma is never limited.

Senator KERR. He has reached some conclusions based upon what he thinks are going to be the results.

The CHAIRMAN. Entirely satisfactory.

Senator WILLIAMS. I suggest we have incorporated in the record the Kerr estimate of the revenue for next year.

Senator KERR. The Kerr estimate is in the record. I estimated we would have nearer \$1 billion deficit than the one the administration is estimating. And I am estimating you will have a \$2 billion deficit next year, instead of a \$500 million surplus in fiscal year 1959. And I believe we will have to raise this debt limit to \$280 billion and come back next year and have an emergency before us. And if we are in that situation, I think it will result in higher interest rates, both in

the Treasury and to private borrowers, and I think you will be in the situation where the Budget Bureau will be running your business instead of the Congress, just like it has been for the last 18 months.

The CHAIRMAN. Senator Williams.

Senator WILLIAMS. Are you going to proceed a while, Mr. Chairman?

The CHAIRMAN. We might as well proceed.

Senator BENNETT. Mr. Chairman, before the Senator begins, I think the question has been raised. Theoretically, the Republican members of the committee should be there to greet the new Senator who will be sworn in, and I assume as soon as the preliminaries are over—

The CHAIRMAN. Gentlemen, that is right.

Senator BENNETT. I wonder if we had not better adjourn now until 3 o'clock?

The CHAIRMAN. We will adjourn now until 3 o'clock.

(Whereupon, at 12:05 p. m. the committee recessed, to reconvene at 3 p. m., the same day.)

#### AFTERNOON SESSION

Present: Senators Byrd (chairman), Frear, Long, Anderson, Douglas, Williams, Flanders, Malone, Carlson, and Bennett.

The CHAIRMAN. We will come to order.

Senator Anderson?

Senator ANDERSON. Mr. Secretary, I repeated to your predecessor a remark made by a famous Texan who lived down in Houston, named Jesse Jones, that we would never be able to pay off the national debt. We could only water our currency and gradually get rid of it that way and we would have less relative value.

Someone figured out that we paid half the national debt already by the reduction in the value of the dollar.

Do you think that the starting in again of deficits might start off another little wave of reducing the value of the dollar?

#### STATEMENT OF HON. ROBERT B. ANDERSON, SECRETARY OF THE TREASURY—Resumed

Secretary ANDERSON. Well, I don't think you can overlook the fact that the excessive creation of debt does contribute to a decline in the value of the dollar.

Senator ANDERSON. Don't you also think, Mr. Secretary, that a debt limit has been helpful in holding the line against these deficits?

Secretary ANDERSON. I agree with that, sir.

Senator ANDERSON. I surely do. I have strongly supported the thing that he chairman did when he stood firm against an increase in the national debt. I do not mean to say that I have prejudged this case or am deciding it now, but the position of the chairman appealed to me very strongly.

Out in our part of the country, Mr. Secretary, a cotton farmer took his cotton acreage out from under the soil bank and got a check of \$209,000 from the Government for doing it. He turned around and took some new land, put it under cultivation, and planted over twice as much cotton as he had before.

I thought it was very, very, foolish. I won't ask you as a Cabinet officer to comment on whether it was foolish or not, but I think if we had a firm limit on the national debt we might eventually get rid of some of the idiotic things we have done under the farm program, this cotton deal being one of them, and that is why I am somewhat interested in it.

I am very much interested in what effect this increase in the national debt would have on our defense spending.

I think it is on rather loose defense spending. This is not the time nor place to decide how loose it has been, but I took out of *Business Week* for December 21 a page that says: "There is magic in missiles"—and it lists the fact that, as of October 4, taking the values of October 4 of certain stocks, that Aerojet General has gone up 32.5 percent between October 4 and December 16.

I do not have to tell you what the general pattern of stocks has been during that period.

Secretary ANDERSON. Yes.

Senator ANDERSON. I have just had an appraisal made of an insurance company of which I am an officer, and we operated reasonably well as far as operations were concerned, but we lost money on the most conservative investments you could imagine.

So, I assume most all stocks have probably moved down during this time.

Douglas Aircraft, however, between these dates moved up 21.8 percent; General Dynamics, 24.6 percent; the Martin Co., 24.1 percent; and North American Aviation, 46.3 percent since October 4.

Mr. Secretary, it is my opinion that missiles contracts have been largely responsible for that. Don't you believe that, if we increase this national debt, the missiles contracts may flow like water around Washington for a while?

Secretary ANDERSON. It would seem to me that the emphasis which is placed on procurement of missiles is going to be governed more by the recommendations which are made to, and the appropriations which are made by, the Congress with reference to the necessity for this kind of a weapon in order to insure protection of the country than by the debt limit.

The debt limit relates primarily to the problem that is created after the contracts are made and when payments begin, because we are concerned with the rate at which money flows into the Treasury from our receipts and the rate at which the money flows out, either to pay for progress payments or to pay for the finished articles.

Now, there is not any doubt but what the number of contracts which are made now will have an effect on the rate at which this money is expended. But it will be a delayed effect rather than an immediate one.

Senator ANDERSON. Mr. Secretary, I am not trying to single out this company, but this is a Douglas Aircraft booklet, *Seventeen Years of Missiles Systems*, and starting off to show the Marks and then into the Corporals and the Aerobees, and, on very nice paper and very good printing, the Sparrows, the Nike-Ajax, the Honest John, the Genie—formerly known as the Dingdong—the Thor, and Nike-Hercules, the Sparrow II, and so forth.

These are the things which have shoved up Douglas Aircraft earnings, and there is a tremendous drive on for more and more missiles. It seems to me that \$5 billion more will be an open invitation for this to continue.

The Joint Committee on Atomic Energy has been conducting hearings and we have had, I think, every expert that we could lay our hands on come in and talk about large missiles, the extremely long-range missiles, and so forth.

We had men from every branch. We had people from the National Committee for Aeronautics and many other groups. Not one of them said that above a certain level you should depend upon anything but nuclear fuel. Yet, within the last few days, and I will try to stay away from classification—and I am sure I will succeed—but within the last few days, a project has been proposed, and, I believe, endorsed, for the construction of a new type of engine that will develop several times the power of the Atlas engines, and not a single expert who was before the joint committee says it is feasible.

Not a single rocket man who has studied this project says it is feasible, but here is a chance for some company to get some more contracts, and, if we increase the debt limit, don't you feel it will create an easier atmosphere in which to get these contracts?

Secretary ANDERSON. Senator Anderson, nobody is more interested than I am, or we in the Treasury in spending our funds wisely. I have said in my statement to the committee—and I would reiterate to you—that if this \$5 billion debt-limit extension is given to us, insofar as it is possible, we will not relax any efforts to insure the economic and wise expenditure of our funds.

What we have here is a problem that has already been created, with a very large amount of money available through appropriations for all kinds of expenditure purposes. This Congress will create some more, in its judgment, whatever you decide is the right amount.

But what it finally gets down to in our request is that we believe that, if bills are presented to the Treasury to be paid, we must pay them. This is something that the good faith and credit of the United States requires. We have to make the best judgment we can, not of the rate that we judge people ought to spend their money, but at the rate which they are going to spend their money and in which they will be putting the bills up to the window for us to pay.

On this kind of a basis, it seems to us that asking for the equivalent of 12 days' expenditures, which is about a \$3,500 million operating balance, is a rather prudent, a rather modest request, and that asking for the remaining funds is a matter of taking care of contingencies, providing for the discovery of new techniques, providing for what may happen in our economy, and what may happen as a result of the judgment of the Congress.

I do not want to be unreasonable. I do not want to try to make the job of the Treasury easy. I would not purport to come to this committee and say, "Let's just do away with the debt limit." I think it is a useful tool. But it seems to us that what we are saying is, "Give us this much latitude; let us see how well we can handle our bills, how well we can manage the debt," and 18 months from now we will be back, saying either "We do not need the increase" or "We do" based upon our capabilities.



I would like to point out, for example, some figures on local Government agencies—and the figures which I have here are taken from the Bureau of the Census and they cover only the beginning and the end of the year balances and there may be wide swings as there are in our case.

We have been maintaining seven-tenths of a month's expenditures as an average cash balance.

State governments on the average maintain balances of 2.3 times expenditures. That is based on their monthly expenditures.

Cities maintain an average ratio of 2.2. If you include in that all school districts or local subdivisions, all local governments as a group maintain about 3.1 times their average normal expenditures.

What we are seeking here is just a reasonable amount of latitude to accomplish both our responsibility of paying our bills and in the management of the debt in providing for moneys.

Senator ANDERSON. Mr. Secretary, I know what your personal attitude is and what your official attitude would be. You would have no fears of criticism on that score from me and you know it.

Secretary ANDERSON. Surely.

Senator ANDERSON. But I do maintain that there may be a good influence in not just automatically lifting the debt ceiling, but in possibly looking for places where money might be saved and I think if the debt ceiling is not raised too suddenly you might find some of those places.

In the farm program the conservation reserve in 1956, your State of Texas and my State of New Mexico together got more conservation reserve money than all the rest of the Nation put together.

But nonetheless, that will not be the situation this year. We only spent about \$30 million that year, nationwide, in the conservation part of the soil bank.

This year is a recommendation we spend \$450 million. Now if you leave the debt ceiling on, the Department of Agriculture might say, "Well, maybe we do not have to spend that \$450 million on the conservation reserve. Maybe there is a different type of farm program that might do the job just a little bit on it."

That is all I am saying on these missiles. If the experts who testified before the Joint Committee are right, then I know that this proposal to increase the motors in the Atlas missile 3, 4, or 5 times, whatever it may be, I will be careful about that situation, but whatever it is, I know it is folly. It cannot possibly succeed, and the people who propose it must know it cannot possibly succeed.

But the strange fact is that the Atomic Energy Commission supplies the nuclear fuel and there is no private profit motive in that so we get a lot of proposals to build another type of motor when every witness testifies that once you get over the range that the Atlas is designed to cover, you had better go to nuclear fuel.

We had a few million dollars, a few paltry million dollars, chopped out of the nuclear fuel project and we will add a hundred times that much in this project alone.

I am only saying that I believe if the debt limit is not raised we might be able to find some spots that would trim some of this money on it. Here is a market letter dated January 24 which talks about thiokol and its solid fuel possibilities, and it says that in statistical terms the story goes like this:

"Sales \$1.1 million in 1948; \$28 million in 1957. Earnings \$52,000 in 1948; \$1.4 million in 1957." This indicates why we realize that they are interested in these solid fuels.

I don't know what the military will say about their problems. But you get interesting correspondence. I have been sending some things out to nuclear scientists and asking for their comments and I got one back the other day from a man who pointed out that Northrop had a plane plant at Anaheim, Calif., I do not know this to be true—I have not been to Anaheim in a long time—it is brandnew, completely equipped. The service that was going to use it decided not to use it. Firestone Tire & Rubber Co. missiles section wanted to buy it or lease it but they were dealing with the wrong branch of the military services and they could not have it so they had to go elsewhere and finally all the equipment stood idle for a full year and then was sold to a private company.

But the Northrop Co. asked for—that had this fuel, and got money to build a whole new plant at Hawthorne and an office plant in Beverly Hills.

In private business you would have recommended that they take a look at the plant again and if you have a debt limit that holds them down you are going to say to these people "Find out where your dollars are going."

Secretary ANDERSON. Senator, if I may, whatever the debt limit may be, I would certainly be one of those who subscribes to the belief that we ought to examine into each of our expenditures to be sure that they are fruitful and that they produce what we really expected from them.

Senator ANDERSON. I know that you would, because I have watched your services when you were watching them.

You and I are familiar with the Navaho project.

Secretary ANDERSON. Yes, sir.

Senator ANDERSON. When the Navaho project was abandoned at the cost of—well the official figure is \$725 million, I think it was over a billion dollars, but anyhow \$700 million was thrown away on the Navaho. They did not use the plant out there, they turned around and told General Motors to build a new plant costing \$55 million up in Wisconsin and moved people up there from the California situation.

I am only trying to say to you, Mr. Secretary, that I constantly feel if we put some sort of limit on the debt ceiling that you could say, "Well, we cannot afford that sort of thing."

In the discussions in the last few days someone told me that there was a proposal to put a missile weighing 300 pounds on the moon, and that somebody is seeking a contract to do it.

Yet, in an independent study, made many years ago, a study was paid for to put a 300-pound missile on the moon, worked out all the details, that has been filed, and a new plan is now going to be developed to cover the same sort of ground.

I pointed out to people in the joint committee that there had been a project world series which proposed to put a 2,200-pound missile into the sky. Actually, it was 1,180-pound scientific weight, exactly what the Russian missile, the second one, weighed. This study was made in 1956, in March. It was called "Studies in ballistic test vehicles and analyses of problems associated with the advanced reconnaissance satellite."

Nobody in the Department can find the study.

General Betts, who was before our joint committee, is Mr. Holaday's assistant. He had never heard of it. I mentioned it to the Secretary of Defense; he had not heard of it. I understand that; he could not possibly be familiar with all the past history.

But the studies are made and put away and then a new firm is given a million dollar or \$5 million contract to make the study over again. I am just hopeful the debt limit will keep that sort of thing from taking place. I don't say that it will.

I just want to go to missiles together with you again and then stop.

Here is the Newsweek magazine for, I guess, this last week. It has a full-page ad about a missile that cannot miss, the Talos missile, a Navy missile.

It has a full-page ad about the Sidewinder, a Navy missile, a big story about a Navy missile in it.

These, I presume, are public relations jobs that the Navy has worked up but it mentions Sidewinder. Sidewinder is a very interesting missile but it is an air-to-air antiaircraft missile and we have five of them now coming along with this. We have certainly a very good one in the Genie, the MB one, an excellent missile. If you stop and ask a military man what Sidewinder will do that Genie won't you have trouble getting an answer.

But in the Falcon missile which is air-to-air, an antiaircraft missile, I visited the White Sands Proving Grounds and found that there were 250 people working on the design of them.

It shocked me to think that many were working on it. When I checked the payroll I found that 2,500 people were working for Hughes out in Beverly Hills on it and you ought to look to see what the product has been of those several hundred millions of dollars spent on the Falcon missile which now is not a very good missile.

I just say to you, Mr. Secretary, for what it is worth that I believe if we kept the debt limit pretty tight this sort of expenditure could not take place.

The Honest John missile was a pretty good missile. We finished it and built the Little John, which has somewhat slighter weight and little less mileage and then standing right up beside it is the Lacrosse. While the missiles are different, you find out what the mission of the missile is, and there is not much difference.

A newspaper the other day carried a headline "Navy Polaris soars in test firing."

Mr. Secretary, you and I know that the Navy Polaris did not soar, did it? It not only did not soar, but it cannot soar. It does not exist and it won't soar for at least 2 years.

This is a press agent job for the sake of what—to keep the missiles program rolling, and I am just afraid that we are going to keep on getting these jobs foisted on us as long as there is money to be had out of the public till and if we chopped it off it might not happen.

If you read the story, it is a cleverly worded story by somebody; it says that the components soared.

Well, a component could be a cotter pin, a bolt, a nut, anything else could be a component. [Laughter.]

But the Polaris, as you well must know, because you were connected with defense, even with the speedup is not scheduled for a long time to come.

Yet there was a full page ad of it in the magazines just a short time ago pushed on them by the public relations departments of our Government, and I am just merely saying if we might hold this down a little bit, we might not have to increase so much and we might save some of the money to go on.

We have several different kinds of missiles, and I do not see any end, if we just turn them loose.

We made a decision between Jupiter and Thor, then had to back up, started both going again.

Now somebody says that Polaris will supplant them both. We had Atlas decided upon, then they decided to go with Titan also because Atlas might fail, and there just is not enough money in the country to keep going with all these programs.

We have got millions and millions of dollars for missiles this year but when you have got a list, these are not secret, this was published in a magazine, but if you look at the manufacturers you get a clue as to why Honest John had to be replaced by Little John, because Douglas and Hercules Powder had Honest John, and Emerson Electric got Little John. And the one that is just like them, Lacross, it got over to Martin, Thiokol, and Federal Manufacturing. Everybody has to have a little piece of the show. I went into a barbershop the other day and the barber said "We certainly are busy—the missiles men are in town." [Laughter.]

I am just trying to say that some of us who believe that may be one way of getting the missiles men out of town again would be to hold the debt limit where it is.

Secretary ANDERSON. Senator, I would not try to justify all of the separate programs in the missile or any other field with which I am not fully familiar. I would say, however, sir, that while I believe very strongly in the debt limit as an instrument of restraint, as an instrument of making us take a second look, of evaluating what we are spending our money for, it seems to me that programs of this sort will not quickly be revised and even if they are revised there will be costs incurred in the revision and in the closing of them, and that our efforts here are based upon just the realization that experience has taught us that we are going to have about this level of expenditures under the programs as they now exist.

That we do face in a country as big as ourselves problems which no one can foresee, and that we do need to have these reasonable balances.

I would not ask that the balances be so great as to encourage people to believe that there was any amount of money available and that the need for economy had ceased.

What we try to do here is to say 12 days is a modest amount, it is a modest balance, and that the balance which we are asking for flexibility in debt management is a modest balance, a prudent one, and that the restraining influence of the debt limit still ought to weigh very heavily upon us and as far as I am concerned I am sure it will.

Senator ANDERSON. As I say, I recognize you need to have money to pay your bills, any responsible business has to have it.

Secretary ANDERSON. Yes, sir.

Senator ANDERSON. And I do think there is a restraining influence in the debt limit. There are many of us who think the missiles program is going to get completely out of hand and you will never be able to get close to a balanced budget if we do not stop it before it gets out of hand.

When the able chairman of this committee and I sat in a briefing at the White House last December, I did not, I thought, get—it did not seem to me there were very good answers to the question of why we had to have several types of the same missile but just as soon as the Army got one, the Air Force and the Navy had to have one, and constantly the same thing takes place. I just do not believe we can afford all these things and we could cut them out as I think we ought to cut the many hundreds of million dollars out of the farm program, then we might get our fairly satisfactory balance in the future.

Senator WILLIAMS. Will the Senator yield for a question?

As I understand it you are for an advanced missile program, but as I understand it you do not want the debt ceiling to reach the moon ahead of the satellite.

Senator ANDERSON. I think the Senator from Delaware has it about right. I think if we would sit down and take a look at the missiles we would realize the problem that faced us in the constant development of these fancy missiles. I went to a briefing at the Army's area in the White Sands Proving Grounds. White Sands Proving Grounds is part of a proving ground that is used by the Army, the Navy, and the Air Force.

The Army has its installation at White Sands, and the Air Force has its installation at Holloman Airbase but they are a very few miles apart, air distance, and they are all using the same base steadily. I had just taken a very careful look at what I used to be the Ding Dong which became the Genie which now becomes the MB-1 and it is a very, very fine air-to-air missile.

It is an exceptionally good missile and everything that I think the Air Service could want, and I asked the briefer, the man who was in charge of the briefing to tell me what Army missile was equivalent to the Genie and he did not know what the Genie was.

I said "Well, then, tell me what the equivalent to the MB-1 is."

He did not know what the MB-1 was. He is almost 20 miles away from the base where it is fired steadily, but he had not heard of it. He is in another branch of the service.

There was a three-star general sitting beside me who came out from Washington to see the briefing went on all right. He had never heard of either one of them and, if we knew what the other branch of the service had, we might not make the requirement for a brandnew missile, just precisely the same task over and over again.

I honestly believe we can squeeze an awful lot of money out of the missiles programs and if we did we might be able to do what the chairman persuaded the Government to do before; namely, live within that debt limit.

Thank you, Mr. Chairman.

It is probably extraneous, but I cannot help but feel we can, possibly, save money.

The CHAIRMAN. Thank you Senator.

Senator WILLIAMS. Mr. Anderson, first, I want to say I realize your problem and am willing to go along with whatever increase in the debt ceiling may seem to be justified. But, in connection with arriving at that decision, I am wondering did the debt ceiling last—the fact that we let this temporary increase in debt ceiling of \$3 billion expire June 30, you remember; did the expiration of that temporary debt ceiling hinder Government expenditures during the past 6 months to such an extent that our defense preparedness lagged more than would have been the case had you had a greater leeway?

Do you think there was any cutback in such expenditures, based upon the fact that you did not have adequate leeway?

Secretary ANDERSON. Senator Williams, I would not be able to answer your question in detail. I would simply say to you that from time to time I have felt it incumbent upon me to call the attention, not only of the Department of Defense but of all the other departments of Government, that we were very close to the debt ceiling, and that, while we all realize that we must perform those functions which are essential to this country, we ought to perform them in the consciousness that we faced 1 or 2 alternatives, either that our expenditure programs not move forward so rapidly as to exhaust our balances, or we would have to face the problem of recalling the Congress to ask that the debt limit be increased.

Senator WILLIAMS. Do you think there was any cutback as a result of that feeling?

Secretary ANDERSON. Yes. I think there was some. I think there was some increased requirements for the investment of private capital on progress-payment contracts. And I think—

Senator WILLIAMS. Do you think the missile program was cut back as a result of that situation?

Secretary ANDERSON. I have no reason to say that I think the missile program was cut back; no, sir.

Senator WILLIAMS. Thank you.

The CHAIRMAN. I would like to say, in that connection, the White House admitted that the ceiling had nothing whatever to do with it.

Secretary ANDERSON. Yes.

The CHAIRMAN. With the situation regarding missiles.

Secretary ANDERSON. Yes.

Senator WILLIAMS. In order that we may find out about this, what have been the expenditures during this current fiscal year up to date in the military appropriations, military expenditures, and how do they compare with the expenditures for the preceding year for the same period?

Secretary ANDERSON. You are talking about cash expenditures?

Senator WILLIAMS. I am talking about cash expenditures; yes, sir.

Secretary ANDERSON. Let me get the Treasury report.

Senator WILLIAMS. As of the most recent date that you have, and what date is that?

Secretary ANDERSON. This is from July through December 31, 1957. For total military functions, July to December 1957, the expenditures were \$19,359 million.

Senator WILLIAMS. That is from July 1 until December 31?

Secretary ANDERSON. Yes, sir.

Senator WILLIAMS. All right.

Secretary ANDERSON. And the corresponding period for the fiscal year 1957, \$18,375 million.

Senator WILLIAMS. May I have those figures again?

Secretary ANDERSON. For the fiscal year 1958 to date, which would be the current fiscal year.

Senator WILLIAMS. Yes.

Secretary ANDERSON. \$19,358 million.

Senator WILLIAMS. Yes.

Secretary ANDERSON. And for the corresponding period in fiscal year 1957, \$18,375 million.

Senator WILLIAMS. In other words, you spent \$1 million more in the last 6 months of 1957 than you spent in the last 6 months of 1956 in the Military Establishment?

Secretary ANDERSON. Approximately \$1 billion; yes, sir.

Senator WILLIAMS. And you have spent more than if you had it?

Secretary ANDERSON. I do not know how much of an increase there would have been.

Senator WILLIAMS. If we act on the assumption that they held back, then the other line of reasoning is that you would have increased it over and above that extra billion; is that right?

Secretary ANDERSON. Well, you must remember that I would not be able to measure the total effect which the debt ceiling had in restraining those expenditures. Now, I will say this to you, that, shortly after coming into this Office, and shortly after Mr. McElroy assumed his responsibilities, there was some additional expenditure planned for the Department of Defense for the remainder of this fiscal year of about \$868 million.

Senator WILLIAMS. That is true.

But they will develop mostly in the next 6 months, will they not?

Secretary ANDERSON. For the most part.

Senator WILLIAMS. For the most part?

Secretary ANDERSON. Yes, sir.

Senator WILLIAMS. But for the last 6 months of last year were about a billion higher than the preceding year?

Secretary ANDERSON. At that rate; yes, sir.

Senator WILLIAMS. What is your cash on hand as of today, sir?

Secretary ANDERSON. It is about \$2 billion. We were just—

Senator WILLIAM. Here is the last report, January 16 report, which was about \$2.6 billion, if I remember correctly.

Secretary ANDERSON. On January 22, Federal Reserve funds were \$454 million, and tax and loans around \$1,345 million would be, the sum of those 2, about \$1.8 billion.

Senator WILLIAMS. May I have that report I just gave you there? Isn't this your net balance of all your accumulated right here, which would be \$2.6 billion?

Secretary ANDERSON. The Treasurer's balance figure which you are looking at was \$2.9 billion on January 22, Mr. Heffelfinger tells me, including uncollected balances—

Senator WILLIAMS. What was last year's figure?

Secretary ANDERSON. The actual figure on the left is Federal Reserve banks—

Senator WILLIAMS. How does that compare with the last year?

Secretary ANDERSON. Of the same date?

Senator WILLIAMS. The preceding year. Yes.

Secretary ANDERSON. January 15, 1957, approximately \$1.3 billion.

Senator WILLIAMS. And it is how much this year?

Secretary ANDERSON. Approximately \$2 billion.

Senator WILLIAMS. Approximately \$2 billion. In other words you have \$700 million more this year in cash than of a comparable date last year?

Secretary ANDERSON. That is correct, sir. The debt limit, of course, as you know, was \$3 billion higher then.

Senator WILLIAMS. Well, the fact you spent about a billion dollars more in the military than you spent in the comparable 6 months, the preceding 6 months, and your cash has increased by \$700 million and you have leeway in your national debt, I think, of about \$800 million, plus the drawing fund that you would have if you would sell some more FNMA mortgages, I think there has been adequate money to finance the payments of the debt during the past 6 months.

Secretary ANDERSON. Yes, we have made the payments.

Senator WILLIAMS. You have been able to make your payments and have not been squeezed necessarily?

Secretary ANDERSON. I would not say we have not been squeezed; we have been very close to the limit—within a few hundred million dollars of the limit.

Senator WILLIAMS. Do you think a greater leeway would have been easier to have floated long-term debt, given you more—

Secretary ANDERSON. Yes, I think it would, sir.

Senator WILLIAMS. You think it would.

How much long-term debt was floated during 1957?

Secretary ANDERSON. Well, we had in the latter part of 1957 two long issues. Two issues of a half-billion each—

Senator WILLIAMS. The point I am making is, those were both long-term issues and floated during the last half of 1957; weren't they?

Secretary ANDERSON. That is correct. They were in small amounts.

Senator WILLIAMS. And the debt ceiling expired on June 30?

Secretary ANDERSON. That is correct.

Senator WILLIAMS. In the preceding year in which you had the higher debt ceiling, the preceding fiscal year, were there any long-term bond issues floated?

Secretary ANDERSON. I do not think so.

Senator WILLIAMS. Were there any 2 years prior to that? 1954-55 were the last ones prior to this year?

Secretary ANDERSON. July of 1955.

Senator WILLIAMS. So I just wondered if really this debt ceiling had proved to be the handicap, because the only long-term issues that had been floated in the last 4 years were done after this lapsed in the last half of last year?

Secretary ANDERSON. Senator Williams, the point here is that market opportunities come from time to time in which you feel, first of



all, that the rate of interest at which money is procurable is reasonable, and, secondly, that there is money available for that kind of investments, where you could have some long-term investments.

Now then, what we are saying is that when those opportunities do present themselves, we want to be in a position and should be in a position, in our judgment, to take advantage of extending as much of the debt as we can.

Senator WILLIAMS. I think that is correct.

Secretary ANDERSON. Yes.

Now during the periods in which there is a great demand for investment funds from all kinds of industries, where interest rates are rising and where the availability of money is less, those opportunities simply do not present themselves.

Senator WILLIAMS. We were speaking a moment ago that some of the spending had been curtailed as a result of the ceiling?

Secretary ANDERSON. Yes.

Senator WILLIAMS. \$275 billion ceiling.

Do you know of any particular departments in which—or any specific projects which were curtailed?

Secretary ANDERSON. The only one that comes to mind immediately is the requirement by the Department of Defense of their contractors to invest, as I recall, about 5 percent more of their funds in the development of their materials which they were selling to the Government.

In other words, by reducing the amount of the progress payments which were being made.

Senator WILLIAMS. Is that order still in effect?

Secretary ANDERSON. So far as I know it is.

Senator WILLIAMS. If the debt ceiling were raised would it be reversed?

Secretary ANDERSON. No, sir.

Senator WILLIAMS. It would still remain in effect?

Secretary ANDERSON. It would remain in effect.

This, as I understand it, was a decision of a permanent policy by the Department of Defense.

Senator WILLIAMS. That was my understanding and it had no connection with the debt.

Secretary ANDERSON. Its timing may have had a connection with the debt ceiling.

Senator LONG. Might I ask that question be answered again because I am trying to follow the witness and I think it is a very important statement to the committee.

Secretary ANDERSON. Senator Long, if I get what you want answered again, it was the question that the Department of Defense has contracts in which it makes progress payments as work is performed and it was a decision of the Department of Defense that they would decrease the amount of progress payments that were made from time to time by something like 5 percent.

As the progress payments are decreased the manufacturer is then required to invest more of his own funds in the development of the materials up to the point that it is a finished airplane or a finished missile or whatever it is, and is delivered to the Government, at which time you pay it all off.

Senator LONG. So he gets just as much money but he must advance some of his own money, at least a higher percentage of his own money, in fulfilling his contract?

Secretary ANDERSON. That is correct.

Now, then, as Senator Williams asked, was this something that would be reversed if the debt ceiling were increased, and I said I do not think so.

I think it was there as a permanent policy.

Now, there is this side effect that the manufacturer, if he is on a cost-plus basis, will, of course, go into the market to get whatever additional funds he may need for his own investment, and then the cost of that additional money becomes a part of the cost of the finished product which, of course, is paid for at the time you get the final product.

Senator WILLIAMS. But the point I was making was that it was my understanding that was a policy and one which would be continued regardless?

Secretary ANDERSON. Yes, that is correct.

Senator WILLIAMS. And one which was inaugurated regardless of the situation?

Secretary ANDERSON. Yes.

The CHAIRMAN. You feel they were getting a larger percentage than they should be getting, I assume.

Secretary ANDERSON. It was the decision of the Department of Defense.

The CHAIRMAN. Based not upon the debt limit but because they thought that manufacturers were getting a larger percentage of their costs?

Secretary ANDERSON. Yes.

The CHAIRMAN. Before the article or whatever it was, was finished, is that correct?

Secretary ANDERSON. That is correct.

The CHAIRMAN. And that is the reason they changed the policy?

Secretary ANDERSON. I would think that the timing of the change was probably influenced by the tightness of our situation but that is correct.

Senator WILLIAMS. The question was raised by the chairman this morning as to the connection between deficit spending and inflation, and I think it was brought out that the dollar since 1913 had dropped, lost two-thirds of its value, was that correct?

Secretary ANDERSON. That is correct.

Senator WILLIAMS. And that one-third of the value was lost between the period of 1940 and 1946.

Is that correct?

Secretary ANDERSON. One-third of it?

Senator BENNETT. From—one-third of the value lost after 1913 was lost between 1946 and 1956, not 1940 and 1946.

Senator WILLIAMS. Yes, 1940 and 1956.

Senator BENNETT. Right.

Senator WILLIAMS. Now, my question was this, when was the other one-third lost?

Secretary ANDERSON. Well, this is the schedule right here.

Senator BENNETT. You cannot answer that question, John, because they kept shifting bases this morning.

Senator WILLIAMS. That is the reason I want to get on base, I got caught between, and if I read this chart on page 418 of this hearing right, and all of our talk this morning was centered around the 1939 dollar, was it not?

And you started back in 1913, the 1939 dollar, assuming that to be a hundred, was valued at 140 percent, is that correct?

Secretary ANDERSON. That would be correct, yes, sir.

Senator WILLIAMS. A dollar forty, and we lost—what was that worth in 1920, that dollar?

Secretary ANDERSON. I do not have the figure for 1920.

Senator WILLIAMS. It is on page 418, Mr. Anderson.

Senator BENNETT. It was worth seventy cents.

Secretary ANDERSON. Seventy cents, 69.3.

Senator WILLIAMS. In other words, we lost—the value of the dollar lost two-thirds of its value since 1913.

One-third of it was lost in the World War I period or that 8-year period and the other one-third was lost between the period of 1940 and up to the present time, is that right?

Secretary ANDERSON. Yes.

Senator WILLIAMS. And between those periods it was a relatively stable dollar.

In fact I think the dollar actually increased in value a little bit.

Secretary ANDERSON. During the period of the twenties it did increase.

Senator WILLIAMS. During the period of the twenties it increased in value?

Secretary ANDERSON. Yes, sir.

Senator WILLIAMS. And your drastic drop was in the two areas about half of it taking place from 1913 to 1920?

Secretary ANDERSON. That is correct.

Senator WILLIAMS. And the other half of the drop taking place beginning with 1940 and ending up to the present time, but the bulk of it ending in 1952 and 1953, isn't that correct?

Secretary ANDERSON. That is correct.

Senator WILLIAMS. I think this chart, we do not want to duplicate this, Mr. Chairman, if this was not the one incorporated in the record, I would like to see this same chart which appears on page 418 of the monetary hearings inserted in the record of this hearing.

Mr. MAYO. That particular chart has not yet been introduced in this record.

The CHAIRMAN. Without objection, it will be placed in the record at this point.

(The document is as follows:)

*Consumer prices and the purchasing power of the dollar, 1913 to date*

	Consumer prices (1947-49=100)	Purchasing power of the dollar			Consumer prices (1947-49=100)	Purchasing power of the dollar	
		1939=\$1	1934=\$1			1939=\$1	1934=\$1
Calendar year averages:				Calendar year averages—Con.			
1913.....	42.3	\$1.404	\$1.351	1937.....	61.4	\$0.967	\$0.932
1914.....	42.9	1.385	1.333	1938.....	60.3	.985	.949
1915.....	43.4	1.368	1.318	1939.....	59.4	1.000	.963
1916.....	46.6	1.274	1.227	1940.....	59.9	.992	.955
1917.....	54.8	1.083	1.044	1941.....	62.9	.944	.909
1918.....	64.3	.924	.890	1942.....	69.7	.852	.820
1919.....	74.0	.803	.773	1943.....	74.0	.803	.773
1920.....	85.7	.693	.668	1944.....	75.2	.790	.764
1921.....	76.4	.778	.749	1945.....	76.9	.772	.744
1922.....	71.6	.830	.799	1946.....	83.4	.712	.686
1923.....	72.9	.815	.785	1947.....	95.5	.622	.599
1924.....	73.1	.812	.782	1948.....	102.8	.578	.556
1925.....	75.0	.792	.763	1949.....	101.8	.583	.562
1926.....	75.6	.786	.756	1950.....	102.8	.578	.556
1927.....	74.2	.801	.771	1951.....	111.0	.535	.515
1928.....	73.3	.810	.781	1952.....	113.5	.523	.504
1929.....	73.3	.810	.781	1953.....	114.4	.519	.500
1930.....	71.4	.832	.801	1954.....	114.8	.517	.498
1931.....	65.0	.914	.880	1955.....	114.5	.519	.500
1932.....	58.4	1.017	.979	1956.....	116.2	.511	.492
1933.....	55.3	1.074	1.034	Months:			
1934.....	57.2	1.038	1.000	May 1956.....	115.4	.515	.495
1935.....	58.7	1.012	.975	May 1957.....	119.6	.497	.478
1936.....	59.3	1.002	.964				

Source: Department of Labor and derived computations.

Senator WILLIAMS. Because it does give a complete breakdown from the year 1913 all the way through, and I am like the chairman, I cannot help but feel that there is a decided connection between deficit spending and the value of the currency, and in speaking of the value of the dollar, the question was raised about it being impracticable to roll it back to the 1939 level.

Have you heard any suggestion of anyone connected with the administration or anyone connected with the Government of trying to roll it back?

Secretary ANDERSON. No, sir.

Senator WILLIAMS. Isn't the concern to hold it stable?

Secretary ANDERSON. I think the concern is to be sure it does not depreciate further.

Senator WILLIAMS. Just for the record, do you in studying the historical record of other countries in dealing with inflation, do you know of any country in which there has been serious or catastrophic inflation developed that such a catastrophe was not first preceded by a series of unbalanced budgets?

Secretary ANDERSON. Well, my recollections of the details of the history would be such that I would not want to say this categorically. I am sure that imbalance in payments has been a characteristic of those countries in which there has been great inflation. It has always has been a contributing factor substantially.

Senator WILLIAMS. And you feel that in order to manage this debt you would need the full 5 billion, do you, Mr. Secretary?

Secretary ANDERSON. Senator Williams, I honestly do. I have studied the problem as conscientiously as I can from the standpoint of trying to be modest about the increase.

As I said to the chairman earlier, certainly we can pay the bills of the Government with something less than this, if the expenditures do not radically exceed those we anticipate and if the revenues are collected at something approximating the rates which we are assuming.

I do not want to jeopardize any savings that can be made in this country. I would simply emphasize that we have three considerations: One, the maintenance of reasonable balances to pay our debts.

Two, the maintenance of sufficient margins of flexibility that we can take full advantages of all opportunities that come to get the debt in better balance.

And, finally, to have a reasonably prudent amount which we can call upon for contingencies.

Now the minds of men can differ. This is not an effort to make my job easy, but it is something that we have tried to regard as a modest approach to our problem.

Senator WILLIAMS. I might say that I recognize our responsibility to give you the means whereby you could manage the debt and pay the bills, and it is our responsibility here to give consideration to that at the time we authorize those expenditures.

Secretary ANDERSON. Surely.

Senator WILLIAMS. And not pass it on to you, the responsibility.

But how would you feel about using, say we had this 4 or 5 billion dollar debt, using a portion of that leeway to finance a tax reduction?

Secretary ANDERSON. Well——

Senator WILLIAMS. In other words, I will put the question this way: Do you, I think there is a question which has been raised as to whether you would favor tax reduction under certain circumstances?

Secretary ANDERSON. Yes.

Senator WILLIAMS. Well, suppose we had a circumstance where we were operating at a deficit, which we would be if there was a period of high unemployment.

Would you further that and utilize a portion of this national-debt leeway to finance a tax reduction in such a period as that?

Secretary ANDERSON. Senator Williams, the point at which the debt ceiling would be set would not be the determining factor in my own judgment, as to the advisability of tax reductions.

As a matter of my own thinking, I believe that we ought, so far as it is possible, to pay for our current expenditures out of current earnings and particularly at a time when the operation of the economy is at relatively high levels, it is undesirable to add to the debt and to the burdens of future generations.

I have said, however, that it is conceivable to me that economic circumstances might be such as to warrant the utilization of a reduction in taxes as a fiscal instrument to improve the growth and development of the economy of the country.

I do not believe that that time is here now.

I would arrive at that judgment more by the conditions of the economy than I would by the debt limit.

Senator WILLIAMS. Should such an event arise wherein you felt that the tax reduction under those circumstances was justified, would your request have to be accompanied with a corresponding increase in the debt to finance that or would you have adequate leeway under this 5 billion to do it, assuming it came this year?

Secretary ANDERSON. Of course that would be a question that would be dependent upon the size of any reduction, but if the expenditures remained relatively high—

Senator WILLIAMS. You could not get much of a tax reduction of less than \$2 billion for it to do anybody any good?

Secretary ANDERSON. If the expenditures were going to be high and the revenues were going to be low and you were going to have a tax reduction—and utilize it as a fiscal instrument—then you would have to have more increase in the debt ceiling in order to borrow the money to accomplish it.

You would have to tie the two together.

Senator WILLIAMS. In other words, I saw the question raised and the reason I was bringing it up, was I saw the suggestion made that one purpose of getting this \$5 billion was to get the necessary leeway for a couple of billion dollars tax reduction if later on it was decided upon. I did not think it was true but I wanted to get it on the record.

Secretary ANDERSON. It has not gone into our thinking, Senator.

Senator WILLIAMS. It was not. If there was such a tax reduction authorized later it would be accompanied by an increase corresponding in the debt?

Secretary ANDERSON. It would if expenditures remained at a high level.

Senator WILLIAMS. And you think this is needed for any program other than that?

Secretary ANDERSON. That is our judgment, sir.

Senator WILLIAMS. I have no further questions.

The CHAIRMAN. Senator Frear?

If you will pardon the Chair for just one moment.

I would like Senator Douglas' attention to this because he took a great interest in this—in 1953 at the time of the first request for the increased debt limit, one of the reasons, I think, why the Senate Finance Committee rejected it was the high balances on hand?

Secretary ANDERSON. Yes, sir.

The CHAIRMAN. And I see that on January 9, 1958 you submitted to me a statement that indicates that at certain periods you expect to have \$5 billion and \$6 billion on hand which is not drawing interest and deposited in banks.

What assurance has the committee got that you will not have over \$3 billion on hand?

Secretary ANDERSON. These are figures which relate to the middle and the end of each month, and there will, Senator Byrd, be fluctuations between those periods, both up and down.

There will be periods in which it will be in excess and there will be periods when it will be lower, and the \$3.5 billion is an arbitrary balance.

I would not by any means want to represent——

The CHAIRMAN. It may be \$6 billion or \$7 billion.

Secretary ANDERSON. It could because the shift would be very great.

The CHAIRMAN. That is in the banks without any interest paid on it?

Senator Douglas will recall there was a very great debate in the Senate, and that makes the possibility of it that much greater if you get the full amount of the increase that you ask for.

Secretary ANDERSON. There are those fluctuations and they come in particularly when there is a heavy taxpaying period, and then the balances decline as you have noted into relatively small figures, even within the 2 weeks period.

The CHAIRMAN. Senator Douglas, do you have any questions on this?

Senator DOUGLAS. I took the figures of the New York clearing house which are weekly figures on the Government balances. I took them from the New York Times over a period of some years, from 1953 through early 1957 for each of the banks and I put them into the Congressional Record, I believe last year, with the letters A, B, C, et cetera for the banks rather than specifically identifying the banks.

I can only say that in some banks the balances never fell below many millions of dollars. Even during the weeks of the greatest withdrawals there would still be a balance in some banks running into the millions of dollars. When I took the lowest figure for each bank, i. e., the lowest figure of bank A, during this period of years, and the lowest figure for all of them in any week during this period of years and totaled them the result was a very large sum of interest-free deposits.

I think, I mentioned to you privately when you were confirmed last summer, my concern about this matter. We now have some tentative figures for clearinghouses of other cities and this whole question I think is a very serious one.

Secretary ANDERSON. Senator Douglas, I do not have your concern about this situation. In the last few weeks Mr. Baird and I have had 2 or 3 conversations with Mr. Campbell. We have been studying it, and there are these considerations, among others: The balances are spread over about 11,000 banks in the country. They run from periods during which they are relatively high to periods when they are fairly low.

I think I said in my testimony to the House Ways and Means Committee that sometime in February we expect all of the balances in the country that are in the hands of the banks, uncalled for, that is uncommitted, to get down possibly as low as \$250 million or \$275 million.

Senator DOUGLAS. You mean the total?

Secretary ANDERSON. Yes, sir; the uncalled balances.

The CHAIRMAN. That would not be true if you increased the debt limit?

Secretary ANDERSON. I beg pardon, sir.

The CHAIRMAN. That would not be the case if there were an increase in the debt limit.

Secretary ANDERSON. No, sir; if we had some additional borrowings, it would not. This would be one of these tight periods.

Senator DOUGLAS. I am not maintaining that you should keep the total deposits down to \$275 million.

Secretary ANDERSON. I know that.

Senator DOUGLAS. I agree that would be a dangerous point. But I am merely reenforcing what Senator Byrd pointed out at the time, namely, that you have billions of dollars of deposits in banks, and while it is true that small banks have small amounts, it is also true that big banks have tremendous amounts and this is interest-free money.

As practical men we know that one of the great abuses in banking is the use of interest from deposits of public funds—of local funds, county funds, and State funds. I believe we have had some experiences in Illinois in this respect and this is a political football.

I do not say nationally, but I mean locally.

As I understood it the justification that was originally advanced so far as the interest-free deposit of national funds is concerned, was that it would merely offset the unpaid services which banks performed for the Government, and during the period of the war, I quite well grant that they did perform a great many unpaid services in the floating of bonds and so forth and so on.

But certainly the volume of these unpaid services has declined as we have moved away from war emergency into a financial situation which has become approximately stabilized.

If you go into this matter, as you apparently are doing, I think you will find that there are real opportunities, either of cutting down the total balances or if you insist on depositing them to have some of them, at least, in time deposits on which interest could be collected.

Secretary ANDERSON. Senator, there are 2 or 3 other factors that we are weighing. One of them is that most of these deposits simply represent a shift in the deposits from their other customers to the tax and loan accounts.

In other words, in the process of tax collections, in the process of buying securities, there is a shift from a demand deposit of a customer who either pays his tax or who buys a Government security so that it is shifted from the customer's account over to the tax and loan account until it is called for.

If you took the same total deposits in banks during those periods, there would not be very much change. They are both on demand, the customer's account is on demand until he buys the security, or until he pays the tax.

The money is then shifted by the bank over into the tax and loan accounts which is the same money in the same bank. It is in a different account now. It is on demand because it is on our demand.

Senator DOUGLAS. Yes; but there is a very large hard core of the deposits which you never demand. I think if you would take the record say of a hundred leading banks in the country—I won't say to take the records of 11,000 banks—but take the records of a hundred leading banks in the country and see what was the lowest weekly deposit for each, and then get the totals.

Secretary ANDERSON. I don't think we have it on the full hundred.

Senator DOUGLAS. As I say, I will submit a tear sheet in the record on this material I put in on the New York banks.



Weekly statistics on United States deposits in selected New York banks, January 1953 to August 1955

[In thousands]

Date	A	B	C	D	E	F	G	H	I	J	K
1953											
Jan. 7	\$17,260	\$29,493	\$149,462	\$77,732	\$112,322	\$58,239	\$63,318	\$16,229	\$39,341	\$61,773	\$149,028
14	14,186	23,891	102,605	61,697	69,924	47,604	36,205	14,376	23,851	45,512	95,849
21	12,384	21,775	94,839	53,588	61,126	49,241	34,485	13,723	20,376	39,692	83,029
28	12,444	21,745	94,861	52,292	59,619	53,095	34,659	14,116	20,681	38,806	83,562
Feb. 4	12,621	23,971	97,201	59,198	73,121	57,231	36,678	15,674	26,648	43,455	101,239
11	12,881	25,328	97,321	61,631	77,695	60,223	37,989	16,914	27,999	45,866	109,775
18	13,826	33,592	109,788	68,952	97,165	71,053	45,102	21,615	32,293	51,309	130,649
25	13,098	35,113	110,037	67,135	95,443	73,069	49,635	22,412	31,071	49,671	130,096
Mar. 4	11,038	31,569	100,088	59,562	82,609	72,574	43,584	20,940	26,599	43,488	115,522
11	7,960	23,762	81,252	43,781	58,113	58,498	31,101	1,649	18,268	32,061	84,674
18	7,072	23,937	108,007	47,056	67,243	53,397	42,849	17,144	21,228	35,184	98,719
25	11,260	32,788	243,598	89,650	139,206	81,981	111,981	22,150	47,772	65,506	216,051
Apr. 1	9,876	35,715	220,306	96,616	123,705	79,645	94,679	21,395	45,049	58,350	205,363
8	7,994	30,271	150,410	76,727	85,745	65,569	64,141	18,704	31,292	42,307	153,982
15	6,010	24,177	104,271	49,373	56,133	53,859	40,008	18,230	18,859	29,813	105,019
22	4,625	18,437	79,990	30,855	37,641	51,589	31,179	16,684	11,454	21,106	71,693
29	3,106	12,458	59,283	20,748	25,561	38,138	21,914	11,256	8,477	14,309	52,517
May 6	15,322	18,149	94,982	53,761	83,335	40,528	30,484	11,681	25,992	22,377	107,177
13	15,439	17,026	90,563	49,392	79,401	34,405	24,315	10,014	22,672	19,691	98,975
20	9,336	20,078	80,118	42,167	65,338	42,023	24,143	12,234	27,429	20,718	107,477
27	6,373	18,526	69,560	36,381	49,510	39,997	25,151	11,804	26,651	17,535	94,313
June 3	6,649	11,275	60,795	23,155	25,179	33,135	14,311	8,047	18,704	10,576	61,592
10	18,610		90,852	14,100	13,159	43,416	8,579	5,595	27,032	6,012	64,602
17	9,418	15,832	79,977	26,657	24,077	33,190	15,302	8,352	20,819	12,749	57,487
24	7,326	24,857	134,057	50,231	70,847	50,987	46,002	13,009	44,927	29,962	115,736
July 1	8,919	27,122	155,528	63,912	99,763	62,871	68,854	13,525	41,605	38,409	143,778
8	5,853	22,998	110,753	49,666	58,105	49,451	40,460	12,045	23,138	25,871	91,993
15	11,360	29,546	139,296	48,040	79,450	52,349	39,828	13,206	69,311	39,558	117,476
22	40,049	83,654	378,434	109,783	267,421	128,578	126,972	25,991	214,199	137,657	357,741
29	35,845	75,225	342,872	98,942	239,434	117,459	114,869	23,977	193,471	124,200	327,733
Aug. 5	32,492	71,109	316,553	98,041	229,371	110,037	107,376	22,833	179,116	117,213	317,460
12	28,035	63,163	277,951	92,720	207,298	100,269	94,604	21,970	154,903	103,153	283,885
19	24,763	61,554	261,248	98,048	206,560	107,028	92,537	24,155	137,490	96,965	281,882
26	23,445	61,170	252,694	104,736	206,428	106,377	95,648	24,942	128,853	100,425	281,479
Sept. 2	20,875	56,193	252,548	111,138	201,503	99,887	90,993	24,019	118,167	103,559	268,603
9	16,208	44,485	228,800	102,645	185,336	82,646	76,415	19,950	103,502	88,737	235,711
16	13,378	39,687	205,277	91,709	164,004	74,778	64,984	19,821	97,121	77,635	208,619
23	12,065	40,126	201,967	92,112	173,162	81,341	86,930	21,067	85,114	75,001	222,688
30	12,157	43,860	336,274	107,048	239,637	82,627	93,047	23,181	83,767	74,689	253,937
Oct. 7	10,268	40,638	314,541	105,624	213,770	76,868	82,318	24,030	81,117	68,320	230,032
14	7,710	31,008	245,181	82,069	159,787	59,774	60,714	19,566	59,702	51,485	204,392
21	6,424	25,651	203,425	67,983	149,816	46,031	52,967	16,084	53,981	37,736	192,506
28	7,377	20,779	161,861	68,358	126,377	41,734	48,285	12,924	45,699	29,672	162,657

DEBT CEILING INCREASE

Nov.	4	6,771	19,496	151,439	77,384	126,666	40,603	46,239	12,609	48,138	31,716	155,440
	10	19,735	34,393	168,788	87,737	146,610	54,355	58,746	15,054	63,429	45,672	191,289
	18	28,486	54,750	207,475	103,270	175,034	77,039	74,850	21,218	81,330	64,237	244,679
	24	25,694	53,655	195,297	96,411	159,912	79,380	73,217	21,945	73,472	60,700	223,978
Dec.	21											
	9	13,579	32,512	145,541	65,228	96,944	62,245	52,488	16,061	43,501	37,650	144,057
	16	8,582	24,478	115,253	48,988	67,400	55,492	37,555	14,159	29,888	20,117	104,411
	23	8,056	27,472	115,650	50,726	65,784	59,963	42,664	16,242	29,732	31,344	104,793
	30	8,263	27,888	120,833	51,610	65,833	61,596	44,208	17,814	29,414	32,198	107,070
1954												
Jan.	6	7,438	24,662	125,254	50,800	63,544	55,947	41,821	16,295	26,303	37,456	100,899
	13	4,784	16,829	96,953	35,066	42,656	39,438	29,251	11,858	16,597	27,872	68,557
	20	4,642	16,865	95,798	34,842	42,228	44,053	30,042	12,513	16,363	27,915	67,442
	27	4,570	17,081	95,904	34,748	41,688	45,680	31,999	13,037	17,067	27,821	68,806
Feb.	3	5,184	18,628	103,658	46,383	54,134	46,825	32,969	13,121	22,898	35,035	88,858
	10	5,648	18,273	97,176	46,596	55,124	44,284	32,030	12,981	24,377	34,685	88,226
	17	6,561	23,945	107,186	55,307	62,940	55,311	38,189	16,546	28,745	40,645	107,015
	24	7,364	26,878	112,382	57,124	69,023	63,781	44,712	18,320	29,979	42,032	112,667
Mar.	3	6,196	24,330	117,011	60,457	68,789	63,870	43,214	21,296	28,224	38,506	104,876
	10	4,170	17,218	93,644	46,364	49,372	49,844	33,492	17,870	19,096	27,191	74,749
	17	5,430	21,751	100,678	54,545	60,423	56,419	36,894	19,243	21,183	32,227	88,199
	24	8,962	34,110	157,923	78,193	108,627	76,455	92,040	25,132	36,812	53,399	171,701
	31	10,445	38,727	167,856	87,942	114,205	74,962	96,362	24,952	35,974	55,521	187,053
Apr.	7	9,903	39,778	173,073	91,855	110,382	78,972	86,210	24,718	34,545	50,985	178,727
	14	6,874	28,274	119,824	66,481	69,072	65,113	47,068	19,712	21,586	31,592	108,866
	21	5,779	22,850	101,841	53,995	51,661	56,592	38,812	16,503	16,153	24,694	83,888
	28	8,941	19,189	92,532	76,581	43,569	51,111	35,145	14,570	42,986	22,732	77,307
May	5	12,695	14,932	94,780	112,394	52,943	41,784	33,091	16,129	86,725	26,584	86,719
	12	8,112	9,416	79,827	73,713	40,384	25,571	24,224	13,153	58,731	20,116	59,377
	19	20,388	29,837	128,502	92,754	98,454	52,474	42,302	20,823	66,085	45,664	96,167
	26	28,014	41,385	156,283	99,306	128,537	72,633	54,892	23,477	69,556	58,827	175,581
June	2	23,637	37,000	158,625	89,875	119,719	71,509	51,878	21,140	59,840	58,138	160,712
	9	15,889	23,931	132,202	67,215	88,872	56,467	39,390	16,352	41,931	45,348	118,863
	16	9,469	20,356	106,683	47,917	58,805	42,405	26,163	13,040	26,720	33,340	83,028
	23	7,087	23,643	123,619	51,381	74,057	47,447	57,874	12,940	34,131	32,949	111,683
	30	9,121	33,434	196,364	86,029	137,242	71,699	90,924	17,318	47,831	50,454	197,977
July	7	10,277	35,721	216,451	94,891	145,540	75,855	93,826	20,365	50,885	54,998	208,387
	14	8,516	30,050	170,060	72,274	99,550	63,985	64,853	19,073	37,022	43,333	145,476
	21	6,903	24,776	133,547	54,477	67,049	52,346	48,358	17,222	26,742	34,490	100,495
	28	5,588	20,148	115,647	44,582	51,914	44,296	41,293	14,516	22,894	28,274	82,211
Aug.	4	10,545	29,650	166,454	74,805	124,695	58,588	53,950	15,991	47,150	51,425	167,507
	11	13,594	34,157	196,174	86,731	165,388	68,488	59,949	15,368	58,080	61,878	212,691
	18	14,084	37,627	197,377	88,853	167,660	73,269	61,507	19,435	56,478	64,008	210,760
	25	13,196	37,858	182,044	83,442	154,341	72,839	62,160	21,032	51,647	59,456	193,582
Sept.	1	11,260	34,674	168,168	76,815	137,208	76,859	58,342	20,458	45,402	55,982	172,016
	8	9,233	29,905	154,499	68,340	117,988	70,740	54,173	18,124	38,477	52,214	147,853
1953												
	15	6,900	23,342	128,282	52,542	85,403	56,059	38,959	15,417	28,572	40,683	110,108
	22	7,946	25,877	128,537	58,759	79,842	61,161	43,559	17,691	29,964	40,806	110,906
	29	7,978	26,729	132,760	58,816	78,474	63,665	44,705	19,027	29,405	41,103	113,679
Oct.	6	22,221	61,350	197,377	119,322	186,475	90,239	78,985	26,042	73,781	72,145	210,449
	13	30,470	79,668	288,163	142,039	239,115	96,290	92,144	27,957	95,683	83,847	248,021
	20	27,986	70,731	261,580	148,638	207,535	86,838	82,851	82,779	72,413	216,573	167,805
	27	24,807	62,277	236,888	131,237	179,767	77,618	75,193	72,468	63,467	192,697	146,580

See footnotes at end of table.

## Weekly statistics on United States deposits in selected New York banks, January 1953 to August 1955—Continued

(In thousands)

Date	A	B	C	D	E	F	G	H	I	J	K
Nov. 3	\$21,822	\$58,113	\$225,601	\$131,311	\$172,277	\$72,845	\$69,381	(?)	\$72,242	\$80,785	\$186,970
9	20,275	55,444	212,470	128,723	166,133	70,731	67,269	-----	70,659	58,711	181,675
17	27,343	58,773	238,404	134,442	179,174	79,132	66,310	-----	82,679	68,252	191,390
23	29,124	57,096	229,230	126,883	165,048	78,959	64,992	-----	78,806	66,417	181,258
Dec. 1	26,232	52,768	214,208	122,009	150,051	77,010	62,165	-----	62,165	64,725	173,183
8	21,673	45,844	193,649	110,386	129,575	71,743	55,618	-----	60,363	61,142	155,629
15	17,078	38,490	166,450	94,881	105,013	63,248	44,765	-----	48,310	51,830	130,561
22	13,970	36,151	146,209	88,008	88,441	59,450	45,317	-----	40,560	46,456	118,187
29	11,812	31,969	136,125	77,907	74,339	54,433	41,807	-----	33,800	40,774	104,099
1955											
Jan. 5	9,028	26,721	132,091	75,524	67,806	49,926	42,345	-----	27,841	34,638	91,042
12	6,096	18,037	103,070	54,395	47,134	36,896	30,446	-----	18,197	23,419	63,005
19	4,960	13,703	86,393	39,083	33,025	29,369	23,848	-----	12,189	16,865	48,336
26	8,789	14,458	95,012	42,336	60,264	34,839	27,112	-----	22,991	26,594	61,476
Feb. 2	8,693	17,790	111,819	52,018	78,985	37,709	32,539	-----	29,688	32,214	82,284
9	7,992	18,221	115,839	55,905	82,863	38,571	35,006	-----	31,404	33,160	89,634
16	8,130	21,863	123,174	62,436	83,311	44,296	35,663	-----	32,848	35,680	97,590
23	8,497	25,590	126,184	71,690	80,277	49,024	42,657	-----	30,713	37,548	103,073
Mar. 2	7,368	24,515	128,696	72,329	78,672	51,456	42,679	-----	29,349	40,056	103,323
9	5,365	19,597	119,467	66,878	64,272	47,990	35,159	-----	24,700	35,614	86,491
16	4,491	19,200	114,501	61,249	56,318	46,697	29,674	-----	22,714	34,743	84,231
23	6,640	31,053	157,674	80,332	74,676	58,346	48,945	-----	30,013	46,313	126,127
30	5,282	27,330	154,059	69,931	63,387	48,921	42,986	-----	39,563	113,268	43,633
Apr. 6	12,551	( <sup>1</sup> )	325,107	142,665	199,439	84,811	88,630	-----	88,690	138,610	302,162
13	12,380	-----	314,838	130,551	197,743	77,635	82,866	-----	85,089	153,024	277,837
20	10,378	-----	261,624	105,838	157,660	64,184	70,339	-----	( <sup>1</sup> )	68,420	224,795
27	9,850	-----	246,127	101,066	144,631	61,490	69,330	-----	-----	64,154	212,675
May 4	11,361	-----	262,786	113,952	163,623	67,215	79,975	-----	-----	71,542	238,159
11	10,840	-----	248,825	109,458	155,929	65,446	78,783	-----	-----	67,867	233,117
18	13,329	-----	232,058	104,096	155,909	68,370	75,628	-----	-----	57,667	262,523
25	17,536	-----	213,807	100,432	158,875	67,114	67,700	-----	-----	44,204	321,250
June 1	15,098	-----	198,317	95,465	139,040	66,360	60,005	-----	-----	44,765	288,617
8	10,924	-----	174,017	80,779	106,941	59,156	56,618	-----	-----	41,418	222,741
15	6,276	-----	134,855	60,639	67,051	45,752	34,594	-----	-----	31,682	142,099
22	5,953	-----	151,084	72,421	75,998	51,999	41,177	-----	-----	35,583	148,147
29	7,807	-----	198,804	82,571	104,514	38,202	61,321	-----	-----	45,407	200,633
July 6	8,040	-----	223,660	98,840	116,158	66,685	65,574	-----	-----	55,602	203,707
13	5,393	-----	160,504	76,765	78,125	53,207	43,156	-----	-----	39,563	136,504
20	8,317	-----	227,773	86,736	122,415	63,233	50,866	-----	-----	49,180	209,956
27	14,032	-----	293,095	105,874	164,017	70,787	101,910	-----	-----	58,593	333,922
Aug. 3	11,871	-----	268,798	107,108	155,373	58,202	90,545	-----	-----	54,512	299,612
10	8,852	-----	222,503	93,070	130,289	52,887	75,629	-----	-----	45,404	241,911

<sup>1</sup> No listing was made for the week due to newspaper strike.<sup>2</sup> Merged with bank D.<sup>3</sup> Merged with bank K.<sup>4</sup> Merged with bank C.

Source: New York Times.

Weekly statistics on United States deposits in selected New York banks, Aug. 17, 1955, through Sept. 5, 1956

{In thousands}

Date	A	C	D	E	F	G	J	K	L	M	N	O	P	Q	R	Total
1955																
Aug. 17	\$8,798	\$203,322	\$92,222	\$120,242	\$56,574	\$66,581	\$45,623	\$225,177	\$102,999	\$17,532	\$35,614	\$71,227	\$4,858	\$5,303	\$3,834	\$1,059,906
24	8,558	186,584	90,008	107,297	57,869	63,165	43,486	210,197	96,291	16,877	36,056	57,540	3,789	4,606	2,982	985,305
31	8,259	180,910	88,792	103,127	59,415	61,659	44,538	202,180	92,907	17,670	34,283	54,370	3,568	4,389	2,957	959,024
Sept. 7	6,937	174,489	81,805	94,554	57,687	59,210	47,390	180,015	80,966	16,329	28,117	50,797	2,814	3,488	2,508	887,106
14	4,876	133,452	59,281	64,419	44,829	40,916	36,180	126,677	56,188	12,455	18,614	35,003	1,788	2,679	1,652	639,009
21	4,053	112,026	55,068	51,507	41,264	33,742	30,717	101,521	48,439	12,273	17,629	17,462	1,213	2,375	872	530,161
28	4,393	130,042	67,164	64,247	50,994	45,061	37,649	130,477	60,271	12,583	21,609	22,562	1,202	2,445	855	651,554
Oct. 5	4,286	152,699	84,558	72,129	57,386	53,116	40,144	146,469	66,500	13,213	22,135	29,469	1,105	2,253	857	746,319
11	7,663	167,616	83,017	80,770	54,106	57,656	38,372	146,602	74,855	14,179	24,878	45,014	3,569	3,396	2,571	804,264
18	13,414	259,348	114,781	147,542	71,213	94,733	55,765	230,475	134,715	25,114	49,962	100,758	11,469	8,227	8,128	1,325,644
26	11,562	222,682	96,152	124,284	59,312	81,289	46,785	195,284	113,534	21,607	45,675	85,322	9,863	7,094	6,989	1,127,434
1955																
Nov. 2	9,927	209,751	92,667	121,685	57,457	72,136	46,834	183,520	107,908	19,634	41,321	77,358	7,998	5,859	5,664	1,059,710
9	7,866	185,882	84,205	109,276	50,340	60,415	41,180	159,267	94,769	16,046	33,669	64,424	5,771	4,454	4,063	921,627
16	7,441	184,428	83,515	104,829	55,466	53,809	41,945	161,943	92,373	16,547	33,531	58,206	4,467	4,359	3,243	906,162
22	8,582	186,954	88,261	104,466	60,797	58,853	44,229	168,074	94,125	17,326	34,613	54,675	4,103	4,271	2,838	932,167
30	7,785	172,306	81,844	92,227	58,044	54,419	42,007	153,840	84,251	16,005	30,745	47,109	3,540	3,873	2,407	850,402
Dec. 7	5,521	152,818	75,259	69,658	51,950	45,127	39,674	129,783	63,156	12,022	24,505	35,511	2,234	3,164	1,480	711,282
14	3,410	114,882	54,352	40,756	39,721	26,904	27,666	85,493	37,869	7,767	15,591	19,528	1,049	2,309	635	477,932
21	33,199	159,411	52,586	165,833	42,922	22,221	36,881	86,106	31,518	23,766	15,858	50,786	995	4,466	3,268	729,816
28	31,050	150,806	53,679	154,894	43,304	25,400	36,005	87,355	33,073	22,113	15,767	46,870	888	4,168	2,948	708,320
1956																
Jan. 4	22,713	156,116	63,427	147,143	44,315	31,363	36,859	95,915	38,532	16,968	14,956	45,579	650	3,205	2,141	719,882
11	12,231	113,659	46,389	75,378	28,447	23,792	21,414	64,236	26,662	9,695	7,200	26,815	410	1,787	1,133	459,248
18	3,278	78,923	28,538	32,361	20,417	17,290	12,104	42,908	17,606	3,550	3,534	12,998	169	505	238	274,419
25	1,941	62,845	23,620	21,444	17,580	17,040	9,715	36,538	13,210	2,679	2,637	8,194	119	295	96	217,953
Feb. 1	2,597	73,719	35,088	33,212	21,668	21,562	15,273	57,427	22,249	4,073	4,316	13,526	544	586	172	306,012
8	2,932	86,439	42,874	46,178	25,268	24,386	19,370	30,122	5,165	6,906	19,941	1,209	1,078	257	382,446	
15	2,523	81,090	40,756	40,343	29,159	17,911	17,524	68,994	32,237	6,165	9,641	15,706	1,026	1,807	180	365,062
21	3,996	101,344	60,582	52,659	45,374	31,807	27,555	101,817	50,530	9,122	17,808	18,358	687	2,341	110	524,070
29	3,881	114,949	67,791	57,948	51,078	36,617	32,153	112,292	54,870	9,082	19,696	21,643	598	2,193	400	585,191
Mar. 7	2,985	123,295	69,290	57,572	51,392	35,316	37,616	108,150	56,124	8,209	18,928	24,741	461	1,840	536	596,455
14	3,783	90,022	45,731	32,554	38,751	19,375	26,278	69,477	36,337	6,088	12,000	14,798	229	1,755	283	397,461
21	8,602	89,768	88,949	89,560	68,009	58,676	58,558	165,168	96,013	14,869	34,201	34,273	446	3,037	232	910,161
28	10,692	275,236	121,762	138,917	85,977	92,685	85,808	264,696	152,383	19,521	50,884	58,135	632	3,490	201	1,361,049
Apr. 4	9,433	263,848	116,514	126,492	87,572	73,064	74,827	250,689	134,173	19,035	44,909	61,484	500	3,753	321	1,266,674
11	6,289	194,415	83,839	87,030	50,458	61,861	50,938	170,926	89,379	12,983	28,528	45,510	414	2,652	285	885,507
18	5,585	168,113	71,910	72,117	43,764	53,007	44,080	142,220	74,516	11,135	22,647	37,997	345	2,159	239	749,834
25	6,050	166,357	73,316	73,551	44,996	57,600	43,772	144,415	73,938	11,591	22,728	37,155	346	2,572	239	758,626

DEBIT CEILING INCREASE

## Weekly statistics on United States deposits in selected New York banks, Aug. 17, 1955, through Sept. 5, 1956—Continued

[In thousands]

Date	A	C	D	E	F	G	J	K	L	M	N	O	P	Q	R	Total
May 2	\$7,204	\$211,848	\$99,153	\$109,888	\$56,640	\$75,034	\$59,772	\$194,246	\$96,953	\$16,435	\$30,489	\$54,011	\$356	\$3,285	\$252	\$1,015,566
9	7,146	211,294	100,860	114,211	56,933	75,763	60,125	197,276	97,787	17,894	30,318	57,162	337	3,285	209	1,030,600
16	37,490	203,094	104,211	113,642	64,015	71,099	59,523	204,163	97,997	19,455	32,770	51,815	319	3,948	184	1,033,725
23	8,570	206,321	115,909	120,624	73,041	78,471	62,511	218,948	105,442	20,706	37,624	48,409	298	4,306	167	1,101,347
29	7,995	207,349	116,518	119,627	74,607	78,833	62,041	220,463	107,361	19,208	37,375	47,498	268	3,966	149	1,103,258
June 6	8,168	180,388	98,781	93,456	63,606	59,686	54,076	175,610	85,480	18,210	27,286	40,844	248	3,364	121	999,324
13	6,770	128,071	66,861	58,886	46,169	36,536	36,560	113,646	56,826	13,756	16,676	26,065	227	2,673	75	609,797
20	6,889	120,607	68,744	58,130	47,740	42,372	36,403	116,417	57,941	14,617	19,159	18,455	533	3,062	55	611,124
27	7,917	201,316	92,350	105,265	61,007	97,284	62,777	200,326	93,750	15,582	33,893	32,506	1,369	2,947	38	1,008,327
July 3	10,724	236,989	106,906	122,041	69,508	102,008	73,534	221,850	108,566	16,692	37,240	44,514	2,003	2,807	34	1,155,476
11	8,602	190,865	87,071	96,338	55,033	72,908	56,337	170,335	82,876	12,099	28,095	42,349	1,717	1,981	23	906,629
18	7,588	155,342	69,361	75,901	46,559	58,942	43,649	135,209	63,850	10,358	21,402	32,464	1,440	1,576	17	723,658
25	6,362	128,259	55,291	58,298	37,344	49,361	34,150	105,930	52,393	8,736	16,446	24,235	1,129	1,278	14	579,226
Aug. 1	6,139	123,232	58,441	55,526	34,432	42,643	33,023	101,723	48,334	8,544	16,516	24,369	1,313	1,314	70	555,629
8	5,829	111,421	58,435	55,994	30,603	33,260	29,513	95,259	41,481	8,005	14,758	24,692	1,610	1,425	130	512,415
15	7,910	146,816	75,563	73,641	47,076	35,070	36,944	136,484	57,851	11,391	22,624	33,481	3,825	3,325	547	692,548
22	23,209	286,716	161,845	166,797	103,963	83,405	74,835	319,142	140,098	27,101	57,460	83,025	13,485	8,649	2,371	1,552,101
29	21,243	258,593	145,795	147,887	94,845	75,470	66,202	285,601	125,029	25,035	51,314	72,892	12,074	7,813	2,127	1,392,010
Sept. 5	17,583	233,303	134,116	134,137	86,956	70,473	66,503	251,077	110,894	24,266	44,172	65,811	9,771	6,376	1,720	1,257,158

Source: New York Times.

Weekly statistics on United States deposits in selected New York banks, Sept. 5, 1956, through May 1, 1957

[In thousands]

Date	A	K	C	D	E	F	G	H	L	M	N	O	P	Q	R	Total
<i>1956</i>																
Sept. 5	\$17,583	\$251,077	\$233,303	\$134,116	\$134,137	\$86,956	\$70,473	\$66,503	\$110,894	\$24,266	\$44,172	\$65,811	\$9,771	\$6,376	\$1,720	\$1,257,158
12	10,494	167,275	166,614	90,939	90,306	62,514	49,424	50,753	73,242	16,624	27,913	43,891	5,724	4,240	999	860,952
19	8,912	145,134	145,577	79,411	72,308	61,607	41,172	45,354	63,555	16,684	27,087	28,639	3,789	4,425	662	744,316
26	9,389	171,917	163,659	95,262	85,486	70,869	51,837	52,467	74,927	17,710	32,357	31,261	3,536	4,828	639	866,144
Oct. 3	8,950	195,223	185,042	112,628	95,375	76,783	62,621	57,947	83,977	17,728	36,123	37,892	3,329	4,569	601	978,698
10	6,305	144,241	144,966	83,838	70,093	56,816	49,460	42,854	62,700	13,255	25,298	29,687	2,284	3,136	477	735,340
17	9,027	100,986	108,924	86,923	47,820	41,206	46,378	65,925	42,603	10,922	26,489	26,834	6,581	2,209	282	623,109
24	22,866	65,772	76,436	114,149	30,558	27,965	62,899	148,071	27,877	9,539	43,649	36,729	30,104	1,473	186	718,273
31	17,348	64,800	78,323	127,772	32,871	26,967	55,123	126,396	28,336	7,815	37,706	31,815	14,568	1,628	115	651,583
Nov. 7	13,825	72,999	90,622	105,594	47,007	27,412	44,252	95,333	38,354	9,044	31,170	31,001	9,894	2,935	76	620,418
14	9,813	63,705	82,526	74,102	38,417	26,694	29,230	61,309	35,685	9,988	21,851	22,015	6,209	3,118	47	484,609
20	15,774	97,500	96,338	130,629	50,098	56,961	38,441	163,387	114,531	36,487	62,419	60,925	4,058	3,612	30	931,190
28	15,698	90,360	83,124	134,367	42,528	58,872	39,434	176,398	125,315	40,224	66,383	66,168	2,580	2,958	20	944,339
Dec. 5	10,695	93,481	88,098	111,579	43,007	51,199	37,005	128,504	92,092	27,944	49,340	48,648	1,511	2,098	12	785,213
12	4,437	64,106	69,614	68,735	25,911	32,285	22,186	55,141	41,387	11,200	21,186	20,821	564	1,082	15	433,670
19	30,064	71,339	149,027	47,366	88,771	34,271	18,814	25,146	30,327	18,757	57,715	7,473	122	1,574	13	583,779
26	48,826	86,695	214,364	52,544	142,235	39,961	24,796	23,754	35,940	25,494	94,706	6,992	68	1,842	12	797,629
<i>1957</i>																
Jan. 2	39,308	79,388	186,778	53,908	116,322	36,740	23,748	24,736	37,187	21,962	74,466	10,668	69	1,742	10	707,032
9	19,026	53,038	124,568	42,778	63,442	24,834	16,401	17,117	27,009	11,694	33,900	12,321	65	1,079	7	447,830
16	3,448	30,071	68,842	24,851	21,649	14,652	8,801	8,801	14,358	2,757	6,700	8,278	99	381	2	213,690
23	1,211	20,691	51,203	12,371	11,690	10,718	9,828	5,241	8,838	1,916	5,362	3,689	102	378	1	148,149
30	1,175	25,813	50,063	14,522	10,690	12,764	8,387	6,396	7,319	1,919	6,335	3,031	130	813	1	149,358
Feb. 6	2,079	54,868	76,771	24,011	37,488	19,030	15,984	27,723	23,353	6,262	10,494	17,067	2,629	1,793	1	329,553
13	2,102	27,721	55,125	18,775	16,306	14,287	6,702	13,200	13,633	6,465	4,271	7,239	2,401	1,442	1	159,670
20	3,239	62,620	71,223	41,732	32,033	31,671	15,403	21,288	32,439	8,799	15,038	6,955	2,574	2,613	1	347,628
27	3,423	69,243	71,048	45,458	35,745	33,364	21,840	21,223	37,039	8,021	15,894	6,898	2,291	2,307	1	373,795
Mar. 6	3,422	76,454	89,808	51,376	41,408	32,491	27,715	30,754	36,689	6,375	11,546	15,921	1,346	1,403	1	426,709
13	2,622	49,127	68,570	32,396	23,957	23,384	15,862	20,433	20,599	3,382	5,178	11,335	325	632	1	277,703
20	5,756	122,477	123,738	75,383	62,898	45,878	59,427	46,281	52,908	11,604	24,938	13,859	518	3,025	1	649,291
27	7,356	163,181	162,671	93,678	89,572	50,371	92,798	63,876	69,871	13,540	34,038	23,007	607	4,445	81	869,092
Apr. 3	18,224	233,124	234,991	175,339	173,612	102,708	129,647	95,515	146,259	21,776	58,939	43,298	628	5,564	8,050	1,447,674
10	12,983	151,269	168,363	119,280	122,887	76,071	84,287	65,235	103,795	14,059	38,256	31,875	441	3,692	7,012	999,505
17	9,428	111,486	131,587	86,671	88,951	58,144	62,678	47,611	74,040	10,515	26,974	23,214	365	2,606	5,172	739,442
24	8,091	104,275	117,119	76,012	75,779	51,968	59,068	40,790	64,389	9,426	23,253	19,586	328	2,208	4,402	656,694
May 1	8,010	127,492	135,143	85,200	87,725	55,466	60,739	49,273	70,934	11,477	27,205	26,323	327	2,599	4,429	752,342

DEBT CEILING INCREASE

<sup>1</sup> As reported in source. Detail does not add to total.

Source: New York Times.

Senator DOUGLAS. I am not indicting them. That is, I concealed their identity by giving them letters rather than names.

Secretary ANDERSON. I, frankly, have been studying the problem, as I have indicated. I have not yet been persuaded that it is to the Government's net advantage to pay for the services rather than to charge interest of some kind on the tax and loan accounts.

We have asked Mr. Campbell to reexplore that problem and I have asked Mr. Baird to do it.

Mr. Baird has brought up to date a memorandum of his latest thinking which I will be glad to supply, and there is a secondary problem, of course.

One of the services which the banks render, of course, is the issuance of savings bonds and that sort of thing, and in addition to banks you have a large number of commercial institutions that do it as well.

So that you run into the additional complication that if you set up a standard of compensating the banks for this kind of service then do you compensate comparable commercial people who are now just charging this as part of their overhead or taking on some additional burden?

(The memorandum referred to is as follows:)

**TREASURY COMMENT ON PROPOSAL THAT CONGRESS ENACT LEGISLATION PERMITTING BANKS TO PAY INTEREST ON BALANCES IN TREASURY TAX AND LOAN ACCOUNTS, JANUARY 24, 1958**

**I. BACKGROUND**

Exhibit 1, attached hereto, contains a brief history of the tax and loan accounts and a summary of current operating procedures. Exhibits 2, 3, and 4 contain data reflecting the volume of transactions in the accounts during the calendar year 1957. Exhibit 5 reflects the fluctuations in tax and loan account balances by showing the high and low balances in the accounts during each month of calendar year 1957.

**II. PROBLEMS INVOLVED IN REQUIRING BANKS TO PAY INTEREST ON TAX AND LOAN ACCOUNTS**

**A. Interest rate on Government securities**

Experience has shown that when banks are permitted to make payment by a deposit credit in their tax and loan account for the purchase price of Government securities, the rates of interest paid on such issues are less than otherwise would be paid if the funds did not clear through the account. For example, there is listed below information with respect to eight different issues of Treasury bills, which is self-explanatory:

Special issues eligible for payment by credit in tax and loan account:

Date of issue:	Rate (percent)
Oct. 17, 1956.....	2.686
Nov. 16, 1956.....	2.617
Dec. 17, 1956.....	2.585
May 27, 1957.....	2.824

Regular weekly issues not eligible for payment by credit in tax and loan account:

Date of issue:	Rate (percent)
Oct. 18, 1956.....	3.030
Nov. 15, 1956.....	2.979
Dec. 20, 1956.....	3.331
May 31, 1957.....	3.245

It is reasonable to assume that any payment of interest on balances in tax and loan accounts would be reflected in higher interest rates which it would be necessary for the Treasury to pay on Government securities. This would be particularly significant during periods of heavy borrowing as occurred during World War II.

*B. Effect on volume of transactions in tax and loan accounts*

Should the Congress enact legislation requiring banks to pay interest on balances in tax and loan accounts, the volume of funds cleared through the accounts would possibly be materially reduced. The greater part of credits in tax and loan accounts represents transfers from accounts of customers of banks and, therefore, does not represent "new" money to the banks. It stands to reason that many banks, rather than take the money out of their customers' accounts and immediately credit same in their tax and loan accounts and pay interest on such balances, would discontinue clearing the funds through the tax and loan accounts and take advantage of the "float" in their favor which results when their customers make payments by check either to Federal Reserve banks or directors of internal revenue. Such action on the part of banks would defeat the purpose for which tax and loan accounts are maintained and as a result would create many problems for the Treasury.

*C. Determination of earning value to banks of Treasury tax and loan account balances*

The wide fluctuations in the balances in tax and loan accounts as reflected in exhibit 5 make the earning value of the balances highly questionable for the majority of banks. Most banks are not in a position to invest the fluctuating portions of the account for the short time that the funds are available to them.

It is significant to note, also, that balances with member banks are subject to reserve requirements of the Federal Reserve Board averaging approximately 16 percent and subject to insurance assessments of the Federal Deposit Insurance Corporation.

**III. PROBLEMS ENCOUNTERED IN ALLOWING CREDIT TO BANKS FOR SERVICES RENDERED TO THE GOVERNMENT FOR WHICH THEY ARE NOT OTHERWISE COMPENSATED**

The recommendation of the Comptroller General that present laws be amended to permit the banks to pay interest on balances in tax and loan accounts is coupled with the proposal that credit be allowed banks for services performed for the Government for which they are not otherwise compensated. This proposal contemplates the payment of fees to banks for services rendered the Government. In his audit report to the Congress covering the Office of the Treasurer of the United States for the fiscal year ended June 30, 1954, the Comptroller General mentioned the following services performed by banks for which they were not compensated:

1. The sale and issuance of United States savings bonds.
2. The handling of withholding, social security, and excise tax deposits.
3. The distribution to bank customers of announcements and the receipt of subscriptions for other Government securities.
4. The furnishing of confidential information to the Internal Revenue Service regarding large currency transactions and interest payments.
5. The issuance of bank drafts.

Other functions performed by banks such as the cashing of Treasury checks without charge against individual payees are not included in the services set forth above. Many banks look upon the cashing of Treasury checks as a service to the Government and do not make a charge against the individual payees of the checks. On the other hand, a substantial number of banks throughout the country do make a charge against individuals for cashing Treasury checks. Should a system of paying fees be adopted, the question would be raised immediately as to whether or not the cashing of Treasury checks without charge is a service for which the banks should be paid.

The Comptroller General's recommendation provides that the fees to which banks would be entitled for services rendered the Government would be credited against the interest charged the banks on balances in tax and loan accounts. This would not be possible in all cases inasmuch as there are approximately 14,500 banks throughout the country which render services to the Government, but only 11,000 of such banks maintain tax and loan accounts on their books. Also, other financial institutions and commercial concerns render some of the services mentioned by the Comptroller General. The payment of fees could not, of course, be limited to those banks which maintain tax and loan accounts on their books.

Comments with respect to the payment of fees to banks for rendering the five services mentioned by the Comptroller General in his report to the Congress covering the Office of the Treasurer of the United States for the fiscal year 1954 are set forth below:



1. *The sale and issuance of United States savings bonds.*—The attached statement, exhibit 2, shows that banks issue at least 59 percent of all savings bonds sold. Banks absorb substantial amounts of expenses not only in connection with the actual issuance of savings bonds, but also in advertising and sponsoring the program in their local communities. It would be impossible to place a dollar value on the services rendered by banks throughout the country in connection with the savings-bonds program. The sale and issuance of savings bonds is not confined to banks. There are approximately 8,000 commercial concerns throughout the country which also act as issuing agents for the bonds. If it were decided to reimburse banks for expenses incurred in connection with the savings-bonds program, it would be necessary to give the same consideration to the other 8,000 agents.

2. *The handling of withholding, social security, and excise tax deposits.*—The Comptroller General, in his report to the Congress, estimates that the cost to banks of rendering this service is 5 cents per transaction. If it were decided to pay banks a fee for this service, I am sure they would be able to prove conclusively that their expenses (tellers' time in accepting payments, preparation of transmittal letters to Federal Reserve banks, and postage) in connection with the handling of each transaction greatly exceed 5 cents.

3. *The distribution to bank customers of announcements and the receipt of subscription for other Government securities.*—Banks distribute announcements and receive subscriptions for the purchase of marketable securities and they handle matured marketable securities for redemption or for exchange into new issues. Banks also render considerable assistance to the Treasury in the weekly sale and distribution of Treasury bills. Treasury bills are usually issued with maturities of 91 days, with an issue maturing each week for 13 consecutive weeks. The proceeds of these bills are not deposited in tax and loan accounts. In bidding for Treasury bills many subscribers submit their tenders through banks, the banks check with dealers on possible bid ranges and enter their customer's bid for the amount requested. It would not be feasible to pay banks fees for rendering these services.

4. *The furnishing of confidential information to the Internal Revenue Service regarding large currency transactions and interest payments.*—The Comptroller General, in his report to the Congress, stated that these services are of value to the Government but he had no basis for estimating the amount of expenses incurred by banks in rendering the services. The Treasury also is not in a position to accurately estimate the amount of such expenses. It is important to point out that financial institutions, other than banks, also render these services. It is conceivable that, if banks and other financial institutions were paid a fee for rendering the services, the cost to the Government would run into a very large sum of money.

5. *The issuance of bank drafts.*—In order to facilitate the transmission of miscellaneous collections made by public officers to Federal Reserve banks and branches for credit in the account of the Treasurer of the United States, arrangements have been made with approximately 2,300 banks throughout the country to issue bank drafts to Government officers in exchange for their collections. The terms and conditions under which the bank drafts are issued are set forth in our Bank Draft Procedure Manual, copy attached as exhibit 6. Treasury balances are maintained with approximately 2,000 of the banks as a basis for rendering the service, the other 300 banks having elected to render the service without the benefit of a Treasury balance. These 300 banks could at any time request and receive a Treasury balance based upon the volume of drafts they are furnishing Government officers. The compensation to banks for issuing drafts is now being taken care of under a procedure which has been in effect for the past several years. The present procedure has proved to be satisfactory in every respect.

Should the Congress enact legislation requiring banks to pay interest on balances in tax and loan accounts and providing for the compensation of banks and other commercial concerns, either on a fee basis or reimbursement of actual expenses, for services rendered the Government, it would, of course, be necessary for the Treasury to obtain additional employees to handle the tremendous volume of work involved. How many additional employees ultimately would be required to (1) handle the collection of interest on balances in tax and loan accounts; and (2) review, settle, and pay claims of banks for services rendered, only time and experience would tell.

## IV. CONCLUSIONS

The payments to banks and other agents for services rendered plus the substantial additional administrative expenses of the Treasury and increased interest payable by the Treasury on public-debt obligations would, in the opinion of the Treasury, exceed the interest collected on balances in tax and loan accounts. The question of expenses, while very important, is not the primary consideration. The Congress has provided a flexible means of regulating the Treasury's money flow by authorizing the Secretary to maintain deposits with banks and to withdraw such deposits as they are needed for Government expenditure. The exercise of this authority requires the application of a great deal of judgment and discretion. It cannot be reduced to a mechanical process and the depositary services rendered by banks cannot be reduced to a dollar value.

## EXHIBIT 1

## OPERATION OF SPECIAL DEPOSITARIES (TAX AND LOAN ACCOUNTS)

The system of special depositaries originated during World War I. The first Liberty Loan Act of 1917 provided that banks purchasing securities issued under terms of the act, for their own account or for the account of their customers, could deposit the proceeds from such purchases into special accounts known as war loan accounts. Until 1935, deposits in these accounts were not subject to reserve requirements. Originally the banks were required to pay 2 percent interest on such deposits. However, this was considerably below prevailing interest rates at that time. In the early 1930's, this interest rate was lowered and then eliminated entirely along with interest payments on other demand deposits in keeping with the provisions of the Banking Act of 1933.

During the 1930's, receipts from the sale of Government securities were relatively small and comparatively little use was made of the war loan accounts.

The heavy borrowing requirements of the Federal Government accompanying World War II provided a need for the Treasury to utilize more fully the war loan accounts. The act of April 13, 1943 (57 Stat. 65) suspended, for the duration of hostilities plus 6 months, all reserve requirements and Federal deposit insurance assessments against balances in these accounts. The accounts were again subject to reserve and insurance requirements after June 30, 1947.

Following World War II, the Congress provided for wider uses of these accounts by authorizing the Treasury to use them for processing certain tax receipts. Beginning with March 1948, the banks were permitted to credit to these accounts receipts of withheld income taxes, which previously had been turned over to the Federal Reserve banks monthly or more frequently. On January 1, 1950, the Treasury revised the system for deposit of withheld income taxes and extended the provisions for deposit to war-loan accounts to include deposits of payroll taxes from the old-age insurance program. The war-loan accounts were renamed "tax and loan accounts" on January 1, 1950.

Other taxes have since been made eligible for deposit in these accounts. Under a special arrangement, large quarterly payments (checks of \$10,000 or more) of income and profits taxes, may be deposited in tax and loan accounts when, and to the extent, that the funds are not immediately needed by the Treasury. This arrangement was first provided for quarterly tax payments of March 1951.

Beginning in July 1951, railroad retirement taxes became eligible for deposit to these accounts. In July 1953, certain excise tax payments became eligible.

It must be borne in mind that deposits are not made by the Treasury into these accounts. Deposits to the tax and loan accounts occur in the normal course of business under a uniform procedure applicable to all banks whereby customers of banks deposit with them tax payments and funds for purchase of Government securities. In most cases the transaction involves merely the transfer of money from a customer's account to the Government's account in the same bank. On occasions, to the extent authorized by the Treasury, banks are permitted to deposit in these accounts proceeds from subscriptions to public debt securities entered for their own account as well as for the accounts of their customers.

The working cash of the Treasury is held in the Federal Reserve banks and branches. The Treasury draws upon these balances for its daily disbursements. As these balances become depleted they are restored in part through various receipts deposited directly to the Treasurer's account at the Federal Reserve banks.

However, a large part of the receipts to these accounts is derived by calling in (transferring) funds from the tax and loan accounts in commercial banks.

In brief, the tax and loan account system permits the Treasury to leave funds in the banks and in the communities in which they arise until such time as the Treasury needs these funds for its operations. In this way, the Treasury achieves a balancing effect not obtainable by any other known device, and thus discharges its primary fiscal responsibility of so handling its money as not to affect unduly the economy.

Special depositaries are divided into three groups as follows:

Group A: Those banks whose tax and loan account balance is less than \$150,000. Withdrawals from these banks are made less frequently than from banks in the other two groups. There are 9,582 banks in this group.

Group B: Those banks whose tax and loan account balance is \$150,000 or more, except those banks which are included in group C. Withdrawals from group B banks are usually made at least twice each week. The frequency of withdrawals from this group of banks will vary depending upon the need for funds at the Federal Reserve banks. There are 1,340 banks in this group.

Group C: Those banks having total deposits amounting to \$500 million or more as shown by the latest "call" reports of the bank supervisory authorities. Calls for withdrawals of balances with group C banks are usually made at the same time as calls on group B banks. However, calls on group C banks are subject to later adjustment by way of an increase, decrease, or cancellation on any particular day that Treasury closing balances in the Federal Reserve banks are expected to deviate substantially from the desired level. There are 45 banks in this group.

The Treasury, to the extent possible, gives advance notice of withdrawals to the three groups of banks.

## EXHIBIT 2

*Percent of tax and loan credits to total deposits for period January to December 1957*

[In millions]

	Total deposits	Tax and loan credits	
		Amount	Percent of total
U. S. Government securities:			
Savings bonds.....	\$4, 604	\$2, 725	59.2
Other marketable public debt issues <sup>1</sup> .....	15, 083	14, 965	99.2
Income and social security employment taxes withheld by employers, railroad retirement taxes withheld by employers, and certain Federal excise taxes.....	45, 550	27, 974	61.4
Certain cash payments of individual and corporation income taxes, represented by checks of \$10,000 and over, eligible for deposit.....	4, 093	4, 093	100.0
Total.....	69, 330	49, 757	71.8

<sup>1</sup> Excludes regular weekly issues of Treasury bills.

## EXHIBIT 3

*Tax and loan credits for period January to December 1957*

[In millions]

Month	U. S. Government securities		Income and social security employment taxes withheld by employers, railroad retirement taxes withheld by employers, and certain Federal excise taxes	Individual and corporation income taxes represented by checks of \$10,000 and over	Total
	Savings bonds	Other marketable public debt issues			
January.....	\$304		\$1, 171		\$1, 475
February.....	233		3, 014		3, 247
March.....	227	\$3, 261	2, 757	\$1, 847	8, 092
April.....	227		1, 192	23	1, 442
May.....	240	1, 485	3, 015		4, 740
June.....	214		2, 906	2, 086	5, 207
July.....	246	2, 922	1, 247	137	4, 552
August.....	215	1, 693	3, 002		4, 910
September.....	197	2, 692	2, 862		5, 751
October.....	202	1, 334	1, 222		2, 759
November.....	195	1, 030	2, 824		4, 049
December.....	223	548	2, 762		3, 533
Total.....	2, 725	14, 965	27, 974	4, 093	49, 757

## EXHIBIT 4

*Tax and loan accounts for period January to December 1957*

[In millions]

Month	Deposits	Withdrawals	Month	Deposits	Withdrawals
January.....	\$1, 475	\$3, 238	August.....	4, 910	4, 411
February.....	3, 247	2, 381	September.....	5, 751	3, 265
March.....	8, 092	4, 208	October.....	2, 759	6, 004
April.....	1, 442	3, 838	November.....	4, 049	3, 037
May.....	4, 740	3, 938	December.....	3, 533	4, 033
June.....	5, 207	5, 443	Total.....	49, 757	49, 597
July.....	4, 552	5, 801			

## EXHIBIT 5

*High and low balances in tax and loan accounts during the period January to December 1957*

[In millions]

Month	Day	High	Day	Low
January.....	2	\$2, 872	16	\$856
February.....	28	2, 027	11	813
March.....	28	6, 078	13	1, 038
April.....	1	5, 596	18	3, 253
May.....	28	4, 509	15	2, 240
June.....	21	5, 027	17	2, 050
July.....	3	6, 294	31	2, 833
August.....	23	3, 920	15	1, 078
September.....	27	5, 886	16	1, 353
October.....	1	5, 755	28	2, 286
November.....	29	3, 583	13	1, 638
December.....	24	3, 589	13	1, 710

## BANK DRAFT PROCEDURE MANUAL

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, D. C., January 7, 1949.

Fiscal Service—Bureau of Accounts

## GENERAL PROCEDURE

1. *Purpose of procedure.*—The purpose of this procedure is to facilitate the transmission of miscellaneous collections made by public officers to Federal Reserve banks and branches for credit in the account of the Treasurer of the United States.

2. *Banks authorized to furnish bank drafts to Government officers.*—The Treasury, at a location where Government officers have need of banking facilities for the purpose of exchanging their collections for a bank draft, will authorize a bank-holding designation as a depository and financial agent of the Government to render the desired service. The use of bank drafts facilitates the transmission of collections to regional offices for subsequent deposit to the credit of the Treasurer of the United States.

3. *Title of banks holding such authorization.*—Banks authorized to furnish drafts are referred to as "bank draft depositories."

4. *Type of collections to be exchanged.*—Bank draft depositories will receive from Government officers their collections consisting of currency, coin, local and out-of-town checks, postal money orders and postal notes, and issue in exchange therefor a draft drawn in favor of the Treasurer of the United States.

5. *Description of the draft.*—The draft should be payable only to the Treasurer of the United States and should be drawn on a Federal Reserve bank or branch of the district in which the bank is located, or on a correspondent bank located in the same city as such Federal Reserve bank or branch. The drafts must be presented to the Government officers at the time of presentation of their collections.

6. *How checks presented in exchange for drafts will be endorsed.*<sup>1</sup>—The following form of endorsement and notation will be placed on checks, postal money orders, and postal notes by Government officers subject to this procedure:

On face of check:

"This check is in payment of an obligation to the United States and must be paid at par. N. P. Do not wire nonpayment.

-----  
"(Government agency)"

On reverse of check:

"Pay to the order of \_\_\_\_\_ in exchange for a  
\_\_\_\_\_  
"(Name and location of bank)  
draft drawn payable to the Treasurer of the United States.

-----  
"(Date)"

-----  
"(Name and title of Government officer)"

*Uncollectible checks*

7. *Action on part of bank.*—If a check (which was included in the funds exchanged for a draft) is uncollectible, the bank will notify the Government officer concerned, giving such information as may be available regarding the uncollectible item.

8. *Reimbursement to bank for amount of uncollectible checks.*—The bank will be reimbursed by the Government officer originally presenting the check for the amount of the uncollectible item. There is attached a copy of Treasury Form No. 448 (bank's acknowledgment of cash redemption of uncollected check).

<sup>1</sup>In some instances checks presented in exchange for drafts will be drawn on nonpar banks. If such banks disregard the notation on the face of the checks and refuse to remit at par, the checks should be treated as uncollectible items and the bank issuing the draft will be reimbursed by the Government officer as noted in sec. 8.

## COMPENSATION OF BANKS FOR FURNISHING BANK DRAFTS

9. *Policy of the Treasury in compensating bank draft depositaries.*—Depositories are compensated for their services through the maintenance of balances with such depositories and are permitted to purchase 2 percent depository bonds to be held as security for the balances.<sup>2</sup> The amounts of the balances maintained with depositories are based upon the average monthly dollar amount of drafts furnished. The following schedule shows the amounts of balances to which depositories are entitled upon the basis of the average monthly dollar amounts of drafts furnished:

Average monthly dollar amount of drafts furnished by bank draft depository:	<i>Amount of Treasurer's balance to be allocated bank draft depository</i>
\$1 to \$3,000-----	\$2,000
\$3,001 to \$5,000-----	3,000
\$5,001 to \$8,000-----	4,000
\$8,001 to \$12,000-----	5,000
\$12,001 to \$16,000-----	6,000
\$16,001 to \$20,000-----	7,000
\$20,001 to \$30,000-----	8,000
\$30,001 to \$40,000-----	9,000
\$40,001 to \$50,000-----	10,000
\$50,001 to \$70,000-----	12,000
\$70,001 to \$100,000-----	15,000

It is believed that this schedule of compensation will be equitable, however, if due to unusual circumstances at a particular point, a bank is of the opinion that the schedule is not equitable and will so advise the Treasury, the matter will be given prompt consideration. As indicated, the schedule does not apply in cases where the dollar volume of drafts furnished exceeds a monthly average of \$100,000. Such cases will be given individual consideration with a view to arriving at a basis of compensation that is equitable from both the standpoint of the bank and the Treasury.

10. *Periodic adjustment of Treasurer's balance.*—Government agencies using the facilities of the bank will furnish the Treasury with information as to the monthly dollar amount of drafts obtained from the bank. The Treasury will review such information and, applying the schedule outlined above, will adjust the Treasurer's balance periodically, not less frequently than twice per year.

11. *Procedure to be followed in establishing Treasury balance.*—The Treasurer's balance, when computed as above, is placed to the bank's credit on the books of the Treasurer of the United States, and upon the basis of the bank's subscription, the funds are used to purchase a 2-percent depository bond in like amount. The bank will acknowledge credit by signing a transcript (form 18) prepared and forwarded by the Treasury. Further reports on form 18 will be submitted by the bank on the last business day of each month and at such other times as may be requested by the Treasury. The balance in the Treasurer's account will not be withdrawn prior to the expiration of 30 days' written notice from the United States Treasury.

12. *Notice of withdrawal or amendment of provisions of this manual.*—The Fiscal Assistant Secretary of the Treasury may waive, withdraw, or amend at any time, or from time to time, any or all of the provisions of this manual. Notice of such changes will be given by an appropriate amendment or supplement to this manual.

E. F. BARTELT,  
*Fiscal Assistant Secretary.*

<sup>2</sup> Depository bonds may be redeemed at par and accrued interest, at any time, at the option of the United States or the depositories and financial agents, in whole or in part, upon not less than 30 nor more than 60 days' notice in writing given by either party to other. The 2 percent depository bonds are issued in registered form only in the name of the Treasurer of the United States in trust for the depositories and financial agents to which they are allotted, and are not transferable. Checks covering interest on the bonds are forwarded semiannually on June 1 and December 1. Such interest is subject to all Federal taxes now or hereafter imposed. The bonds are subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

The CHAIRMAN. I do not think the banks should be compensated. They are getting the business. The business is going through them. I don't believe they should be compensated for it. I do not want to take Senator Frear's time, but last September you had \$6.7 billion in cash, and I wonder if it would be possible to furnish the committee with a statement of how many banks would you say, Senator Douglas?

Senator DOUGLAS. I would say take a hundred of the largest banks which had the largest deposits, take the deposits, for example, of September 30, and what you estimate they will have on March 31 under the old ceiling, because this figure, this table you gave me, I imagine, was prepared on the old ceiling, was it not, January 9?

Secretary ANDERSON. Yes.

The CHAIRMAN. 1958?

Secretary ANDERSON. Yes.

The CHAIRMAN. Then on June 30 under the old ceiling without the increase you have got \$6.1 billion estimated on hand.

Now that is a large amount of money to leave in the banks without the payment of interest, and I think the banks have this business going through them and they are compensated in that way.

Secretary ANDERSON. Well, the way it is done, is that we notify—

The CHAIRMAN. I know, but I am speaking of the way it gets into the banks.

It is put in by the taxpayers, is it not?

Secretary ANDERSON. That is really just a transfer within the banks.

The CHAIRMAN. That is right.

Secretary ANDERSON. If you go to a bank—

The CHAIRMAN. I do not see that the banks are entitled to special consideration for what they do, any more than all of us who are in business and deduct the social security and pay it to the Government, we are not paid anything.

Secretary ANDERSON. I am not talking about that kind of compensation.

The kind of compensation we were talking about is the services which they give to us in issuing savings bonds or things of that sort, and the service, of course, which they give in the cashing of Treasury checks, and a whole line of services.

Now, as I understood when this issue was raised by Mr. Campbell, the Comptroller General, it was raised on the basis that instead of leaving the money on demand and not paying interest, that you make some interest charge and that because you were making an interest charge you then set up a scale of payments for the services, which the banks would render on behalf of the Treasury, so that you either let them have the money in the banks, in the tax and loan accounts or you pay for the services.

Senator WILLIAMS. Might I ask a question in connection with that: You say that this money is merely transferred in the same bank but the bulk of this money to which we are referring here are payments of income taxes and corporation taxes, are they not?

Secretary ANDERSON. It is both that and the sale of securities.

Senator WILLIAMS. That is right.

Secretary ANDERSON. Checks of \$10,000 or more, I think—

Senator WILLIAMS. But a lot of it would be revenue, normal payment of taxes that you are speaking of transferring.

Secretary ANDERSON. Yes. The total last year was more than \$49 billion deposited all told, and of that \$15 billion came from the sale of marketable Government securities.

Senator WILLIAMS. And the other 35—

Secretary ANDERSON. \$28 billion came from income and social-security taxes, and individual and corporate income taxes \$4 billion.

Senator WILLIAMS. But, speaking—that is about 31—

Secretary ANDERSON. Well, there are \$2 billion—\$2.7 billion for savings bonds.

Senator WILLIAMS. Well, all right. But the procedure is that the people in the areas, we will say, for instance the Chicago area, you have your district office in Chicago, for all of the immediate areas surrounding that for a hundred miles, the people will send their checks to the Director of Internal Revenue, the payment of their taxes, that would be deposited in the banks on which the checks are drawn.

They would be deposited in the central banks in the area of Chicago or Wilmington or New York; is that not true?

Secretary ANDERSON. The process, as I understand it, Senator Williams, is that on checks over \$10,000, there is an arrangement between the Treasury, the Federal Reserve, and the banking system.

Senator WILLIAMS. And coming back to the bank upon which they are drawn?

Secretary ANDERSON. And coming back to the bank upon which they are drawn.

The CHAIRMAN. Senator Douglas, can you add any information that the Chair has not suggested that you would like to have from the Secretary?

Senator DOUGLAS. Have you requested the Secretary to furnish these figures—

The CHAIRMAN. Mr. Secretary, I am taking some of these largest amounts, March 31, of this present year, and June 30, and September 30 of last year, the hundred of the largest banks having these deposits and from that information we can work down to others.

I think it is a matter that we should go into because there is quite a lot of interest involved.

Secretary ANDERSON. I would like, if I may, to have some reasonable flexibility in preparing this statement.

For example, I don't see very well how we can do it in any time forward. It would have to be backward. We would have to do it from a past date.

The CHAIRMAN. Yes, I recognize that.

You estimate that March 31 you will have \$5 billion in cash.

Secretary ANDERSON. Those are the estimates but how they would be distributed I do not know.

The CHAIRMAN. You could not furnish that as against the particular bank?

Secretary ANDERSON. No. Then again, Senator, take January of 1957, last year, on the 2d day of January there was \$2,872 million in deposit in these banks.

On the 16th, 14 days later there was \$856 million, so that you had had a drop of \$2 billion in a 12-day period.

So I would think if we were going to try to work out some kind of typical figures—



The CHAIRMAN. Well, suppose we say on June 30, 1957, July 15, 1957, and then we will come around to September 30 and December 31.

All of the figures are based on the \$275 billion limit.

Secretary ANDERSON. That is correct.

(The information requested is as follows :)

*High and low balances in certain months and balances on selected dates in  
Treasury tax and loan accounts in commercial banks*

[Deposits are not made by the Treasury into the tax and loan accounts. The deposits to the accounts occur in the normal course of business under a uniform procedure applicable to all banks whereby customers of banks deposit with them tax payments and funds for purchase of Government securities. The transactions involve merely the transfer of money from a customer's account to the Government's account in the same bank. On occasions, to the extent authorized by the Treasury, banks are permitted to deposit in these accounts proceeds from subscriptions to public debt securities entered for their own account as well as for account of their customers. The Treasury makes withdrawals on a uniform percentage basis from the tax and loan accounts in these large banks, and proportionately from tax and loan accounts in other banks, for transfer to its operating accounts in the Federal Reserve banks to meet day-to-day disbursements.]

[In thousands]

Date	Commercial banks with total deposits of \$500,000,000 or more for all depositors	All other tax and loan depositories	Total
1957:			
June 17 .....	\$692, 837	\$1, 357, 448	\$2, 050, 285
June 21 .....	2, 681, 463	2, 345, 083	5, 026, 546
June 30 .....	2, 130, 706	1, 951, 069	4, 081, 775
July 3 .....	3, 334, 742	2, 959, 657	6, 294, 399
July 31 .....	1, 051, 870	1, 780, 987	2, 832, 857
Sept. 16 .....	443, 809	908, 958	1, 352, 767
Sept. 27 .....	2, 741, 954	3, 144, 438	5, 886, 402
Sept. 30 .....	2, 708, 633	3, 108, 919	5, 817, 552
Dec. 13 .....	576, 838	1, 133, 652	1, 710, 490
Dec. 24 .....	1, 685, 983	1, 903, 454	3, 589, 437
Dec. 31 .....	1, 220, 726	1, 862, 952	3, 083, 678

The CHAIRMAN. Now you are asking for \$5 billion more?

Secretary ANDERSON. That is correct.

The CHAIRMAN. It is reasonable to think those balances would be increased?

Secretary ANDERSON. Yes.

The CHAIRMAN. I apologize again to Senator Frear.

We will go into this matter further.

Senator FREAR. No apologies are necessary, Mr. Chairman.

Mr. Secretary, not in defense of the commercial banking fraternity of this country, but I have some sympathy for what you said for what banks do for the Federal Government.

In the little town where we live there is an Air Force base, and I have known several times when the money for the payroll was not available and did not arrive in time and when they called on the local bank to supply the cash, and that came out of their own account.

Of course, they recognized the Federal Government ought to be good for it but there were times when they had several days of out-of-pocket money.

But they do perform services in selling bonds and paying for bonds, and also collecting the social security and using them as a depository and we recognize the fact, too, that when they have deposits there they loan some money to get some interest off.

So it is a two-way street. Not only on behalf of the Government or on behalf of the bank.

I like to be in line with people and like to be up to date and modern. I do not want to be indicted for not living up to the agreement and I would like to ask Mr. Mayo a couple of more requests.

If you took the hearings on page 418 of part 1 of the Investigation of the Financial Conditions of the United States, and you used as a basis for your dollar 1939, would it be a great deal of trouble if you used the basis of 1873 and 1913 and put them down just alongside of these columns so that you would have the three corresponding figures and then we could start, as Senator Williams or Senator Byrd has suggested, we know when it is every year the basis on which the dollar is worth, if that is an unreasonable request and takes too much time—

Mr. MAYO. No; we can do it easily.

(The information requested is as follows:)

*Consumer prices and the purchasing power of the dollar, 1873, and 1913-57*

	Consumer prices (1947- 49=100)	Purchasing power of the dollar		
		1939=\$1	1913=\$1	1873=\$1
Calendar year averages:				
1873.....	137.0	\$1.605	\$1.143	\$1.000
1913.....	42.3	1.404	1.000	.875
1914.....	42.9	1.385	.986	.862
1915.....	43.4	1.368	.975	.853
1916.....	46.5	1.274	.908	.794
1917.....	54.8	1.083	.772	.675
1918.....	64.3	.924	.658	.575
1919.....	74.0	.803	.572	.500
1920.....	85.7	.693	.494	.432
1921.....	76.4	.778	.554	.484
1922.....	71.6	.830	.591	.517
1923.....	72.9	.815	.580	.508
1924.....	73.1	.812	.579	.506
1925.....	75.0	.792	.564	.493
1926.....	75.6	.786	.560	.489
1927.....	74.2	.801	.570	.499
1928.....	73.3	.810	.577	.505
1929.....	73.3	.810	.577	.505
1930.....	71.4	.832	.592	.518
1931.....	65.0	.914	.651	.569
1932.....	58.4	1.017	.724	.634
1933.....	55.3	1.074	.765	.669
1934.....	57.2	1.038	.740	.647
1935.....	58.7	1.012	.721	.630
1936.....	59.3	1.002	.713	.624
1937.....	61.4	.967	.689	.603
1938.....	60.3	.985	.701	.614
1939.....	59.4	1.000	.712	.623
1940.....	59.9	.992	.706	.618
1941.....	62.9	.944	.672	.588
1942.....	69.7	.852	.607	.531
1943.....	74.0	.803	.572	.500
1944.....	75.2	.790	.562	.492
1945.....	76.9	.772	.550	.481
1946.....	83.4	.712	.507	.444
1947.....	95.5	.622	.443	.387
1948.....	102.8	.578	.411	.360
1949.....	101.8	.583	.416	.363
1950.....	102.8	.578	.411	.360
1951.....	111.0	.535	.381	.333
1952.....	113.5	.523	.373	.326
1953.....	114.4	.519	.370	.323
1954.....	114.8	.517	.368	.322
1955.....	114.5	.519	.369	.323
1956.....	116.2	.511	.364	.318
1957.....	120.2	.494	.352	.308

<sup>1</sup> Based on a series published by the Federal Reserve Bank of New York and converted to base 1947-49=100 by U. S. Bureau of Labor Statistics.

Source: Department of Labor and derived computations.

Senator FREAR. Put that down at the bottom of your list.

We are talking about additional authorized for Export-Import Bank for just a while this morning Mr. Secretary, and I believe there is a request in for additional lending authority for \$2 billion, and if that is granted, how will that affect your debt?

Secretary ANDERSON. I don't think that the immediate effect on the budget will be adverse, that is because these will be commitments which will be made, but until the money is actually drawn there is usually quite a lapse of time even though the authority is there.

Senator FREAR. But it is contingent?

Secretary ANDERSON. Yes; sooner or later.

Senator FREAR. And you have to take it into account in your debt ceiling?

Secretary ANDERSON. Yes.

The CHAIRMAN. What agency is that, Senator?

Secretary ANDERSON. The Export-Import Bank.

Senator FREAR. Export-Import Bank. I know you are going to be called upon to increase their borrowing authority by \$2 billion.

Secretary ANDERSON. That is correct.

Senator FREAR. Just suppose now, Mr. Secretary, that such a thing might happen that your request for increasing the debt ceiling did not find the affirmative action in Congress, what would be your alternative?

Secretary ANDERSON. Well, if there was no increase, if we remained at \$275 billion, and the revenues were down, and the expenditures were up for any purpose, we would, of course, have to first utilize the free gold which we have, \$500 million, and we would as we have done in the past, sell some securities in the market, such as the FNMA securities, which normally the Treasury would hold, would sell those——

The CHAIRMAN. How many of those have you got and how many——

Secretary ANDERSON. We have exhausted those now.

The CHAIRMAN. The FNMA's.

Now those issued after 1954 do not go through the banks; do they?

Secretary ANDERSON. By FNMA?

The CHAIRMAN. Under the debt ceiling.

Secretary ANDERSON. Those that are currently bought by FNMA?

They accumulate them up to a certain amount, say one or two hundred million dollars. Then they go into the market and sell their own securities and pay us off.

But we have to carry them until they get to that point on their secondary mortgage purchases.

The eight hundred-odd million dollars referred to this morning is in the management and liquidation account, and this is simply a question of do we hold the FNMA's notes, which are financed under the debt limit, or do they sell securities in the market?

So that it is not a matter of budget concern, it is a matter of who holds the debt.

Senator WILLIAMS. Might I ask a question?

How many more of those do you have now?

Secretary ANDERSON. I think we have exhausted those. Just about at the exhaustion point.

Then of course if we utilize the gold, and the anticipations were such that we were going to have difficulties, we would simply have to ask the Congress at that time to increase our borrowing authority.

Senator FREAR. Well, this is probably hypothetical, but suppose they did not increase it, even when you come down here in an emergency and do not increase it, what alternative would you have then?

Secretary ANDERSON. You simply could not write the checks.

Senator FREAR. You could not pay your bill, that is right.

Senator FREAR. You are in default and in the eyes of the foreign nations you probably would be in bankruptcy?

Secretary ANDERSON. Yes; even in the eyes of the American customer who did not get his check paid.

Senator FREAR. I just wanted to go further and say regardless of in the eyes of the foreign nations when we got down to some mail carrier who did not get his check or some civil servant who did not get his check, I think it would be closer to home than that.

I can assure you, Mr. Secretary, I am not looking forward to any condition like that happening but I share what the chairman has said in his desire to maintain that debt ceiling sort of as a regulatory instrument that we do not obligate ourselves more than we can take in or more than our revenues, and expenditures are limited to our revenues except under certain particular instances, and in those times, I really believe that the Congress should be the authority which should say whether we would spend this money or whether we would not.

Now I recognize, too, that I think you people downtown can tell us a thing or two about the way we appropriate money up here.

After we appropriate it, why, of course there are no strings, you can go ahead and spend it. So maybe there are a few things we ought to get into a huddle on ourselves up here and dictate a few things around the table and say if we are a little more considerate in how we authorize the expenditures of money your problems may be a little less difficult.

I thank you for your testimony, and I appreciate it, and I, along with the rest of the members of this committee, I think, Mr. Secretary, have great faith and confidence in you.

Secretary ANDERSON. Thank you, sir.

Senator FREAR. Even though good men, including you and myself, may have differences of opinion, we still have something in common.

Secretary ANDERSON. Absolutely, sir.

The CHAIRMAN. Senator Flanders?

Senator FLANDERS. Mr. Secretary, I had in my mind some questions along the same line as Senator Frear, but we have been telling ourselves for the years I have been on this committee that we ought to have this limit on the debt, the debt ceiling, rather closely held so as to keep us from "going haywire."

I am wondering on whom the effect of the closely calculated debt limit is expected to fall. Primarily, it would seem to me that those who should take warning that we are approaching the debt limit would be Senators and Representatives, but I never heard—I was never sure—that the approaching disappearance of the margin was ever having much effect on appropriations or legislation in general, and probably we are the ones who should most take warning from the approach to the debt limit.

The second—and here is perhaps where we have a right to expect it to be observed—the second would be the administration in making up its budget and its requests for appropriations.

Mr. Chairman, to what extent have you seen any evidences on the part of any administration—Democratic, Republican, present, past, or future—that the debt limit was a deciding element in the request for appropriations?

The CHAIRMAN. I have not observed that, but I would say, however, that the unexpended balances, \$70 billion of unexpended balances, cannot be spent unless it is within the debt limit.

Senator FLANDERS. That is one place where it has its effect. And then when the unfortunate Secretary of Defense or the Secretary of the Army, the Navy, or the Air Force, comes up and we hear that this money has not been spent, then the unfortunate Secretaries are landed on like a ton of bricks, because the intentions of Congress in appropriating this money have not been carried out, and “Why didn’t you do it?”

And so they go on the griddle.

And last, we come down, sir, to you. I have always been interested in the atmosphere that normally, let us say, permeates the hearings when any responsible officer of the Government is before any committee, whether the House or the Senate, under Democratic or Republican chairmen, that he is on the griddle.

Sometimes the temperature is comparatively mild, and he is merely being seared; and sometimes he is being “frizzled.” But the question arises in my mind as to—I would follow along in my thoughts the same line that Senator Frear pursued: What can you do about it? Are you anything but a helpless pawn on a chessboard where the moves are being made by others? What can you do about it?

Secretary ANDERSON. Well, Senator, if someone presents us with the bill, the only thing we can do is pay it, and to pay it as long as there is money with which to pay it.

Now, it is a part of my responsibility to keep my colleagues in the Government advised as to how near we are to the debt limit, so that those agencies which have a more direct control over their expenditures will make their plans with an awareness of this tight situation.

If, however, we got to a position where there was not an adequate amount of cash on hand and if I had no borrowing authority under the public debt limit to borrow, my recourse would be to come back to this committee and say, “Gentlemen, this is the position we are in, and in order to maintain the full faith and credit of the country, which is our primary consideration, we must have some more borrowing authority.”

Senator FLANDERS. Well, that, I think, is a fair statement of the position that you would be in. Under those circumstances, I would not be inclined to put the heat on you for coming back, provided you had done all these other things that are possible.

Now, I picked up some words from your verbal testimony this morning. You asked for a reasonable flexibility for a much better job for the country. I have not heard all the testimony, but I was wanting to interpret that in terms of, say, a much better job for the country, that is, general, and in terms of saving money.

And if I have understood what you have said in answer to Senator Williams and to Senator Frear, and others, you really feel that you could, both from the long-run task of placing long-term bonds and the short-run task of getting, immediately getting, better interest rates, save money if you had more leeway so that you could place the securities in the market at the most favorable time, and not have your hand forced.

That is what you have been saying, is it not?

Secretary ANDERSON. With one additional factor, and that is that when market opportunities present themselves, to put some of the debt in longer term securities.

Senator FLANDERS. Yes.

Secretary ANDERSON. In order to secure a better balance.

Senator FLANDERS. Yes.

Secretary ANDERSON. You would be in a position to better market those securities without fearing that you would have an attrition so high that you would either not be in a position to pay off the bonds, or if you did pay them off while you were still distributing the long-term bonds in the market, we would be going right back into the market to take shorter term maturities, thereby competing with the very people whom we have tried to sell the long-term bonds to.

Senator FLANDERS. I think that is clear.

Now, Mr. Chairman, I missed the description of this sheet here which you distributed to us this morning, and I am wondering what the difference is between the last column on table 3 here, and the middle column of this sheet which you have distributed. What is the difference?

The CHAIRMAN. The first difference is that the gold is not included.

Senator FLANDERS. That is \$500 million.

Secretary ANDERSON. That is right.

The CHAIRMAN. \$500 million. And then, Mr. Anderson thinks it should be \$3.5 billion minimum on hand. My figures provides for \$3 billion minimum.

Senator FLANDERS. That adds up to \$1 billion difference.

The CHAIRMAN. The other difference is that the limit I propose would be \$278 billion instead of \$280 billion. The righthand column shows the amount of leeway under the \$278 billion limit, including the \$3 billion cash balance and using the gold, and unused debt authority.

And you will note, for instance, in April they will have, April 15, \$11 billion; and June 30 is \$12 billion. Now, there are some low points. The lowest point is approximately \$5 billion in the next 18 months, and I am using as a base the figures which came from the Treasury.

I think Secretary Anderson, will—I asked him this morning to confirm whether or not these figures were based upon Treasury figures with the changes that I have mentioned.

Secretary ANDERSON. I am sure they are, sir. I frankly have not been able to study them.

The CHAIRMAN. I am sure they are. I had them very carefully prepared. I do not want to argue the case right now.

Senator FLANDERS. Mr. Chairman, I have not heard the discussion—unfortunately, I have not been able to be here all the time—

I have not heard in the discussion any judgment given by the Secretary as to the advantages or the dangers of reckoning in or more drastically using our gold reserve in determining the debt limit.

If that has been done, I missed it, either by absence or lack of comprehension.

Secretary ANDERSON. Senator Byrd asked me this morning, sir, if I could see any reason of substance why we should not utilize the gold. This is an amount of gold which was acquired originally when the value of the gold dollar was changed in 1934.

At that time we had about \$2.8 billion as an increment in the change in the value.

That gold has been utilized to supply money to the Exchange stabilization fund and to the International Monetary Fund; and in November of 1953, when there was one of these tight periods, \$500 million of gold remaining in the general fund was used.

I stated to Senator Byrd that I had no objection of substance to utilizing the gold. It is an additional amount of money that we can always utilize when circumstances require. And if we had gotten into tighter periods or if we get into tighter periods, this is one of the things we always keep in the back of our mind, you can always sell this much gold and utilize it.

The CHAIRMAN. You would use it if you need it.

Secretary ANDERSON. Yes.

The CHAIRMAN. But you regard it as a cash quick asset, that is the point I made.

Secretary ANDERSON. It is the point——

The CHAIRMAN. That is the point I made, that he could use it at any time and get the \$500 million.

Secretary ANDERSON. You could issue a gold certificate to the Federal Reserve and, of course, they would deposit the amount to your account. The gold would still be part of the Nation's gold stock.

Senator FLANDERS. If these things can be done, they still raise the question in my mind as to what the practical effect of a close margin is. Will it affect Senators? Will it affect appropriation demands from the administration? Will it affect the use of appropriations?

Just what way does the tight ceiling work? What is the machinery, what is the mechanism? And I think perhaps, since the chairman and I have hitherto always been of one mind in that matter, and I presume I still am, that I ask for a little speech from the chairman on that subject instead of asking you.

Secretary ANDERSON. All right, sir.

Senator FLANDERS. But I have begun to wonder about when you have a responsible Treasurer, not Treasury, but a responsible Secretary of the Treasury, and I think we have had, both in you and your predecessor, what does the tight ceiling do for the country and to you? That is the basic question.

And the question is whether that is to be in the form of a speech from the Senator or of a brief from the Secretary of the Treasury. Maybe we have been getting the answers here today, but I am not so sure about the practical effectiveness of the tight ceiling as I have been in years past when I tried to figure out logically just how it works.

I just will go on to one more point I wanted to raise, and this is in a way on the sideline, but it has been brought up: We have here on

this page 418 of the investigative hearings consumer prices and the purchasing power of the dollar, 1913 to date. And of course the consumer prices as they are worked out by the Bureau of Labor Statistics are the standard way of measuring the purchasing power of the dollar. It measures it in consumers' terms, and that is where it hurts, and the basis of that calculation changes every few years.

I believe they have automobiles in it now, and they certainly did not have automobiles in it back in 1873, about which we have been talking.

Perhaps, Mr. Chairman, I might ask our own expert, Mr. Mayo, whether there is anything in that continuously changing composition of the basis for the purchasing power of the dollar which invalidates the relationships, say, between 1873 and 1956, just to use the 2 extremes, 1957 or 1958, the 2 extremes we have been talking about.

Mr. MAYO. Well, I would not pretend to be an expert on the cost of living index going all the way back to 1873, but I do know that prior to 1913 the only figures that are available are not Government figures. They are figures that have been prepared in connection with various private studies which have been made for specific purposes.

They were based on such figures as were available in the public press, on the price of pork, the price of a restaurant meal, and odd bits of information which are in no way standardized.

Therefore, I think the point is well raised as to the difficulty of making a statistical comparison back into the 19th century when your figures are on a rather tenuous base.

Senator FLANDERS. Mr. Chairman, there are at least two of us here who once were not in the Senate—I am one of them, the other is Senator Douglas. When neither of us were in the Senate, many years ago, I was much intrigued by a book on prices written by Douglas and Director. Do you remember that book?

Senator DOUGLAS. Yes, very well.

Senator FLANDERS. So that I sit here with the presupposition that Senator Douglas is also an authority, and may I have permission to catechize a member of the committee as to that question I have just been asking as to the comparability of prices over that long range?

Senator DOUGLAS. I will be very glad to try to answer such questions, but I would remind you of the rule that the farther you are from, the brighter you are, and I am very close at hand and therefore I cannot be regarded as an expert.

Senator FLANDERS. I, sir, having been foiled and completely defeated in my endeavors, will cease asking questions.

The CHAIRMAN. The hour is getting late, and I do not assume we can finish this afternoon. Senator Long, do you desire to go ahead?

Senator LONG. I have only about 1 question or 2, Mr. Chairman.

Mr. Secretary, in regard to the question Senator Anderson asked, it seems to me the answer lies in greater unification of the services. What, if anything, can you do about that as one of the President's Cabinet?

Secretary ANDERSON. Well, this is certainly not one of my primary responsibilities, and I think I could do nothing, except opinions might be asked from time to time, and there have been none asked up to this point.



Senator LONG. I assume there are some discussions of economy in the military when the Cabinet meets from time to time.

Secretary ANDERSON. That is right.

Senator LONG. You were formerly Secretary of the Navy, and you know something about those problems.

Secretary ANDERSON. Yes.

Senator LONG. Have you expressed an opinion on those matters from time to time?

Secretary ANDERSON. Oh, yes. All such matters, Senator, whether they relate to expenditures of the Defense Department or other departments, are reviewed in the light of what will be the impact on the country, on industries, on our tax collections, upon other programs, how much of our total money will be utilized in their programs, this sort of thing.

Senator LONG. You personally feel we could make considerable economies if we can force upon the services greater unification in the research and development of their new weapons?

Secretary ANDERSON. Without trying to impose my judgment on the military department, I would think that any organization which was as large, as widespread as that organization can constantly be improved by people who are working at it so that you do have tighter controls, more sharing of information, better utilization of common facilities, and that sort of thing.

Secretary LONG. One thing that concerns me very much about our fiscal picture is that we are going to have to continue to maintain a rate of economic growth if we are going to continue to have a balanced budget, based on our present tax structure. Do these figures you have presented to us include the assumption that the economy will continue to expand?

Secretary ANDERSON. These figures are based upon the same judgments which went into our calculations of what the revenues would be for the fiscal year ending 1959, which would be a \$2 billion expansion.

Senator LONG. Right now, the economy is in something of a downturn or a moderate slump. Do you have any further thoughts about the predictions that this economy will recover from that slump during the next 2 or 3 months and again increase in production of income?

Secretary ANDERSON. I think this morning, before you were here, Senator Long, I went over with Senator Byrd the number of factors which had gone into our judgment in giving rise to a belief that there would be an upturn in our economy.

I have not tried to pinpoint precisely the time or month in which it would take place. But without reviewing those matters which went into the record earlier this morning, I do believe that the economy will reassert itself.

Senator LONG. Do you feel that a general reduction in the level of interest rates would tend to increase construction and increase economic activity?

Secretary ANDERSON. Of course, the rate at which you can borrow money, and the availability of the credit, they are both important factors in construction as well as other capital investments.

I think, however, if you look at the decline in the interest rates which have taken place since last October 14, it has been a very significant decline; in fact, almost a dramatic decline.

Senator LONG. It would seem to me that insofar as it has declined, it probably has helped to retard what otherwise would have been a more abrupt slump in the economy now.

I personally know of groups who explained to me that the reason they are calling off their expansion plans is because they felt the cost of interest money was too high, and so that contributed to the slump.

You are, are you not, about the principal Cabinet member who would be looked to to advise the President with regard to this interest-rate problem?

Secretary ANDERSON. I would think perhaps as much as anyone else in the Cabinet. He would also counsel with the Council of Economic Advisers and others. But this is the sort of thing, Senator Long, that we discuss on an informative and exchange-of-information basis in the arrangements which now exist for meetings between the President, myself, the Chairman of the Federal Reserve Board, the Chairman of the Council of Economic Advisers, so that each of us in the performance of our separate responsibilities will have the thinking and the collective judgment and the weighing of the effect of the statistical charts which all of us have available to us.

Senator LONG. Do you—I am not sure I got the answer I wanted to the question, at least that I got a direct answer to the question.

Do you feel that a further reduction in the general level of interest rates would contribute to economic growth at this time?

Secretary ANDERSON. Let me put it this way: I think any reductions in the cost of money and increases in the availability of money contribute to the willingness of people normally to make investments, if other circumstances of the economy are such as to make them believe they are worth while.

Senator LONG. Do you see any reason why those factors would not react in just such same fashion as that at the present time?

Secretary ANDERSON. I would think they would so react.

Senator LONG. Thank you very much.

That is all, Mr. Chairman.

The CHAIRMAN. The committee will adjourn until 10 o'clock tomorrow morning.

Senator DOUGLAS. May I, before we adjourn, ask the Secretary a question?

The CHAIRMAN. Yes, sir.

Senator DOUGLAS. At this time I would apologize, both to the chairman and the Secretary, for not being here earlier in the day, and to assure them it was not intended to be a discourtesy to him but simply because of other committee meetings.

What I would like, Mr. Chairman, if I may ask the Secretary, is a list of all Federal programs which lend, spend, or grant funds which are not included under the present debt limitation. As I understand if there are various borrowings of organizations owned by the Government which are not included under the formal debt limit, and I would like to mention a few, and I am not at all certain that they are all-inclusive:

First, military housing under the so-called Capehart program.

Second, the lease-purchase agreements which are a method of avoiding the appropriations process, and provide for public buildings and facilities.

Third, the highway program.

Fourth, the United States share of the St. Lawrence seaway expenses.

Fifth, the obligations of the Commodity Credit Corporation.

Sixth, FNMA sales of securities to the public.

Now, there may be others, but what I am trying to get at primarily is that I believe we should have a complete list of those activities, the extent to which commitments have already been made and in which future commitments are likely to be made, and the rates of interest which are paid on these. I think we should have these because in many cases when you remove a program from the debt ceiling you have to pay an interest rate which is in excess of what the interest rate would be on direct Federal borrowing, and this may not be the best policy for the Federal Government to pursue.

What I am trying to get at is that we should know the true nature of the Federal debt and the extent to which the present administration has avoided increases in the debt limitation by other methods of borrowing, which turn out to be more costly to the taxpayer.

I wondered, Mr. Secretary, if you could furnish us with this information.

Secretary ANDERSON. Yes; I can.

Senator DOUGLAS. Personally, I would like to have it before I am finally to vote on the question of increasing the debt limit itself.

Secretary ANDERSON. Yes; we will try.

The CHAIRMAN. Do you understand clearly what Senator Douglas wants?

Secretary ANDERSON. I was explaining to the chairman that we are preparing for a financing which will take place which will occupy my time tomorrow morning, and that I am then scheduled to go down to New Orleans on Tuesday afternoon and to make two speeches, which would not bring me back this week. So, I was wondering if there would be a way of my either getting through early in the morning or later this afternoon and furnishing some additional information. If there is not, of course, I will accommodate myself to the wishes of the committee.

(The material referred to follows:)

JANUARY 30, 1958.

Hon. PAUL H. DOUGLAS,  
*United States Senate,*  
*Senate Office Building, Washington, D. C.*

MY DEAR SENATOR: I am replying for Secretary Anderson to the request you made in the debt-limit hearings Monday afternoon for "a list of all Federal programs which lend, spend, or grant funds which are not included under the present debt limitation."

As you know, practically all of the operations of the United States Government—including budgetary as well as trust-fund operations—are reflected in the public debt of the United States or, to a very minor extent, in debt obligations guaranteed by the United States. These public-debt and guaranteed obligations totaled \$275,002 million on December 31, 1957, (\$274,564 million subject to the statutory limit and \$438 million not subject to the limit). In addition, there were \$6,221 million of securities and issued by Federal Government agencies which are not guaranteed by the United States Government on the same date, as listed in the attached table.

In addition to these two categories, there is a third category which may be called the long-range commitments and contingencies of the United States Government. A copy of the regularly prepared Treasury statement on this subject, as of June 30, 1957, is also enclosed with this letter. To the extent that any of this latter group of items actually result in cash disbursement by the Federal Government it would be reflected directly in budget expenditures and therefore in the public debt or guaranteed obligations.

In the discussion the other day, you mentioned specifically six items which occurred to you as examples of borrowings that were outside of the debt limit. Your first item was military housing mortgages, which are initially obligations of the Department of Defense. These mortgages are also insured by the Federal Housing Administration, and are, therefore, included in the list of long-range commitments and contingencies. To the extent that any of these mortgages are purchased by the Federal National Mortgage Association in its special-assistance program, they are paid for out of FNMA funds which are reflected as part of budget expenditures and therefore in the public debt. As of January 25, 1958, FNMA had purchased \$13 million of military housing mortgages and had approximately \$400 million in outstanding commitments. By comparison, purchases and commitments for military housing mortgages outstanding by private financial sources totaled \$147 million.

Lease-purchase contracts involve long-range commitments by the General Services Administration and the Post Office Department. The program, however, is still very small. As of December 31, 1957, only 1 contract for \$1.7 million had been completed by GSA, and 4 by the Post Office Department, totaling \$0.5 million. By June 1959, GSA expects to have 76 buildings, costing some \$297 million, under purchase contract on which the future annual payments for principal and interest during the contract period will amount to \$23 million.

The highway program has been operating at a surplus and the surplus funds have been invested in special issues of Government securities which are part of the public debt. If in the future, the highway fund should ever need to exercise its statutory authority to borrow temporarily from the Secretary of the Treasury, the Treasury would be called on at that time to provide funds which it in turn would borrow as part of the public debt.

The United States' share of the cost of the St. Lawrence seaway is being financed by St. Lawrence Seaway Development Corporation borrowing directly from the United States Treasury (\$83 million outstanding on December 31, 1957) so that this is already reflected in the public debt.

This is also true in regard to the expenditures of the Commodity Credit Corporation, which currently owes the Treasury almost \$13 billion, money which the Treasury in turn has had to borrow directly. In addition, the Commodity Credit Corporation has an obligation to purchase approximately \$250 million of loans to farmers from commercial banks which will not be reflected in the public debt until such time as Commodity Credit Corporation is actually required to take over such loans.

I hope that the material which we are providing you with this letter will be sufficient to answer your inquiry satisfactorily.

Sincerely yours,

JULIAN B. BAIRD, *Under Secretary.*

*Debt of Federal Government agencies not guaranteed as to principal and interest by the United States, Dec. 31, 1957*

	<i>Millions</i>
Federal home loan banks <sup>1</sup> -----	\$826
Federal land banks <sup>1</sup> -----	1, 599
Federal intermediate credit banks <sup>2</sup> -----	886
Banks for cooperatives <sup>2</sup> -----	222
Federal National Mortgage Association:	
Secondary market operation <sup>2</sup> -----	1, 315
Management and liquidation <sup>3</sup> -----	1, 372
Total, nonguaranteed agency debt-----	6, 221

<sup>1</sup> U. S. Government capital investment wholly repaid.

<sup>2</sup> Partially owned by U. S. Government.

<sup>3</sup> Wholly owned by U. S. Government.

Source: Office of the Secretary of the Treasury.

LONG-RANGE COMMITMENTS AND CONTINGENCIES OF THE UNITED STATES  
GOVERNMENT AS OF JUNE 30, 1957

The attached statement covers the major financial commitments of the United States Government, except the public debt outstanding and those involving recurring costs for which funds are regularly appropriated by the Congress and are not yet obligated, such as aid to States for welfare programs and participation in employee-retirement systems. The statement is segregated into four categories, namely (a) loans guaranteed and insured by Government agencies, (b) insurance in force, (c) obligations issued on credit of the United States, and (d) undisbursed commitments, etc.

The items appearing in this statement are quite different from the direct debt of the United States. They are programs of a long-range nature that may or may not commit the Government to expend funds at a future time. The extent to which the Government may be called upon to meet these commitments varies widely. The liability of the Government and the ultimate disbursements to be made are of a contingent nature and are dependent upon a variety of factors, including the nature of and value of the assets held as a reserve against the commitments, the trend of prices and employment, and other economic factors.

Caution should be exercised in any attempt to combine the amounts in the statement with the public debt outstanding, for that would involve not only duplication, but would be combining things which are quite dissimilar. As indicated by the enclosed statement, there are \$98.1 billion of public-debt securities held by Government and other agencies as part of the assets that would be available to meet future losses. The following examples illustrate the need for extreme caution in using data on the contingencies and other commitments of the United States Government.

1. The Federal Deposit Insurance Corporation had insurance outstanding as of June 6, 1957, amounting to \$119 billion. The experience of the Federal Deposit Insurance Corporation has been most favorable. During the period this Corporation has been in existence, premiums and other income have substantially exceeded losses, which has permitted the retirement of Treasury and Federal Reserve capital amounting to \$289.3 million (all repaid to Treasury), and the accumulation of \$1.8 billion reserve as of June 30, 1957. The Corporation's holdings of public-debt securities as of that date amounted to \$1.9 billion, which already appears in the public-debt total. Out of \$233.4 billion of assets in insured banks as of June 6, 1957, \$61.6 billion are in public-debt securities (also reflected in the public debt). The assets, both of insured banks and the Federal Deposit Insurance Corporation, as well as the continued income of the Corporation from assessments and other sources, stand between insured deposits and the Government's obligation to redeem them.

2. The face value of life insurance policies issued to veterans and in force as of June 30, 1957, amounted to \$44.2 billion. This does not represent the Government's potential liabilities under these programs since some of these policies will probably be permitted to lapse and future premiums, interest, and the invested reserves amounting to \$6.8 billion of public-debt securities should cover the normal mortality risk.

3. Under the Federal Reserve Act of 1913, as amended, Federal Reserve notes are obligations of the United States which as of June 30, 1957, amounted to \$25.8 billion. The full faith and credit of the United States is behind the Federal Reserve currency. These notes are a first lien against the \$51.4 billion of assets of the issuing Federal Reserve banks which includes \$23 billion of Government securities already included in the public debt. These notes are specifically secured by collateral deposited with the Federal Reserve agents which, as of June 30, 1957, amounted to \$16.9 billion in Government securities and \$11.8 billion in gold certificates.

*Long-range commitments and contingencies of the United States Government  
as of June 30, 1957*

[In millions of dollars]

Commitment or contingency and agency	Gross amount of commitment or contingency	Public debt securities held by Government and other agencies
<b>Loans guaranteed or insured by Government agencies:</b>		
Agriculture Department:		
Commodity Credit Corporation	1 360	
Farmers' Home Administration: Farm tenant mortgage insurance fund	2 158	
Commerce Department: Federal Maritime Board and Maritime Administration	36	(3)
Export-Import Bank of Washington	25	
Housing and Home Finance Agency:		
Federal Housing Administration:		
Property improvement loans	4 282	56
Mortgage loans	20,022	429
Office of the Administrator: Urban renewal fund	108	
Public Housing Administration	2,891	
International Cooperation Administration: Industrial guaranties <sup>5</sup>	118	
Small Business Administration	6	
Treasury Department:		
Reconstruction Finance Corporation (in liquidation)	6 7	
Defense Production Act of 1950, as amended	6 18	
U. S. Information Agency: Informational media guaranties	10	
Veterans' Administration	16,782	
Defense Production Act of 1950, as amended	307	
Total loans guaranteed or insured by Government agencies	41,130	485
<b>Insurance in force:</b>		
Agriculture Department: Federal Crop Insurance Corporation	7 252	
Export-Import Bank of Washington	3	
Federal Deposit Insurance Corporation	8 118,931	1,919
Held by insured commercial and mutual savings banks		61,578
Federal Home Loan Bank Board:		
Federal Savings and Loan Insurance Corporation	36,704	275
Held by insured institutions		2,904
Veterans' Administration:		
National service life insurance	42,594	5,604
United States Government life insurance	1,608	1,200
Total insurance in force	200,092	73,480
<b>Obligations issued on credit of the United States:</b>		
Postal savings certificates:		
United States Postal Savings System	9 1,462	1,450
Canal Zone Postal Savings System	9 6	7
Total postal savings certificates	1,468	1,466
Other obligations: Federal Reserve notes (face amount)	25,837	10 23,035
<b>Undisbursed commitments, etc.:</b>		
To make future loans:		
Agriculture Department:		
Commodity Credit Corporation	1	
Disaster loans, etc., revolving fund	1	
Farmers' Home Administration: Loan programs	27	
Rural Electrification Administration	760	
Defense Department: Loan to Peru <sup>8</sup>	2	
Export-Import Bank of Washington: Regular lending activities	1,536	
Housing and Home Finance Agency:		
Office of the Administrator:		
College housing loans	(3) 199	
Liquidating programs		
Public facility loans	11	
Urban renewal fund	161	
Public Housing Administration	245	
Interior Department:		
Bureau of Commercial Fisheries: Fisheries loan fund	2	
Defense Minerals Exploration Administration: Defense Production Act of 1950, as amended	6	
International Cooperation Administration: Loans to foreign countries <sup>9</sup>	985	
Small Business Administration	52	
Treasury Department:		
Reconstruction Finance Corporation (in liquidation)	2	
Defense Production Act of 1950, as amended	6	
Federal Civil Defense Act of 1950, as amended	3	
Veterans' Administration (veterans' direct loan program)	35	
Total undisbursed commitments to make future loans	4,034	

Footnotes at end of table

*Long-range commitments and contingencies of the United States Government as of June 30, 1957—Continued*

[In millions of dollars]

Commitment or contingency and agency	Gross amount of commitment or contingency	Public debt securities held by Government and other agencies
<b>Undisbursed commitments, etc.—Continued</b>		
To purchase mortgages:		
Agriculture Department, Farmers' Home Administration, Farm tenant mortgage insurance fund	(3)	
Housing and Home Finance Agency, Federal National Mortgage Association:		
Management and liquidating functions	(3)	
Secondary market operations	201	
Special assistance functions	336	
Total commitments to purchase mortgages	537	
To guarantee and insure loans:		
Agriculture Department, Farmers' Home Administration, Farm tenant mortgage insurance fund	6	
Commerce Department, Federal Maritime Board and Maritime Administration	35	
Housing and Home Finance Agency, Federal Housing Administration	3,434	
Defense Production Act of 1950, as amended	99	
Total commitments to guarantee and insure loans	3,574	
Unpaid subscriptions: International Bank for Reconstruction and Development	2,540	

<sup>1</sup> The Corporation finances part of its activities by issuing certificates of interest to private lending agencies. The outstanding amount of \$86 million as of June 30, 1957, is included in this figure.

<sup>2</sup> Includes accrued interest of \$2 million.

<sup>3</sup> Less than \$500,000.

<sup>4</sup> Represents the administration's portion of insurance liability. The estimated amount of insurance in force and loan reports in process as of June 30, 1957, is \$1,061 million. Insurance on loans shall not exceed 10 percent of the total amount of such loans.

<sup>5</sup> The Export-Import Bank of Washington acts as agent in carrying out this program.

<sup>6</sup> Includes loans sold subject to repurchase agreements and deferred participation agreements.

<sup>7</sup> Represents estimated insurance coverage for the 1957 crop year.

<sup>8</sup> Figures are as of June 6, 1957.

<sup>9</sup> Excludes accrued interest.

<sup>10</sup> Includes public debt securities amounting to \$16,905 million that have been deposited with the Federal Reserve agents as specific collateral.

NOTE.—The above figures are subject to the limitations and precautionary remarks, as explained in the note attached to this statement.

The CHAIRMAN. Senator Malone has some rather extended questions, I think, judging by the number of books he had there. So he left with the assurance that he would be the first one to examine you tomorrow.

Senator BENNETT. How many other witnesses are we going to hear, Mr. Chairman?

The CHAIRMAN. The only other one I know of is the Budget Director.

Senator LONG. Is it possible, Mr. Chairman, to notify Senator Malone that the committee plans to stay in session somewhat longer to accommodate him? I recall on the trade hearings I sat with Senator Malone until midnight.

The CHAIRMAN. Would there be any harm done if it was not acted upon until next Monday?

Secretary ANDERSON. No, sir; I do not think so.

(Off the record.)

The CHAIRMAN. We will meet at 9 o'clock in the morning.

Senator BENNETT. May I dispose of mine tonight, Mr. Chairman?

The CHAIRMAN. Senator Bennett.

Senator BENNETT. I am sure by this time everything is in the record, but perhaps I can clarify 1 or 2 things.

Earlier this morning, the adequacy of your estimates of income and expenses was questioned, with the inference that the deficit would probably be greater in 1959 than the present budget plans for.

If that were true, would that not suggest all the more need for flexibility in your position?

Secretary ANDERSON. Not only the need for flexibility, but the actual need for being able to meet our expenditures.

Senator BENNETT. So that the uncertainty of the present situation is a potent argument for the necessity of a greater margin between your present situation and the actual debt—

Secretary ANDERSON. It is indeed.

Senator BENNETT (continuing). Limit.

The other thing I would like to get into the record:

A great deal of time has been taken today developing the idea that you, as the Secretary of the Treasury and manager of the fiscal affairs of the country, are being used as an involuntary instrument in the interest of economy.

I think it has been brought out that Congress appropriates more than it should sometimes, and it has been brought out that the executive department has a backlog of some \$70 billion of appropriated funds, and the inference—well, more than the inference; the rather plain statement has been made over and over again that it is desirable to keep the debt ceiling right down on top of your head so that you become an involuntary control on those of us who really initiate, who really create, the problems.

It seems to me that whatever value that may have, we have ignored the fact that you do have an affirmative responsibility in your situation, which is to manage the public debt as cheaply and as successfully, advantageously, as possible.

Now we have a choice here. I think we are setting up a choice. Is your affirmative responsibility to be sacrificed in order that under some circumstances your involuntary usefulness may be increased? And I feel that it would be shortsighted for us to assume that your affirmative responsibility should be scuttled or at least endangered in this kind of situation.

During the hearings last summer, a great deal was made of the fact that the public debt is becoming increasingly short, that there had not been enough long-term issues during the past two years, and the process of attrition of time was shortening up the debt.

Do you feel, as part of your responsibility, you should be attempting constantly at least to replace that attrition, if not to lengthen out the present average life of the debt?

Secretary ANDERSON. Senator, I feel very strongly that we ought to take full advantage of every opportunity the market gives us to extend and thereby better balance the debt, not only from the standpoint of doing it as economically as we can during periods when interest costs are perhaps not as high as at others, but for another very important reason:

We, every time we go to the market—and when I say “we,” I am talking about the United States Government—with any kind of security, we compete in the whole market process with others who



are seeking funds, and to that extent we make more difficult the financing of private businesses, more difficult the financing of local subdivisions, States, municipalities. And I think we have the dual responsibility, in trying to take advantage of these opportunities, both to get this thing in better balance so that you do not go so frequently, as well as to try to do it more economically if the opportunities come.

Senator BENNETT. I think that is a very important phase of it. I would like to return to the other one briefly for a minute, however.

A point has been made that during the preceding 2 years, the years of your predecessor, there were no long-term bonds sold. You have sold two small issues. Would you say that the present situation may be more favorable to you in carrying out your responsibility to lengthen the average of the debt than the situation your predecessor faced in those two years?

Secretary ANDERSON. Senator, I would not at all want to be unresponsive to your question. I would like to respectfully suggest that we are very close upon some financing, and I would like to defer any direct answer of what I believe until that is over.

Senator BENNETT. Let me rephrase the question: When or to the extent that the present situation would seem to offer an opportunity for a lengthening out of the debt, would a very tight debt limit make it impossible for you to take advantage of that situation?

Secretary ANDERSON. It would make it impossible or exceedingly difficult to take advantage of it, yes, sir.

Senator BENNETT. I think those are all my questions.

Excuse me, may I ask one more.

Earlier today the record shows or you reported that last fall, if I remember correctly, you disposed of or you used the FNMA as a device to give you a little more leeway in your ceiling.

Secretary ANDERSON. Yes.

Senator BENNETT. And the record shows that you have exhausted that source, practically exhausted that source of leeway.

Secretary ANDERSON. Yes.

Senator BENNETT. You have \$500 million worth of gold which, if sold, would do the same thing.

Secretary ANDERSON. It would be exhausted.

Senator BENNETT. Is that the last resource you have?

The CHAIRMAN. There is some silver, and so forth, about a couple of hundred million. [Laughter.]

Secretary ANDERSON. You have some silver, and then you have some leeway under the CCC, for instance, but it is a very awkward situation.

Senator BENNETT. But it is an awkward situation.

Secretary ANDERSON. Yes.

Senator BENNETT. And it seems to me if we say to you, "Sell that \$500 million worth of gold," we are putting you in a position where, in the event of a contingency or an emergency, then you have got no very readily available source of cash left.

Secretary ANDERSON. I really have no place to go except to come back and ask for an increase in the debt limit.

Senator BENNETT. It seems to me the Government of the United States, big as it is, should not come right up to the last ultimate resource before it gives you some flexibility in carrying out your responsibility. Is that a fair statement?

Secretary ANDERSON. That is a fair statement, and we have felt that in seeking this \$5 billion of increase, that we are approaching our problem modestly and prudently, and not asking just for unneeded amounts of money or unneeded borrowing authority.

Senator BENNETT. Did anybody ask you earlier to indicate for the committee, as I think for the House committee, the added cost in interest that the FNMA transaction represented?

Secretary ANDERSON. No one has asked. I have those figures.

The spread is about one-half to five-eighths of 1 percent difference.

Senator BENNETT. On \$800 million.

Secretary ANDERSON. \$800 million.

Senator WILLIAMS. Will the Senator yield for a question at that point?

Senator BENNETT. Yes.

Senator WILLIAMS. Mr. Secretary, do you think it would be wise to go back to the old provision whereby the Government, I mean the Treasury Department, sold these as Government bonds and to cancel the authority of these agencies to sell them direct, as we did, because unquestionably we could save this one-half or five-eighths of a percent, and while these bonds that are being sold do not have a direct Government guaranty, there is a moral commitment there which we all recognize.

Secretary ANDERSON. Well, certainly it would be cheaper if they were all direct obligations of the United States. If, however, you attempted to put all of the obligations which are not the direct obligations of the United States under the same blanket, then we would certainly have to be asking for a much larger increase in the debt ceiling than we are asking for.

Senator WILLIAMS. I recognize that. I just wonder, if the Senator would yield again, would you advise we face that situation, take an inventory and reevaluate our debt ceiling to cover it, and bring them all in under and sell them as Government bonds?

Secretary ANDERSON. I would not say I have reached a firm conclusion. It is a matter in which Mr. Baird and I and other members of the Department are studying it very carefully.

Senator WILLIAMS. And you would not care to make a recommendation?

Secretary ANDERSON. Not at this moment, sir.

Senator BENNETT. I appreciate the Senator's bringing that up.

I do not have the figures before me, but I have the impression that over in another committee a feeling is developing the Treasury has no obligation involving FNMA funds, so the Treasury should reinstate its earlier obligation, FNMA's loaning authority should be increased; because of the Treasury once having had \$800 million and sold them, now they ought to give us \$800 million more of Treasury funds so we can have that much more money to loan. So if they were definite Federal obligations, you would avoid that particular pressure.

The CHAIRMAN. Of course, they do not come under the debt limit, since 1954.

Senator BENNETT. No. But, Mr. Chairman, there are people who are anxious to see FNMA buy more mortgages who say, "Well, there is no Federal money in FNMA now. There was \$800 million there last year. The Treasury should be willing to take \$800 million more worth of FNMA funds and thus increase their loaning authority, put it under the debt limit."

The CHAIRMAN. That does not come under the debt limit by law, am I correct?

Secretary ANDERSON. It does not come under the debt limit.

The CHAIRMAN. Not since 1954.

Senator BENNETT. But to the extent you provide money for FNMA directly, that comes under the debt limit.

Secretary ANDERSON. Yes. But we go out and market those to the public in order to get the public holding the bonds instead of the Treasury.

The CHAIRMAN. But that is a small amount on a temporary basis, is it not?

Secretary ANDERSON. Yes, sir. You see, we have two funds in the FNMA. One is this liquidation account, and those are the funds which were referred to recently in the \$800 million.

Now, in the secondary mortgage market they call on us from time to time for funds with which to buy mortgages.

The CHAIRMAN. That is a revolving fund.

Secretary ANDERSON. Revolving. When they accumulate it they go to the public and sell it.

Senator BENNETT. I am through.

Senator WILLIAMS. On the World Bank bonds, those are sold direct to the public by the World Bank and are not counted in the national debt, is that not correct?

Secretary ANDERSON. That is correct.

Senator WILLIAMS. But they do carry a legal Government guaranty.

Secretary ANDERSON. Up to a certain amount.

Senator WILLIAMS. Up to \$2.5 billion.

Secretary ANDERSON. Yes.

Senator WILLIAMS. In other words, we definitely guarantee those just as we do every Government bond that is issued, is that not true?

Secretary ANDERSON. Well, there is not perhaps the same legal situation, but it is an obligation.

Senator WILLIAMS. Well, is there not a legal obligation? I am just asking the question. Does not the law say that the Treasury Department will furnish up to \$2.5 billion?

Secretary ANDERSON. They can call on the Secretary of the Treasury and you are obligated to put it up.

Senator WILLIAMS. You are obligated to put the money up. So it is a guaranty.

Secretary ANDERSON. Well, when you get down to this choice of words, you get legal significances.

Senator WILLIAMS. I think we asked you for some further explanation on that. Do you have that report ready? The last time you were up here, I think we asked for a compilation.

Secretary ANDERSON. That is when I was visiting with you. We do not have that material.

Mr. BAIRD. We will give you that, Senator.

(The information requested is as follows:)

RELATIONSHIP OF UNITED STATES LIABILITY ON STOCK OF INTERNATIONAL BANK  
TO PUBLIC DEBT LIMIT

The articles of agreement of the International Bank for Reconstruction and Development, of which the United States became a member pursuant to the Bretton Woods Agreements Act of 1945, provide that 80 percent of the stock

subscription of each member country is subject to call by the bank only to meet obligations of the bank for funds borrowed or on loans guaranteed by it. The subscription of the United States to the International Bank is \$3,175 million, so that the 80 percent obligation is \$2,540 million, at the maximum. Members are liable to call regardless of the currency in which the obligation of the bank to be met is expressed, but payments on any call may be made, at the option of the paying member, in gold, in United States dollars, or in the currency required to discharge the obligations of the bank for which the call is made.

The 80 percent portion is not a specific guaranty or security applying to any particular obligations of the bank. In fact, the bank's articles provide that all bonds issued or guaranteed by the bank must bear on their face a conspicuous statement to the effect that they are not an obligation of any government, except as the government may be liable as a borrower on the particular security.

The articles of agreement also provide that when calls are made on the 80 percent subscription, they shall be in uniform proportion on all shares. If a call did not yield the funds necessary to meet the obligations of the bank then due because all the members did not respond to the call, the bank would be required to make further calls until the necessary amounts had been collected from the members which did pay.

Another factor which makes the exact amount of a member's actual liability on the 80 percent subscription very uncertain is that no call would be made unless the bank had in fact suffered serious defaults on its outstanding loans. To date all payments on loans to the bank have been made as they fell due. Moreover, the bank has very substantial reserves which would be utilized before calls were made on the stock subscriptions.

Thus the liability of a member of the International Bank on the 80 percent subscription is highly contingent as to both amount and time when it might take effect. It is clear that this liability is not subject to section 21 of the Second Liberty Loan Act, as amended (31 U. S. C., section 757b).

Senator CARLSON. Mr. Chairman, before we adjourn, if I may have a moment. I will not be able to be here in the morning, and therefore I want to say that I appreciate very much the fine statement of the Secretary today, and I think most everything has been asked in the way of questions.

It is an interesting history to me to watch this debt limit increase. I happen to have checked the tables, that is, table 1, and I note that I was a member of the House Ways and Means Committee May 26, 1938, when the debt limit was \$45 billion, and I followed it on through.

In 1941 we stepped it up to \$65 billion; in 1942, \$125 billion; 1943, \$210 billion; 1944, \$260 billion; 1945, \$300 billion; and in 1946 back to \$275 billion.

Then I left the House of Representatives in January 1947 and they did not raise the debt limit until 1954 when I got back on this committee, and it was \$281 billion; 1955, \$281 billion; 1956, \$278 billion; 1957, \$275 billion, and now it is before us again for a \$5 billion increase.

So I have had an interesting experience in following this debt limit.

I want to ask the Secretary, and I appreciate his problems, after all, Congress builds the expenditures of this Government; you do not do that. Under our Constitution, you handle our debt, our Federal debt.

Now, you have stated to this committee that you think you should have available funds for expenditures which would be \$3.5 billion, or 12 days' expenditures.

In these past years of all these debt limits that I have mentioned, what has been the situation in the Treasury? Have they had greater leeway or less?

Secretary ANDERSON. Very much larger leeway.

Senator CARLSON. Well, I very well remember back in the House Ways and Means days when they had many times what you are requesting today, and I would be pleased, Mr. Chairman, if they would put that in the record. I do not want to take the time of the committee this evening, but I remember some of those discussions, and sometimes we had billions of dollars in cash, hundreds of millions of dollars in cash and billions in leeway, and I would like to have that placed in the record.

Secretary ANDERSON. We have those figures, and we will be glad to put them in the record.

Senator CARLSON. I think it would be interesting.

Secretary ANDERSON. All right, Senator.

(The information referred to follows:)

*Public debt subject to statutory limitation and operating cash balance*

[In billions]

Date	Statutory limitation	Debt outstanding subject to limitation	Balance issuable under limitation	Operating cash balance, including gold
June 30—				
1936.....	\$45.0	\$32.8	\$12.2	\$2.4
1937.....	45.0	35.9	9.1	1.1
1938.....	45.0	36.9	8.1	1.8
1939.....	45.0	40.4	4.6	2.4
1940.....	<sup>2</sup> 49.0	43.2	5.8	1.2
1941.....	65.0	49.5	15.5	2.0
1942.....	125.0	74.2	50.8	2.4
1943.....	210.0	140.5	69.5	8.9
1944.....	260.0	208.1	51.9	19.6
1945.....	300.0	268.7	31.3	24.3
1946.....	275.0	268.9	6.1	14.2
1947.....	275.0	257.5	17.5	3.2
1948.....	275.0	251.5	23.5	4.8
1949.....	275.0	252.0	23.0	3.2
1950.....	275.0	256.7	18.3	5.3
1951.....	275.0	254.6	20.4	7.1
1952.....	275.0	258.5	16.5	6.4
1953.....	275.0	265.5	9.5	4.2
1954.....	275.0	270.8	4.2	6.2
1955.....	281.0	273.9	7.1	5.2
1956.....	281.0	272.4	8.6	5.7
1957.....	278.0	270.2	7.8	5.1
Dec. 31, 1957.....	275.0	274.6	.4	3.1
Jan. 27, 1958.....	275.0	274.5	.5	2.5

<sup>1</sup> Congress limited the amount of bonds outstanding. The figures include the following for bonds on the dates when such limitation was in effect:

Date	Limitation	Amount of bonds outstanding subject to limitation	Balance issuable
June 30—			
1936.....	\$25.0	\$18.4	\$6.6
1937.....	25.0	21.9	3.1
1938.....	30.0	24.3	5.7
1939.....	30.0	28.4	1.6

<sup>2</sup> Includes authorization for national-defense purposes in act approved June 25, 1940, of notes, certificates, and bills in an aggregate amount of \$4 billion outstanding at any one time, less any retirements made from the special fund made available under sec. 301 of the Revenue Act of 1940. No securities issued under this authority were outstanding on June 30, 1940. The act approved Feb. 19, 1941, eliminated the separate authority for \$4 billion of national defense series obligations.

Senator CARLSON. Second, there was some discussion this morning about your using the anticipated postal revenues in case Congress should vote 4- or 5-cent postage rates.

Now, Congress has not voted that, and if we pass the postal-pay bill which is on the Calendar of the Senate, and as I understand will be up for consideration soon, the deficit in 1959 will be \$701 million in the Post Office Department, and if we add to it this \$320 million in the postal pay bill which is now on the Calendar, the deficit will be well over a billion dollars. That will add further to your difficulties; will it not?

Secretary ANDERSON. Yes, sir.

Senator CARLSON. I believe the President recommended pay increases of \$1,052 million for postal, classified, and military. Do you remember if that is correct?

Secretary ANDERSON. I do not remember the particular figure, but it is in that neighborhood.

Senator CARLSON. I think that is the correct figure. The President recommended \$160 million for an increase in postal pay.

Now, anything we vote in excess of \$160 million, I assume will become a pattern for the other employees of the country, classified and military, which I think, Mr. Chairman, has possibilities of greatly adding to the problems of the Secretary in this program. And we, in Congress, have a responsibility not only in that phase, but I personally feel that we must do everything we can to help the Secretary in his problems in this financing of our national debt to the best advantage.

Secretary ANDERSON. Thank you, sir.

Senator CARLSON. I thank you, Mr. Chairman.

The CHAIRMAN. We have our own responsibilities, too, not to pass these bills if they are going to add to the debt.

Mr. Secretary, are you going to call Senator Malone?

Secretary ANDERSON. I will call Senator Malone and be in touch with you.

The CHAIRMAN. What is the latest hour you can stay here tomorrow morning?

Secretary ANDERSON. My meeting is set up for 11 o'clock.

The CHAIRMAN. Does any other Senator desire to question the Secretary?

Senator Jenner.

Senator BENNETT. He is out of town.

The CHAIRMAN. He is very much interested in this debt ceiling.

Secretary ANDERSON. I will go see Senator Malone now.

The CHAIRMAN. If Senator Malone desires to question you in person, the committee will meet tomorrow morning at an hour which will be agreeable with both you and Senator Malone. If, perhaps, Senator Malone is satisfied with the testimony thus far, it will not be necessary to meet tomorrow. I shall be glad to allow Senator Malone to submit a statement in the record in lieu of his interrogation of you if he so desires.

Secretary ANDERSON. I will go to his office immediately and so advise him.

The CHAIRMAN. Will you notify Mrs. Springer of the agreement reached?

(In accordance with permission granted by the chairman, the following remarks made by Senator Malone at the end of the hearing on January 28, 1958, and summary statement of views subsequently submitted, appear at this point in the record.)

Senator MALONE. Now, Mr. Chairman, I want to say at the outset that I think it is utterly impossible to consider one particular part of this arrangement that has been going on now for 25 years to attack the social and economic structure of this country, that it is utterly impossible considering them one at a time and giving them the proper weight. The first thing we did was in 1933, and was when we followed England and other foreign nations off the gold standard and utterly abandoned any attempt at holding the purchasing power of the dollar.

Since that time, no attempt has been made by any administration, including our own, to hold the purchasing power of the dollar. We give it lipservice, but when we cut it loose from the gold standard we cut the only mooring it had, just like cutting the mooring of a balloon, and there is no place for it to go but up. Inflation has continued over this 24- or 25-year period and it will continue to go up, which means, of course, that all of the pensions and the savings and everything in the country are destroyed.

Now, with that one particular thing we priced ourselves out of the world markets almost immediately. So we are entirely priced out of the markets of the world now except to the extent that we furnish a subsidy or give them money ahead of time to buy the goods. That is where your \$70 billion went—into building plants there to compete with our goods with cheap labor, shipped back here under the virtually free-import system that we adopted in 1934; and to build dollar credits. Under my questioning of Secretary Humphrey in part 1 of the parent testimony and of Mr. Martin in part 3, it was brought out that if all the dollar credits in Europe and Asia were converted, as they could easily be so that they could demand gold for their dollar credits, we would have only \$5.7 billion of gold left.

Now here we are using part of the gold for this debt. But we better figure out whether we own it or not. It is reported to us each year that we have \$22 billion or \$24 billion in storage, but nothing is said about who owns it.

Now, they testified that they could stop payment in gold but also admitted readily that that would depress the American money on international markets and probably cause a severe depression in the United States.

Now, in 1934, the Congress passed the 1934 Trade Agreements Act and transferred to the Executive the constitutional responsibility of Congress to regulate foreign trade and the national economy with full authority—and this is the gimmick—that even when the Tariff Commission (which is just a “chore boy,” a messenger boy; they have no authority whatever) recommends to the President that an industry, a part of it or all of it, is threatened to be distributed among foreign nations by our free imports policy, that—and Secretary Dulles testified to this, sitting right in this chair in 1953 when they extended the 1934 Trade Agreements Act to June 1958—the President must, or may, consider whether or not by the sacrifice of a part or all of an industry, be it textiles, machine tools, minerals, or one of more than 5,000 other industries and materials—if by the sacrifice of all or a

part of that industry he can further our international policy of treaties and agreements; then he must or may do that. In other words, there is a gimmick there that never was in the Constitution of the United States.

Also, the same Mr. Dulles testified that in 1947 they organized General Agreement on Tariffs and Trade and transferred the constitutional responsibilities of Congress to regulate foreign trade and the national economy to Geneva under that GATT—General Agreement on Tariffs and Trade—and that they then could make these multilateral trade agreements. And there, again, Mr. Chairman, is another gimmick. They make these agreements; they lower the tariffs of the United States on important things and will lower the tariffs on some of their material; but as long as they are short of dollar balance, they do not have to keep the agreements, and you are short of dollar balance until you are all living alike; in other words, you just divide the wealth of the United States of America.

So from 1947 to the present time—first, 34 and now 37 foreign competitive nations have been, and are, sitting there dividing the markets of the United States among them, and the markets of the United States are gone. So we are living on a war economy.

Now we want to hop that up to \$42 or \$44 billion because that is the only thing we are living on, the purchases of the materials that we manufacture in the United States through our own economy, our own \$42 or \$44 billion. If you quit spending that money for 60 days at that rate, you are out like a light; everyone knows that.

Now, the third thing is the billions to Europe. That started with the Marshall plan, so ably outlined by the chairman this morning. It did not really start with the Marshall plan; it started with the \$3,750 million to England in 1946, which was going to be the last. That was going to be the last; everything was going to run rose in Europe from then on. But Mr. Marshall made a speech at Harvard in 1947 in which a paragraph appeared—I doubt if the old man knew it was there himself—where he said, "We should help them get on their feet by certain cash payments." The Prime Minister of England took that ball on the first bounce and within 30 days let us know just how much it was going to cost us. And the chairman is right; it was supposed to be \$15 billion in a 5-year program, of which the senior Senator from Nevada on the floor in 1948 said, "Once we start it it will become permanent"; and it has.

The Secretary of State sat right in that witness chair and testified it must be permanent. And that is when you gave him the money last year. This year I hope we have him here again and let him explain it.

Now, the fourth thing, there are four organizations, Mr. Chairman, that are operating for one thing, and that is to finance American corporations and individuals and others to build plants in foreign nations and use the cheap labor and send the stuff back here through the free importing policy. Those four are, according to Mr. Martin who testified on page 1,593 of part 3 of the hearings under my questioning: the Export-Import Bank, the International Bank, the International Monetary Bank, and the International Finance Corporation. The Export-Import Bank we finance entirely; the other three we finance up to 36 percent, but actually we put in the only real money. The other is their thin paper money. So that as a matter of fact we finance all four of



them—for one purpose, and that is to loan money and to finance American organizations and corporations and individuals to go to foreign nations and build these plants and send this stuff back with the \$2-a-day labor or 50-cent labor, whatever it is.

Now, with those four organizations operating, it is, in effect, a pincer movement, Mr. Chairman, to destroy the economic and social structure of this Nation—and it is much nearer destruction now than many of the Senators, I am sure, realize.

One thing I believe the Senators should realize, and of course they must. If they do not vote for it, an administration cannot do it. So there is no reason to blame an administration for spending \$70 billion on foreign nations in 10 or 12 years. There is no reason to blame an administration for keeping up 3 missile organizations over these last years and 5 air corps, because if Congress did not vote for it they could not do it.

Now, Mr. Chairman, everyone who studies it knows that at least \$15 billion a year is spent in obsolete material and in billions to Europe, our 3 missile organizations, and the 5 air corps. We have an Air Corps, a Navy air corps, an Army air corps, a Marine air corps, and a Coast Guard air corps; we need one air corps. We have 3 missile organizations, and, of course, everyone realizes we need 1. And here we have, in addition to that, foot soldiers in 73 nations throughout the world, all “dead” when the fight starts; because, if they are not in the way, they will cut them off like MacArthur did the Japs out on those isolated islands. And if they are cut off that way, they will starve just like chinchbugs in Kansas.

Now, Mr. Chairman, I want to close by saying I have seen every nation in the world, and I did not go for social purposes. It took 11 years. The last trip was for two months and a half behind the so-called Iron Curtain in 1955 and when they finally turned me loose I traveled 14,000 miles in Russia. I was in every one of the Socialist Republics, took pictures in their manufacturing plants, where they are building their dams on the Volga River, and all over. I held an interview there that was widely used here, although sometimes misquoted, and when I got back on the Senate floor in 1955, I said in speeches three things: (1) that in a very reasonable time Russia would make itself self-sufficient in the area under its control in everything they need for war or peace; (2) there would be no successful revolt; (3) all the power in the Eastern Hemisphere has moved to Russia. There is no power in Europe, there is none in England, none in France. The empire colonial system is dead.

Then I said, Mr. Chairman, if these three things are true—and I believed them to be, and I do as of this minute—then we must make our system work. The Russians, whether we like it or not, are making theirs work. Ours is not working. We are sitting here on the Senate floor and on the House floor by the votes of our people. Yet there is no more chance of you holding that debt limit to \$275 billion than there is flying to the moon in the morning. And the chairman understands that just as well as does the senior Senator from Nevada.

It is a question of how much you are going to give in each time. That is all.

I admire the senior Senator from Virginia, the longtime chairman of this committee, for his attempt to hold it down. But after our

votes—I say ours because of my ineffectual attempts to prevent it on the Senate floor—the majority of the Senators have voted consistently for the four things that I have talked about as a pincers movement to destroy us and as long as they do, they will be sitting here doing exactly what they are doing, year after year.

We heard three times from Secretary Humphrey this same story that we heard from Secretary of the Treasury Anderson yesterday. Is that not true? And each time all this committee could do was to accede to his request to a certain extent; is that not right?

The CHAIRMAN. Right.

Senator MALONE. Now, then, in my humble opinion, Mr. Chairman, unless we realize that there is something wrong in Denmark with all of the State Department palaver that we are going to surround Russia and contain Russia—well, you might as well contain me in Nevada, or you in Virginia. So all he did was give them time to get ready.

Now, if you will go deep enough into this national defense thing, you will find what I say is true. You can make this hemisphere self-sufficient for war and peace. You can defend it from North America, and that is the only place from which you can defend it. Because we are going to get run out of Europe in 2 years, and maybe much sooner, because they will tell you that their security is threatened if our stuff is allowed to stay there.

So, Mr. Chairman, with the privilege of rearranging what I have said, I am going to close now. But I want to close by saying again that when, in this committee or on the Senate floor, we allow these things to come one at a time and are overwhelmed by it without considering the picture, then this is only the beginning of the end. It has been going on 25 years. It did not start yesterday. The Eisenhower administration did not start it. It is simply carrying on what it inherited. That is the worst thing you can say about it.

I am very fond of the President. I have a fine personal relationship with him. The fact that I have never voted for any of these billions of dollars to Europe and funny money and free trade, free imports, that are destroying the American jobs and American investments—does not alter that and I always tell him first. I have a visit with him, and he knows exactly how I am going to vote.

But I agree with the chairman now. As long as the Senators of the United States go out on that Senate floor and vote for all of these things I have mentioned, they have no alternative here than to do what the Secretary of the Treasury requests.

(The summary statement subsequently submitted by Senator Malone follows:)

#### SUMMARY STATEMENT OF SENATOR GEORGE W. MALONE

Abraham Lincoln, in referring to what he regarded as a preconceived plan, once said:

"We cannot absolutely know that all these exact adaptations are the result of preconcert. But when we see a lot of framed timbers, different portions of which we know have been gotten out at different times and places and by different workmen, and when we see these timbers joined together, and see they exactly make the frame of a house or a mill, all the tenons and mortises exactly adapted to their respective places, and not a piece too many or too few—in such a case, we find it impossible not to believe that all worked upon a common plan or draft drawn up before the first blow was struck."

## A PRECONCEIVED PLAN

Mr. Chairman, there is little doubt that there was a preconceived plan to divide the wealth (markets and cash) of this Nation among the nations of the world, and to make us dependent upon foreign nations across major oceans for the critical minerals and materials without which we cannot fight a war or live in peace.

In 1933 this Nation followed England off the gold standard and adopted a managed currency which could only result in inflation and the pricing of this Nation out of the world markets. The following year the Congress passed the 1934 Trade Agreements Act (so-called reciprocal trade) which transferred to the President this constitutional responsibility of Congress and gave him full authority to place it in the hands of competitive foreign nations at Geneva, Switzerland where it now resides. At Geneva these nations are now dividing our markets among themselves and thereby causing unemployment here and making us dependent upon them for important critical materials necessary for our security while we are living on a "war economy."

In 1946 the \$3¾ billion loan to England, the Marshall plan in 1948, succeeded by ECA and mutual security, started a program of direct division of the wealth, which the Secretary of State now testifies must be permanent. Under this plan more than \$60 billion has been transferred to foreign nations.

The Constitution has continually been modified by treaty—as, for example, the status of forces treaty—and these modifications altogether have finally taken form as a plan for the destruction of the United States through amending the Constitution without submitting it to the people as has been guaranteed by that document.

The plan constitutes international socialism at its worst and can only result in complete international social and economic control of the United States of America, together with a severe curtailment of our established wage living standards. The Secretary of the Treasury has testified that he represents only one part of the plan.

## WAGES, INSURANCE, PENSIONS, SAVINGS REDUCED BY INFLATION

A continued managed currency means a continued inflation. Continued inflation means a continued reduction in wages, insurance, pensions and savings through reduction in purchasing power of the dollar.

As President Lincoln well said:

"In such a case we find it impossible not to believe that all worked upon a common plan or draft drawn up before the first blow was struck" to internationalize the social and economic structure of the United States.

George Washington, relative to evading the Constitution, said in his farewell address that:

"If in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed."

The Constitution plainly says in article 1, section 8 that:

"Congress shall have the power \* \* \* to coin money, regulate the value thereof, and of foreign coin \* \* \*"

On December 23, 1913, the Congress passed the Federal Reserve Act, setting up the Federal Reserve Commission and transferring to that body the management of the Nation's currency.

## THE SECRETARY FAVORS A MANAGED CURRENCY

The Secretary of the Treasury, Mr. Humphrey, testified that he favored the continuation of the managed currency system and that the Federal Reserve Commission had the power to determine the amount and kind of currency in circulation and to fix the stock exchange margin.

Congress only recourse would be to amend the Federal Reserve Act.

The Secretary testified that he had the power to fix the rate of interest to be paid on Government bonds, which influenced the interest to be paid on private funds and bonds, and that foreign governments can secure our gold through dollar balances, for \$35 per ounce and sell it on the open world market for any price they can get.

The Secretary further testified that he would not change the present "managed currency" system regulated under the Treasury and the Commission, as long as the unsettled international situation prevailed.

Since troubled times have been the established condition in Europe and Asia for centuries the situation is not likely to change.

The record, however, is that a strong nation has always led in establishing a sound currency and that weaker nations have followed their example—the United States in 1879 and 1900 and England in 1916.

Regardless of that record the Secretary still maintained that we should retain our presently managed currency.

#### DUTIES OR TARIFFS

The Constitution is explicit in article I, section 8, that :

"The Congress shall have the power to lay and collect taxes, duties, imposts, and excises \* \* \* to regulate commerce with foreign nations, and among the several States \* \* \*"

The Congress passed the 1934 Trade Agreements Act and transferred to the President its constitutional responsibility to regulate our national economy and foreign trade and, with it, gave him the full authority to transfer that responsibility to Geneva, Switzerland, where at this time 34 foreign competitive nations, through multilateral treaties under the GATT (General Agreement on Tariffs and Trade) are dividing the American markets among themselves.

#### GOLD OWNED BY UNITED STATES AND IN OUR POSSESSION

The Secretary of the Treasury testified that we have stored in various depositories in this country including Fort Knox, \$22,406 million in gold.

A statement from the Treasury specified that \$16,200 million of dollar credits are owned by foreign nations and individuals—and that it is customary to honor these dollar credits of foreign nations in gold when presented for payment.

It is generally known that the individually owned dollar credits can be readily converted to nation-owned credits and therefore subject to redemption by gold payments.

The Secretary testified that he can, of his own volition, refuse gold payments for foreign-offered dollar credits but that, in the absence of an international emergency such as war, the effect of such a refusal to honor the American dollar credits would be depressing on the foreign exchange.

Further testimony showed that if all foreign dollar credits were honored by gold payments in the customary manner we would then have \$6.2 billion of gold remaining in the United States Treasury to back the \$27.4 billions of outstanding currency, which is not up to the required 25 percent by law.

#### THE GOLD STANDARD

Mr. Chairman, on April 1, 1957, I introduced Senate bill 1775 which provides in part :

"That notwithstanding any other provision of law, gold in any form, mined subsequent to the enactment of this act, within the United States, its Territories, and possessions may be melted, smelted, concentrated, or otherwise treated so as to prepare it to be sold, or held and stored as is, or has been customary with gold, and it may be bought, held, sold, or traded upon the open market within the United States, its Territories, and possessions for any purpose whatsoever without the requirement of licenses and it may be exported without the imposition of duties, excise taxes, the requirement of licenses, permits, or any restrictions whatsoever."

Then on April 16, I introduced Senate bill 1897 which provides in part :

"All money of the United States, including money issued by banks, shall be maintained on a parity with the standard gold dollar by freedom of exchange at its value with standard gold bullion or coin at the United States Treasury."

#### SECTION 336—THE 1930 TARIFF ACT

The 1934 Trade Agreements Act as extended expires in June of 1958. If it is not renewed then, Congress automatically resumes its constitutional responsibility to regulate foreign trade and the national economy and the American workingmen and producers are back in business under section 336 of the 1930 Tariff Act headed "Equalization of Costs of Production";

"If the Commission finds it shown by the investigation that the duties expressly fixed by statute do not equalize the difference in the cost of production of the domestic article and the like or similar foreign article when produced in the principal competing country, the Commission shall specify in its report such increases or decreases in rates of duty expressly fixed by statute (including any necessary change in classification) as it finds shown by the investigation to be necessary to equalize."

#### DUTIES OR TARIFFS

Mr. Chairman, on January 7, 1957, I introduced Senate bill 28, which if passed would return the regulation of our foreign trade and national economy to the Tariff Commission, an agent of Congress, under the 1930 Tariff Act.

Under the heading "Declaration of Policy," the following language is to be found in section 1 of my Senate bill 28.

#### DECLARATION OF POLICY

SECTION 1. It is declared to be the policy of the Congress—

(a) to facilitate and encourage trade with foreign nations on the basis of fair and reasonable competition.

(b) to maintain an investment climate through the principle applying equally to the whole country.

(c) to provide necessary flexibility of import duties thereby making possible appropriate adjustments in response to changing economic conditions.

(d) to assure the accomplishment of these objectives by returning to the provisions of the Constitution (art. 1, sec. 8) in the control over American import duties now subject to international agreements.

On page 3 of the bill, in subparagraph (2) of subsection (b) of section 3, the Commission is authorized and directed, among other things—

(2) to prescribe, upon termination of any foreign-trade agreement, that the import duties established therein shall remain the same as existed prior to such termination, and such import duties shall not thereafter be increased or reduced except in accordance with this act.

It is also provided, in subparagraph (1) of section 3 (b), that the Commission is authorized and directed—

(1) to terminate as of the next earliest date therein provided, and in accordance with the terms thereof, all the foreign-trade agreements entered into by the United States pursuant to section 350 of this act.

That is to say, the 1930 Tariff Act.

Section 4 (a), under the heading "Periodic Adjustment of Import Duties," provides as follows:

"Periodic Adjustment of Import Duties

"Sec. 4 Title III, part II, section 336, of the Tariff Act of 1930 is hereby amended to read as follows:

"Sec. 336. Periodic adjustment of import duties

"(a) The Commission is authorized and directed from time to time, and subject to prescribe and establish import duties which will, within equitable limits provide for fair and reasonable competition between domestic articles and like or similar foreign articles in the principal market or markets of the United States."

Mr. Chairman, Senate bill 28 would broaden the Commission's scope to allow it to compensate for a foreign nation's manipulation of currency in terms of the dollar and its general maneuvering for trade advantages that are detrimental to the United States.

It will be noted that neither a high nor a low tariff is the objective of the regulation. The objective is a tariff continually adjusted in a spirit of fair and reasonable competition, to take the profit out of the cheap foreign labor at the water's edge and then, when any nation approached our American standard of living wages, free trade with that nation would be almost automatic and immediate.

The common objective is free trade. The problem is how to attain that creditable ambition without destroying our own standard of living.

Congress is our legislative body. It cannot shift the responsibility. The Constitution distributes the powers among the three branches of Government and it is no defense for Senators and Congressmen to say that the President recommends specific legislation or that propaganda has wrongly influenced public opinion. Legislative decisions are theirs alone to make.

## ENCOURAGING AMERICAN INVESTMENTS ABROAD

Under the 1934 Trade Agreements Act, as extended to June 1958, the 34 foreign GATT nations based at Geneva continue to divide between themselves the American markets, and this can do no less than encourage American capital investments abroad, under the policy of importing the products of foreign "sweatshop labor."

The American owned foreign plants not only produce for foreign consumption but these products produced by the low living standard labor are imported here under the lowered duties or tariffs.

The Secretary testified that the Import-Export Bank entirely financed by American taxpayers up to \$5 billion is to encourage through low-interest long-term loans the export of American capital to the low-wage foreign nations.

He further testified that the International Monetary Fund—the International Bank of Construction and Development, and the International Finance Corporation all are set up with the avowed objective of encouraging American capital to move into the foreign cheap labor countries to furnish their markets and to import the low-cost labor product to compete with the product of our higher standard of living wages and the higher cost of doing business in this Nation.

We are committed up to \$5 billion for the Import-Export Bank and for 35 percent of the financing of the other three organizations. The three are independent corporations managed in each case by a Board of Directors and the control rests with the foreign nations board members.

All of these corporations are in addition to the International Cooperation Administration (mutual security) which doles out the \$4 to \$5 billion dollars annually appropriated by Congress for gifts of cash and goods to foreign nations.

## THE PATTERN LEADS TO INTERNATIONAL SOCIALISM

The entire pattern, from the abandonment of the gold standard in 1933, the passage of the Trade Agreements Act in 1934, the transfer to Geneva in 1947 of the constitutional responsibility of Congress to regulate our foreign trade, and the inception of the four corporations to encourage American capital to invest in foreign low-wage standard nations—the mutual security giveaway program—is to distribute American markets and dollars among the lower wage living standard European and Asiatic nations.

It all adds up to international socialism in its worst form. The United States is the only producing nation in the world today that does not protect its own working men and investors by a duty or tariff, by import and exchange permits, or both.

Free trade will only become feasible when the flexible duty or tariff (provided in art. I, sec. 8 of the Constitution) is adjusted on imports to take the profit out of foreign sweatshop labor at the water's edge. Then such foreign nations would allow their wage standard of living to increase, create a market within their own borders, and the common objective of "free trade" would be reached automatically.

## RESOLUTIONS, FOREIGN TRADE AND NATIONAL ECONOMY

Mr. Chairman, it has long been my conviction that it is necessary for men of like mind on sound currency, foreign trade and the national economy to work through their own political parties and then join forces on the floor of Congress.

Accordingly, I quote the resolutions by the Nevada Republican State Central Committee in December 1956—the 10 Western States Republican Conference in May 1957—and the Young Republican 48-State Conference in June 1957, from the Congressional Record.

"THE NEVADA REPUBLICAN STATE CENTRAL COMMITTEE, DECEMBER 15, 1956

"IN THE SENATE OF THE UNITED STATES,

"Wednesday, February 27, 1957.

"Mr. MALONE. Mr. President, on December 15, 1956, the Republican State Central Committee met in Fallon, Nev. and passed the following resolution reaffirming the three basic principles of Government embodied in the Constitution of the United States.

"The Republican Party of the State of Nevada strongly advocates the return to constitutional government by adopting the following principles which have been the basic tenets of the Republican Party since its inception more than 100 years ago.

"We believe the Republican Party must advocate a free market for gold, with removal of all restrictions upon its purchase, sale, and ownership, and a return to the traditional hard-money standard using gold and silver certificates redeemable in the respective metals.

"We believe the Republican Party must urge the Congress of the United States to resume its constitutional responsibility of regulating foreign commerce through the adjustment of duties, imposts, and excises, through its agent, the Tariff Commission, and allow the so-called Reciprocal Trade Act, which transferred such responsibility to the President, to expire in 1958.

"We believe the Republican Party should urge Congress to respect the rights of the individual States in all those matters which have been historically matters of State concern."

"THE REPUBLICAN REGIONAL CONFERENCE, 10 WESTERN STATES, MAY 3-4, 1957

"IN THE SENATE OF THE UNITED STATES,  
"Wednesday, May 15, 1957.

"TEN WESTERN STATES, MAY 4, 1957

"MR. MALONE. Mr. President, on May 4, 1957, the Republican regional conference, at Salt Lake City, Utah, including the States of Arizona, California, Idaho, Montana, New Mexico, Nevada, Oregon, Utah, Washington, and Wyoming, unanimously passed a resolution urging the Congress of the United States to 'allow the 1934 Trade Agreements Act to expire in June 1958.'

"Mr. President, I ask unanimous permission to include in the Record, as a part of my remarks, the resolution passed by the Salt Lake City conference.

"There being no objection, the resolution<sup>1</sup> was ordered to be printed in the Record, as follows:

#### "FOREIGN TRADE AND THE NATIONAL ECONOMY

"Whereas 34 foreign, competitive nations are sitting in Geneva, Switzerland, regulating our foreign trade through multilateral trade agreements under the auspices of the General Agreements on Tariffs and Trade; and

"Whereas this distribution of our foreign trade between such foreign competitive nations is being carried on under the 1934 Trade Agreements Act, as extended (so-called reciprocal trade); and

"Whereas under this act more than \$30 billion of American capital has been invested in such foreign low wage standard of living nations to compete in American labor and investors in the textile, livestock, mining, crockery, glass, precision instrument machine tool, chemical and electrochemical, and several hundred other fields: Therefore be it

"Resolved, That the 10 State Republican regional conference, including the States of Arizona, California, Idaho, Montana, New Mexico, Nevada, Oregon, Utah, Washington, and Wyoming urge the Congress to resume its constitutional responsibility of regulating foreign trade and the national economy through the adjustment of the duties, imposts, and excises (Art. I, sec. 8) through its agent, the Tariff Commission, and allow the 1934 Trade Agreements Act to expire in June 1958."

"THE YOUNG REPUBLICAN NATIONAL FEDERATION, JUNE 20-22, 1957

"IN THE SENATE OF THE UNITED STATES

"YOUNG REPUBLICAN NATIONAL FEDERATION CONVENTION PLATFORM—FOREIGN TRADE

"MR. MALONE. Mr. President, the National Convention of the Young Republican National Federation, representing the 48 States of the Union, was held in Washington on June 20-22, 1957.

<sup>1</sup> The word resolution was stricken in the adoption by the conference.

"Mr. President, I ask unanimous consent to have printed at this point in the Record a resolution relating to foreign trade, which is a part of the platform of the Young Republican National Federation for 1957 and 1958.

"There being no objection, the resolution was ordered to be printed in the Record, as follows:

**"IMMEDIATE REVIEW OF TARIFF LEGISLATION**

"We know that behind the shield of our collective defense arrangement, there must be growth and development or that shield will be a paper one. We support the administration in its advocacy of trade policies which promote the interchange of goods to mutual advantage. Under no condition, however, should such an interchange of goods be to the detriment of our American industrial, mining, processing, and developing segments of the economy, ending with a resultant loss in operation and income to both employer and employee. Furthermore, we call for an immediate review of tariff legislation to bring relief to hard-hit American industries."

**"CONGRESS TO RETAIN CONTROL**

"We believe effective control over foreign trade and the trade agreements program should be retained in the Congress."

**YOUNG REPUBLICAN OFFICERS FOR 1957-58**

John Ashbrook, chairman, Johnstown, Ohio.  
 Jerri Kent, cochairman, Johnson, Tenn.  
 Fred L. Dixon, treasurer, Washington, D. C.  
 Roseann Biwer, secretary, Waukesha, Wis.  
 Sally Liston, assistant secretary, Phoenix, Ariz.  
 Homer Jackson, auditor, Birmingham, Ala.

**YOUNG REPUBLICAN NATIONAL FEDERATION REGIONS BY STATE AND TERRITORIES**

**Region I:** Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut.

**Region II:** New York, New Jersey, Pennsylvania, Delaware.

**Region III:** Virginia, Kentucky, District of Columbia, Maryland, West Virginia.

**Region IV:** South Carolina, Georgia, Florida, Tennessee, Puerto Rico.

**Region V:** Ohio, Indiana, Illinois, Michigan.

**Region VI:** Alabama, Louisiana, Mississippi, Arkansas, Texas, Canal Zone.

**Region VII:** Missouri, Nebraska, Kansas, Iowa, Oklahoma.

**Region VIII:** North Dakota, South Dakota, Minnesota, Wisconsin.

**Region IX:** Alaska, Oregon, Washington, Idaho, Montana.

**Region X:** California, Nevada, Arizona, Hawaii.

**Region XI:** Utah, New Mexico, Wyoming.

**OTC AND ITO**

The Organization for Trade Cooperation (OTC) now before the Ways and Means Committee of the House and the Finance Committee of the Senate is a successor to the International Trade Organization (ITO) rejected by the Congress in 1951.

It is a "trick" bill. If approved, Congress would approve the regulation of our foreign trade and the national economy by the 34 foreign competitive nations at Geneva under the General Agreement on Tariffs and Trade. If Congress does not approve it the Geneva regulation continues under the 1934 Trade Agreements Act as extended to June of 1958 and now in effect.

**CONGRESS REGAIN ITS CONSTITUTIONAL RESPONSIBILITY**

Congress can regain its constitutional responsibility to regulate foreign trade and the national economy through allowing the 1934 Trade Agreements Act to expire in June, 1958.



## THE CONTEST

The contest is between the American workingmen and investors working for American wages and paying American taxes, as opposed to the international investor paying the foreign low standard of living wages and no American taxes.

The Congress can stop inflation and return to honest money through a reorganization of the Federal Reserve System.

The Congress can stop amending the Constitution by treaty or executive agreement (such as the Status of Forces Treaty) by the simple expedient of withholding approval or by the adoption of an amendment to the Constitution prohibiting such procedure.

By proper future legislation Congress can stop the usurpation of the rights of the States.

It is high time that the Members of Congress in both the Senate and the House take a long look at the 24-year picture that they have built through passing so-called emergency legislation a piece at a time (as Abraham Lincoln so aptly said more than 100 years ago "all \* \* \* exactly adapted to their respective places") thereby destroying the Constitution and with it the United States of America.

(Whereupon, at 5 p. m., the committee adjourned subject to call.)

## DEBT CEILING INCREASE

TUESDAY, JANUARY 28, 1958

UNITED STATES SENATE,  
COMMITTEE ON FINANCE,  
*Washington, D. C.*

The committee met, pursuant to recess, at 10:15 a. m., in room 312, Senate Office Building, Senator Harry Flood Byrd (chairman) presiding.

Present: Senators Byrd (chairman), Kerr, Frear, Anderson, Martin, Williams, Jenner, Malone, Gore, and Bennett.

Also present: Elizabeth B. Springer, chief clerk.

Percival F. Brundage, Director of the Bureau of the Budget.

The CHAIRMAN. The committee will come to order.

Mr. Brundage, will you come forward, sir, and take a seat.

Mr. Brundage, we are very happy to have you before us as Director of the Budget and we thank you for coming. You have been asked to come here to testify today in connection with the administration's request for a temporary increase in the statutory debt ceiling of \$275 billion to \$280 billion expiring June 30, 1959.

This is a request on which the Director of the Budget should be heard.

When we speak of the budget, most people think in terms of appropriations and expenditures. Actually, a budget must have two sides—the revenues and expenditures.

I believe one of the fundamental weaknesses of our deliberations on the fiscal problems in Congress is that we seldom are able to consider the budget as a whole, the receipts and expenditures at the same time. Consideration of both sides of the budget simultaneously in connection with this debt-ceiling proposal is certainly very desirable.

Now, before I ask you some questions, I want to compliment you on the improvement you have made in the presentation of the summary and detailed material in the budget document. I reserve the right, however, to disagree with some of the recommendations. But I do want to commend you for the more comprehensive summary tables, the more concise detail, and the arrangement of the budget. All of this is greatly improved; and the material is much better presented.

Senator MARTIN. Mr. Chairman, before you proceed with your questions, may I make just a brief statement. It is not a question, and it is not intended as a criticism or anything of that kind. But, Mr. Chairman, I have often thought that we are not doing our full duty as a Congress without having before us, before we submit anything to the President for his approval, the complete appropriations, along with as complete an analysis of revenues as is possible to make. We would not submit appropriations to the President for approval until we felt that we had sufficient revenues to take care

of them, or we had come to the conclusion that additional deficit financing was unavoidable. It seems to me that that is a responsibility that Congress has, but it is impossible to carry that out unless we have before us all of the appropriations before any of them are sent to the President for approval.

That is no more criticism of the Executive than it is of Congress, but it is the way we have been doing these things since the beginning of this Government.

Now, some of the States give the governor an opportunity to veto certain items, but I am not so sure whether that is entirely sound, because the expenditures are really a responsibility of Congress.

Thank you very much.

The CHAIRMAN. Thank you, Senator Martin.

I am going to ask you a question which on yesterday I directed to the Secretary of the Treasury. I do this because I think an answer by the Director of the Bureau of the Budget also should be part of the record. It is a question frequently directed at me in recent days since this request for the debt increase, following the receipt of the President's message.

The question is: Why is it necessary to increase the debt ceiling by \$5 billion in the next 18 months when you estimate there will be a surplus in the fiscal year 1959?

#### **STATEMENT OF PERCIVAL F. BRUNDAGE, DIRECTOR OF THE BUREAU OF THE BUDGET**

Mr. BRUNDAGE. Mr. Chairman, members of the committee, I am very happy to have an opportunity to appear before your committee to support the recommendations of the Secretary of the Treasury for an increase of \$5 billion in the temporary debt ceiling. I do not think there is any magic in an exact amount of \$5 billion, but that is the amount that I would recommend. During the last 6 months it has become clear that it is uneconomic for the Treasury to be obliged to refinance with such a narrow margin as at present, with the many uncertainties facing us today, and the fluctuating way in which our receipts come in and our expenditures have to be made as between weeks and as between months.

I really believe it would be more economical to be able to finance in advance of maturity dates and to maintain larger cash balances.

I will be glad to discuss this particular issue a little more, or shall I go ahead with the general question?

The CHAIRMAN. You may go ahead and finish your statement first.

Mr. BRUNDAGE. I would also like to report to this committee that since last year we have striven constantly to reduce programs that are not required by law, to hold down proposals for new programs, and to eliminate nonessential Government expenditures. I am attaching a list of the various proposals which were included by the President in his budget message this year.

With the support of the Congress and the adoption of such measures, it will be impossible, in my opinion, to keep the numbers of personnel from continuing to increase and to keep the expenditure dollars from continuing to mount.

I have arranged these proposals under certain headings, Mr. Chairman. The first heading is "Proposals to increase receipts."

## USER CHARGES

In the budget message, the President indicated his belief that when the Government provides a service conferring a special quasi-commercial benefit on identifiable individuals or groups above and beyond the benefits to the public generally, it is our belief that it should charge the beneficiaries for the special service, rather than place the full burden of the cost on the general taxpayer. Accordingly, the President made several proposals in the field of "user charges."

1. *Postal service.*—In every year since the close of World War II, the postal service has incurred large deficits which have placed heavy and unfair burdens on taxpayers to the advantage of large users of the mails.

In view of present and prospective postal deficits, legislation to authorize adequate postal rates has become one of the most urgent items of unfinished business before the Congress. To provide revenues which will more adequately meet present needs, the President proposes that the postal legislation now pending before the Congress be amended, primarily by establishing a 5-cent letter rate on all except local letters. This increase over last year's recommendation is needed to cover part of the cost of the pay increase and other rising costs. The recommended increases should result in an addition of \$700 million to postal revenues in the fiscal year 1959. With the postal pay adjustment we are recommending, there will still be a postal deficit of approximately \$144 million.

Senator ANDERSON. Mr. Chairman, do you intend to have questions throughout, or only at the end?

The CHAIRMAN. If the committee will agree, I think it probably would be better for Mr. Brundage to finish his statement and then ask the questions or whatever you wish.

Senator ANDERSON. Well, the statement is made that they charge the beneficiaries for the special services rather than place the full burden on the general taxpayer. Then you turn and recommend an increase in the letter rate. Is it the letter rate that has been causing the deficits, or is it the junk mail and the newspapers and magazines?

Mr. BRUNDAGE. Well, it is both, sir. The first class does not—

Senator ANDERSON. Then, why did he not recommend both?

Mr. BRUNDAGE. Well, we are. We are recommending increases all along the line, sir.

The CHAIRMAN. Could you give a fuller explanation of the different classifications in which you recommend increases. You only mention here the first-class mail.

Senator CARLSON. Mr. Chairman, I might say that the Postmaster General is testifying right at this moment before that committee, and he is going into detail. I attended the hearing the other morning, but I thought that I ought to come up here this morning. I am on both committees. But he has gone into that in quite a bit of detail, and he is being questioned down there this morning.

Senator ANDERSON. We can get that testimony.

Mr. BRUNDAGE. The rate is before the Senate, sir. And this is the only change from last year. It is the same bill with a change in the first-class from 4 cents to 5 cents for out-of-town mail. The other provisions are the same in the rate bill which was passed by the House and is before the Senate committee.

2. *Aviation.*—Mr. Chairman, the Federal Government provides a wide range of special services benefiting private users of the airspace. It is increasingly appropriate that these users pay their fair share of the costs. The cost of new facilities alone will total \$1 billion over the next few years and annual operating costs to the Federal Government of about \$200 million at present are likely to be doubled in 5 years. As first steps toward this end, it is proposed that a tax of 3½ cents a gallon be levied on jet fuels and that taxes on aviation gasoline be increased to 3½ cents a gallon from the present 2 cents, with increases of three-fourths cent per year for 4 years in both taxes up to 6½ cents a gallon. The receipts from taxes on aviation gasoline, which now go into the highway trust fund (3 cents per gallon of which 1 cent is later refunded), should be kept in the general revenues to help finance the operations of the airways.

I might say, Senator Anderson, that I was trying to boil this down so as not to take too much of your time.

Senator ANDERSON. I realize you are.

Mr. BRUNDAGE. I am glad you made that point about the postal rates, because the recommended increases are not only for first-class mail.

3. *Other.*—The budget message also recommended that legislation be enacted to raise patent fees, and to charge employers of longshoremen for the costs of administering disability compensation.

In addition, all Government agencies have recently been instructed, at the President's direction, to prepare legislative proposals generally designed to remove present restrictions or limitations on their authority (1) to recover full cost to the Government of services that provide special benefits to individuals or groups and (2) to obtain a fair market value for the use or sale of federally owned resources or property. These proposals will cover all areas in which existing legislation prohibits charges or fees, and areas in which existing legislation is silent on the subject of charges but where the agency considers an expression of congressional policy desirable prior to initiating charges. Examples of areas of Government activity which are being considered are licensing; use of water navigation aids and facilities; publications; maps and navigation charts; recreation and tourist facilities; grazing; oil, gas, and mineral leasing; and mining claims.

Senator MARTIN. Mr. Chairman, just to clarify what you mean, could I ask does "use of water navigation aids and facilities" mean probably tolls for locks and dams?

Mr. BRUNDAGE. Well, there are very substantial benefits demanded by segments of the population, as you know, in opening waterways and keeping them open, in the signals, and all kinds of service to navigation.

Senator MARTIN. That answers it.

Mr. BRUNDAGE. It is being studied; yes.

Senator MARTIN. That answers it.

Mr. BRUNDAGE. By enactment of the President's recommendations in the 1959 budget and of additional proposals which I expect will be made to the Congress—that is, as soon as our studies are completed—we can move closer to a more equitable system of fees and charges throughout the Government.

*Interest rates.*—Another important change which is part of the general user charge considerations, is the need for adjusting interest rates in Federal credit programs.

The President is recommending the enactment of legislation which would permit greater flexibility for the Government in setting interest rates on loans it makes in the future, and which would require that, insofar as consistent with the purposes of each program, all of the costs involved be paid by the borrowers. Such legislation, by removing or reducing hidden subsidies, would make a significant contribution toward better fiscal management. It would also produce some added income.

Moreover, for loan-guaranty programs, the Government should be authorized to permit interest rates high enough to attract private lenders. The President is suggesting that all statutory limitations or ceilings placed on interest rates be reviewed, and that authority be provided to vary the rates for guaranteed or insured loans in line with market conditions and under proper safeguards.

Programs affected by the recommendations on interest rates include the following:

1. *College housing loans.*—This program was authorized in 1950; to June 30, 1957, \$668 million has been committed. Private financing of college housing should be encouraged by (1) replacing the subsidized interest rates required by the present statutes with rates no less than the Government's cost, (2) authorizing Federal guaranties of college housing obligations which do not have Federal tax exemption, and (3) prohibiting direct loans where private funds are available on reasonable terms.

We have been advised that as a result of the interest rate formula provided in the present law private financing has been almost dried up.

2. *Special assistance mortgage purchases.*—This includes such things as housing for military personnel under the Capehart Act and cooperative housing. The special assistance program was authorized in 1954; to June 30, 1957, \$361 million has been committed. Repeal of the statutory requirement that all purchases by the Federal National Mortgage Association be made at par and authority for increases in interest rates on several types of mortgages—Capehart housing mortgages limited to 4 percent, for instance—will encourage private financing and reduce future reliance on the Association. Action on these recommendations will stimulate the building industry and provide more home units.

3. *Rural electrification and telephone loans.*—The electrification program was authorized in 1936, the telephone program in 1950. To June 30, 1957, \$4 billion has been committed. The sources of capital available to the Rural Electrification Administration system would be broadened by legislation (1) to assist both electric and telephone borrowers to obtain financing from private sources where the security is adequate and the loans can be repaid within a reasonable time, and (2) to adjust interest rates on future loans to meet the Government's costs.

#### PROPOSALS TO REDUCE EXPENDITURES

On the expenditure side, adjustments are proposed in various programs which will result in savings in future years after a suitable time for amending State and local budget procedures has been allowed and

after due notice to affected individuals. Among the programs involved are the following:

A. First, there are programs where shifting emphasis or changing needs lessen future requirements for specific types of Federal assistance.

1. *Agriculture conservation program.*—This program was authorized in 1936. To June 30, 1957, \$4.4 billion has been spent, excluding crop-reduction payments in early years. The budget recommends that a program level of \$125 million be authorized for the 1959 crop year, one-half the amount authorized for the 1958 program. This amount, together with other public efforts in support of soil-and-water conservation, will permit cost-sharing payments for the more permanent soil-and-water conservation practices that are needed to maintain an adequate agricultural resource base. Those practices which are a part of usual and required annual farming methods or which return immediate benefits to the farm are properly the responsibility of the farmer, rather than of the Government.

2. *Grants for hospital construction.*—This program (Hill-Burton) was authorized in 1947 and has met the most urgent postwar shortages. Appropriations totaling \$1.2 billion are estimated through the fiscal year 1959. The Federal program should now be modified to meet only the most urgent situations with emphasis on specialized hospitals.

3. *Veterans' pensions.*—Expenditures for this purpose increased from \$883 million in the fiscal year 1956 to \$951 million in 1957. Further increases are anticipated in 1958 and 1959 to \$1,046 million and \$1,142 million, respectively. These pensions meet needs not related to the veteran's period of service, but rather to the general hazards faced by all people, that is, ill health and fluctuations of income. The President will transmit a message on veterans' affairs to the Congress with recommendations for specific adjustments and improvements in veterans programs which will enable us to discharge our national responsibilities to veterans with the greatest possible equity to all concerned.

B. Second, there are programs where the administration proposes an increase in State and local participation and a decrease in the Federal proportion, but with no reduction in the total combined outlay.

In two cases, recommended by the Joint Federal-State Action Committee, it is proposed that the Federal share be eliminated beginning in the fiscal year 1960, with accompanying revenue adjustments.

At our last meeting of the Joint Federal-State Action Committee, it was concluded that since all the legislatures did not meet in 1959, recommendations could not be made effective in fiscal 1959 and would have to wait until 1960 so as to enable the States to pick up the responsibility.

1. *Grants for construction of waste-treatment facilities.*—This program was authorized in 1956; appropriations through the fiscal year 1959 are estimated to total \$140 million. You will recall the original authorization was \$500 million over a 10-year period. Expenditures are estimated to be \$31 million in 1958 and \$51 million in 1959.

2. *Grants for vocational education.*—Expenditures for this program which was first authorized in 1917 total about \$699 million through June 30, 1957. Expenditures of \$41 million are estimated in both 1958 and 1959.

In four other cases, it is proposed that the Federal proportion gradually be reduced.

1. *Public-assistance grants*.—Expenditures for these grants on an accrual basis are estimated to increase from \$1,462 million in 1956 to an estimated \$1,824 million in 1959. During this period the Federal share of the total will have increased from 54.0 percent to 55.7 percent. This should gradually be reduced to 50 percent.

The increase was largely due, you may recall, to an increase of the Federal share to 80 percent of the first \$30.

2. *Urban renewal planning and capital grants*.—Expenditures for these grants (net of repayments of temporary loans) were \$39 million in 1957 and are estimated to be \$61 million in 1958 and \$56 million in 1959. The urban-renewal program is well under way throughout the Nation and the States and local communities should assume a share of the administrative responsibilities and financial costs more nearly commensurate with the benefits which their citizens receive. The budget recommends that in the future the local communities should share in the costs of planning from the start.

I might say that the Joint Federal-State Action Committee has also accepted the recommendation that the States assume more responsibility for this program.

In addition, the present formula under which the local agency pays for one-third and Federal capital grants pay for the remaining two-thirds of the net project cost should be changed by providing for annual reductions, so that by the fiscal year 1962 the Federal Government would contribute not more than 50 percent of the cost of local projects.

3. *Grants for schools in federally affected areas*.—Expenditures for these grants totaled \$1,064 million from 1950 to June 30, 1957 to help provide schools in areas in which rapidly growing Federal establishments were imposing a heavy load on existing facilities.

The communities have been developed, stores have come in, and the amount of taxable property has increased during this period.

In the future, we are suggesting that Federal payments be limited to cover the children of families living and working on Federal property. Expenditures for construction, and for maintenance and operation of schools under this program are estimated to be \$212 million in 1959.

4. *Natural disaster relief*.—From 1950 through the fiscal year 1957 \$70 million has been spent for natural-disaster relief. The governors of the Federal-State Action Committee have agreed to recommend that the States absorb annual losses up to fixed amounts. Expenditures are estimated to be \$18 million in 1959.

C. Next we have programs where proposals are designed to free the agricultural economy from excessive controls.

1. *Greater flexibility in agricultural price supports*.—Expenditures for Commodity Credit Corporation price-support operations (net) are estimated to be \$2.4 billion in 1959. The President has sent a special message to the Congress recommending changes in existing legislation so that the Secretary of Agriculture will be authorized to establish price supports for basic crops consistent with the increased productive capacity of our agriculture.

As the Secretary of Agriculture has pointed out, we have been going through a farm revolution much like the industrial revolution



of 50 to 100 years ago, and the yield has been doubled, practically, in the last—

Senator GORE. I might suggest that revolution is going to get worse.

Mr. BRUNDAGE. (2) *Soil bank acreage reserve*.—The acreage reserve was authorized in 1956; through the fiscal year 1959 the total cost is estimated to be \$1.4 billion. Expenditures are estimated to be \$405 million in 1959. It is proposed in the budget to terminate the acreage reserve at the end of the 1958 crop year. An increase of \$125 million is recommended in the soil-bank conservation reserve program for the 1959 calendar year since more material and lasting benefits are obtained, per dollar spent, from this part of the soil bank.

D. Another recommendation which should hold down budget totals is that no new projects be started in fiscal 1959 for construction of water-resource projects by the Corps of Engineers and the Bureau of Reclamation, in view of the high level of current spending resulting from the large number of new projects started during the last 3 years.

E. Finally, certain previously recommended legislation is not being requested in the fiscal year 1959. Examples are general aid for school construction, major medical care insurance for Federal employees, and certain other grant programs.

The CHAIRMAN. All right, sir.

Mr. BRUNDAGE. I have gone over these recommendations, Mr. Chairman, because I thought that your committee, in dealing with the debt limit and the budget, the finances, were entitled to know how we were doing our best in trying to hold down the total of expenditures.

The CHAIRMAN. Yes. Mr. Brundage, do you have an itemized statement of the dollar savings which would result from these particular recommendations in fiscal year 1959.

Mr. BRUNDAGE. Well, it is awfully hard to convert it into dollars. The principal savings will come over the years, presenting the increases which would ordinarily occur. But we feel that there would be many billions of savings over the next 10 years.

The CHAIRMAN. But you must have made some studies about it?

Mr. BRUNDAGE. Yes.

The CHAIRMAN. You should know what the savings would be in the coming budget year. Have you not got such a list?

Mr. BRUNDAGE. We have an item—

Senator KERR. I think the Secretary put it in the record yesterday, did he not, Mr. Chairman? Did Mr. Anderson not put that in the record yesterday at my request?

The CHAIRMAN. I do not think that was the complete list. I may be mistaken about it. At any rate, that was the personal view of the Secretary of the Treasury.

Mr. BRUNDAGE. We have lists of items.

Senator KERR. He had a list of items of one billion nine hundred and some million dollars, and giving the detailed sources or designated places of proposed savings.

The CHAIRMAN. Well, the Budget Director is the person to furnish that information. I am just wondering whether he has it available.

Mr. BRUNDAGE. I do not think I have it, but I would be glad to work on it, Senator.

The CHAIRMAN. The estimates were given by the Secretary of the Treasury and may have extended beyond the 1 year too.

Mr. BRUNDAGE. Yes, sir; there is a list of a great many items. I would be glad to supply the Senator with a complete list.

(The requested information was subsequently furnished by Mr. Brundage in a prepared statement which he read into the record of the hearings on February 4, 1958. See p. 243.)

Senator KERR. May I have it?

Mr. BRUNDAGE. Yes, sir.

Senator KERR. The record of the hearing yesterday shows a tabulation of \$1,999 million.

The CHAIRMAN. I would like to obtain the information from the Budget Director.

Mr. BRUNDAGE. I have not had a chance to speak with the Secretary.

The CHAIRMAN. How did the Secretary of the Treasury get it if you did not have it?

Mr. BRUNDAGE. Well, I have not spoken with the Secretary of the Treasury about this list, and I do not know what the list is. I do not think we gave him one. I do not recall it.

The CHAIRMAN. It is very strange that the Secretary of the Treasury would say you have reduced the budget \$1,999 million if you do not know of the details that would bring that reduction about.

Senator KERR. Will the Senator yield right there for a moment?

Mr. BRUNDAGE. If you will let me see it, I may know.

Senator KERR. You gave Congress your estimated budget for 1959, and on the basis of certain assumptions——

Mr. BRUNDAGE. Yes, sir.

Senator KERR. You said or indicated or estimated that there would be a \$500 million, surplus.

Mr. BRUNDAGE. That is right, Senator.

Senator KERR. Now, as I understood the Secretary yesterday, he had merely tabulated the items that were in the estimate of reductions and expenditures recommended for 1959 as compared to 1958.

Mr. BRUNDAGE. Oh, well, I could give you that as compared with 1958.

Senator KERR. Is that not your question, Mr. Chairman?

The CHAIRMAN. Yes. Where the decreases that you made in the 1959 budget compared to 1958; and then I would like a statement of the increases.

Mr. BRUNDAGE. That would be easy. I thought you wanted the particular savings that would be attributed to any one specific proposal. That would be a little more difficult since the budget estimates reflect spending under past commitments as well as proposed program changes.

The CHAIRMAN. Well, how are you going to get the total if you do not know the specific savings? You have first got to start with the specific savings on a specific item to get the total.

Mr. BRUNDAGE. We can show you what we are estimating to be spent in 1959 as compared to what we have estimated for 1958 and what we actually spent in 1957. You can have that comparison any way you want it.

The CHAIRMAN. Do you mean in generalities, or itemized?

Mr. BRUNDAGE. I mean you can have it in as much detail as you want.

The CHAIRMAN. The detail I would want is reductions in the budget of 1959 as compared with 1958, then increase in the budget for 1959 as compared with 1958.

It seems to me that it is important for this committee to know this in consideration of the pending bill. The President stated in Oklahoma City that he was going to cut the nonessential spending, wherever it was possible to do it, to make up for the increased costs in the missile field, and so forth. He likewise told the congressional leaders on December 3 at the White House in very emphatic language that he intended to do that.

Mr. BRUNDAGE. Yes, sir.

The CHAIRMAN. What I want to know is where these cuts have been made; the recommendations for them, rather.

Mr. BRUNDAGE. Where they are proposed; yes.

The CHAIRMAN. In a specific fashion. What you have read to us is not specific.

And in addition to that, I would like to know whether this Joint Federal-State Action Committee agreed to certain cuts in the Federal grants; as I understand it, that is predicated on the release of certain taxation to the States?

Mr. BRUNDAGE. Yes, sir.

(The material referred to follows:)

#### COMMITMENTS MADE BY FEDERAL REPRESENTATIVES TO THE JOINT FEDERAL-STATE ACTION COMMITTEE

In reference to your inquiry concerning commitments made by the Federal representatives to the Joint Federal-State Action Committee, I should like to refer the members of the Senate Finance Committee to pages 1 through 14 of progress report No. 1 of that Committee. These pages constitute the official report of that Committee. A reading of this report will indicate that no commitments have been made with reference either to functions to be shifted or tax adjustments to be made thereby. With particular reference to your inquiry as to the proposals concerning the local telephone tax on page 11 of that report the following statement is made:

##### "LOCAL TELEPHONE SERVICE TAX

"The Joint Federal-State Action Committee believes that the local telephone service tax is a logical revenue source for State and local governments. It recommends, therefore, that the Federal tax on local telephone service be changed so as to provide a 40-percent tax credit to those States enacting a 4-percent local telephone tax, not counting taxes already levied prior to the adoption of the credit device. This would mean that the Federal liability under the local telephone service tax would be discharged to the extent of 40 percent for any taxpayer paying this amount of tax to his State government. At the end of 5 years, the Federal levy should be reduced 4 percentage points automatically.

"The Joint Federal-State Action Committee recommends that—

"1. The President request Congress to take necessary action to provide up to a 40-percent Federal tax credit against the Federal local telephone service tax for States enacting or increasing such taxes, the credit arrangement to last for 5 years at which time the Federal tax will automatically be reduced by 4 percentage points.

"2. The governors and the legislatures of the several States take necessary steps to avail themselves of this additional revenue source."

This report consists of several recommendations to the President and the governors of the various States. In their letter of transmittal the Cochairmen of the Committee said:

"The purpose of filing our first report at this time is to permit early action. The Committee urges that those recommendations requiring legislative implementation be transmitted to the Congress and State legislatures for consideration at their next sessions."

Quite clearly congressional action would be required, and is recommended, before there could be agreement to relinquish this or any other tax. The potential tax impact to the Federal Government is \$148 million. This is the only tax on which an action recommendation is made.

The President's position concerning this report is covered in part by the following from his budget message:

"Prudent limitation of Federal activities cannot alone meet the whole problem of overcentralization. The continued strength of our Federal system also depends upon reinforcing the administrative and fiscal ability of the States to carry out their responsibilities. Accordingly, I suggested at the governors' conference at Williamsburg, Va., in June of 1957, that an action group be established to make recommendations on this and other aspects of the problem. A Joint Federal-State Action Committee consisting of 10 governors and of representatives of the executive branch of the Federal Government was subsequently created.

"The initial progress report of this Committee, made last month, recommends complete transfer of two programs to the States together with the simultaneous relinquishment of a portion of the local telephone service tax which the Federal Government now collects. These programs are vocational education and the construction of waste treatment facilities. Legislative proposals to carry out these and future recommendations of the Committee will be transmitted to the Congress. An orderly readjustment requires time for action by both the Congress and the State legislatures. Consequently, the effect of the proposed transfers on expenditures and revenues of the Federal Government will occur beginning in 1960. The report also recommends increasing the degree of State responsibility in three other programs: urban renewal planning; natural disaster relief; and regulating and promoting peaceful uses of atomic energy, particularly for health and safety.

"Cooperation of this nature is a highly desirable and, in my judgment, a long overdue experiment in public administration and finance. The success of the venture depends upon further cooperation among the executive branch, the Congress, the governors, the legislative bodies of the States, and the local governments involved. As for this administration, I can say that the executive branch is eager, as well as willing, to do its part to insure that success."

If the Congress should approve these recommendations, it would then be up to the States further to implement the recommendations by affirmative action. Such State action most probably would follow congressional action in view of the fact that most State legislatures do not meet this year.

The CHAIRMAN. That should be set forth also, because that would result in a loss in revenue, is that right?

Mr. BRUNDAGE. Well, the revenue would be relinquished along with the anticipated reduction in expenditures for the first year, that is, currently. As a matter of fact, in most of these programs the savings will be in the future in holding down increases, because, as I pointed out last year, as you may recall, that due to the legislation and the programs which have been approved and the necessities for national defense and for interest charges, that it is a very difficult, if not impossible, matter to make any more substantial cuts in current expenditures without legislation and without—

The CHAIRMAN. You are talking about expenditures in the next fiscal year?

Mr. BRUNDAGE. Yes; that is right.

The CHAIRMAN. You must have somewhere in your records an estimate of what you have saved for the next fiscal year.

Mr. BRUNDAGE. What we hope to save, what we are proposing to save.

The CHAIRMAN. What savings your recommendations would produce.

Mr. BRUNDAGE. We have a lot of that information in the budget document, of course, and it is arranged by programs and by departments. You can have it any way you like.

The CHAIRMAN. Do you have an itemized list of savings that you recommended?

Mr. BRUNDAGE. I will be glad to submit for the record the tables in the budget and with annotations, that is, arranged, as I say, both by departments and by programs.

The CHAIRMAN. Well, could you not read it off; it is not a long list, is it?

Mr. BRUNDAGE. Well, the summary shows the difference in estimated expenditures between 1958 and 1959. It shows that from the funds appropriated to the President, the mutual security expenditures are estimated to be \$3,868 million in 1958 as compared with \$3,749 million in 1959, an increase of about \$120 million.

In the other funds appropriated to the President, there is a decrease from \$405 million in 1958 to \$302 million in 1959, a decrease of about \$100 million.

Senator KERR. In what?

The CHAIRMAN. What was that reduction in?

Mr. BRUNDAGE. Those are the various other funds appropriated to the President, primarily for expansion of defense production.

Senator WILLIAMS. Do you have an estimate, Mr. Brundage, as to what the budget would be, assuming Congress did not enact any of these legislative recommendations?

Mr. BRUNDAGE. Well, I would guess \$1 billion more.

Senator WILLIAMS. How much?

Mr. BRUNDAGE. I would guess if we do not get any of our proposal, it would be about \$1 billion more.

The CHAIRMAN. But that is a guess. The Secretary of the Treasury says that there were savings of \$1,999 million and you say \$1 billion. I thought that you would come prepared today to give an itemized list of these savings as well as the increases in the budget as compared to last year that you recommended. Of course, you are not responsible for what Congress does.

Senator ANDERSON. How can we take action on this, Mr. Chairman, before we have something like that before us?

The CHAIRMAN. I do not think we can.

If you would like more time, Mr. Brundage, to get that presentation of it, like you are reading it now does not provide the information in a way that we can understand.

Mr. BRUNDAGE. I thought that you wanted to know the reduction in what we are proposing in—

The CHAIRMAN. Yes, you have given some of it in a fashion here. You have put it in your statement, but it is not complete, so we cannot estimate what are the actual savings.

What we are concerned about, of course, is the question of increasing the ceiling. Now, expenditures in the period involved is one of the factors in the question of increasing the ceiling.

Mr. BRUNDAGE. Yes.

The CHAIRMAN. Statements that savings have been made in this budget have been highly publicized. I would like to know where the savings are in an itemized way and where the increases are. The increases in the budget, as you well know, must be considered together with the savings, is that not right?

Mr. BRUNDAGE. I will be glad to prepare and submit it any way you like, Mr. Chairman.

The CHAIRMAN. For proper consideration of this bill we need this information and some of us are not on the Appropriations Committee. It would be very interesting to know exactly what saving would result from certain specific things. We would like to know also what commitments have been made to the Federal-State Committee

with respect to elimination of Federal taxes in connection with reducing certain State grants, grants to the States.

Mr. BRUNDAGE. Those will not affect 1959, as I explained.

The CHAIRMAN. But they are commitments, are they not?

(The requested information was subsequently furnished by Mr. Brundage in a prepared statement which he read into the record of the hearings on February 4, 1958. See p. 243.)

Exactly how are those commitments made? I do not understand just how anybody can commit the Congress to give up taxes. I am not criticizing what you are attempting to do, but what valid commitment can be made for elimination of the telephone tax or some other?

Mr. BRUNDAGE. Well, the governors cannot commit their legislatures either. It is all a question——

The CHAIRMAN. Does it have to be done simultaneously?

Mr. BRUNDAGE. Of our recommendation.

Well, any surrender of ours would obviously not be made until Congress had approved and until the State legislatures had approved reductions.

The CHAIRMAN. Would not the Congress have to approve the elimination of taxes too?

Mr. BRUNDAGE. Oh, yes.

The CHAIRMAN. That would all have to be done at one time, is that not correct?

Mr. BRUNDAGE. Congress would have to approve the reduction in the expenditures and also the transfer of the revenue.

The CHAIRMAN. And also Congress would have to act at the same time. I do not suppose that there would be any other way to do it, and of course nobody can guarantee that this would be done.

Mr. BRUNDAGE. No, sir; these are all proposals or recommendations.

The CHAIRMAN. Does the Joint Federal-State Action Committee include governors?

Mr. BRUNDAGE. Yes; it is composed of the representatives of the governors and of representatives of the Federal Government.

The CHAIRMAN. Do they speak for the governors?

Mr. BRUNDAGE. Well, they speak for the governors' conference, and they are going to recommend when they go back to their respective legislatures.

The CHAIRMAN. In a rough estimate, what reduction in Federal taxes would be required to match the proposed reduction in grants?

Mr. BRUNDAGE. Well, the ones that we have actually discussed came to something over \$100 million.

The CHAIRMAN. That includes such items as the telephone tax, and what else? Is the telephone tax in it?

Mr. BRUNDAGE. This is a proposal to transfer up to 40 percent of the telephone tax on local calls. We were not proposing to surrender any revenue except as they take over expenditures.

And as I say, it is not proposed to be effective before 1960, and it is subject, of course, to approval of the Congress in both respects.

The CHAIRMAN. Well, the Treasury sat in on these conferences, did they not?

Mr. BRUNDAGE. Yes; the Secretary of the Treasury is Chairman of the Committee.

The CHAIRMAN. To what extent did he commit the Government to reduction in Federal taxes?

Mr. BRUNDAGE. Well, he made it clear that he was speaking only for the executive branch, representatives of the President appointed to this Joint Federal-State Action Committee, and the governors made it quite clear that they were just speaking for the governors' conference.

The CHAIRMAN. As I understand you, Mr. Brundage, you are not prepared today for what the committee requires. There is no use of reading over the budget; that is not sufficient for our purposes. What we want is a direct statement signed by you, delivered by you in person, as to these savings, item by item, because that is the only way we can get at it; and then another statement of the increases you have made in the budget, item by item.

Mr. BRUNDAGE. Yes, sir.

The CHAIRMAN. And then also I would like to know what these agreements are that are being made with the States. I am not opposing it, but I just do not see how anybody can commit Congress to release certain taxes and transfer them to the States on a permanent basis. I do not think it can be done.

Is that the pleasure of the committee?

Senator MARTIN. Mr. Chairman, I think the thing that you suggest there is very important, that we have those three different items, and compiled in separate tables, and then we would all have them. There is a congressional responsibility there. There is no question that any Federal taxes transferred to the States will require an act of Congress.

But on these things, Mr. Chairman, you will remember you and I were on a committee, 10 years ago, trying to do this very thing. It ought to be done. We worked on it. I think we met 2 or 3 different years, but nothing yet has been done about it.

The CHAIRMAN. Is it the pleasure of the committee to interrogate the Budget Director on other points or wait until we get his tables on these savings? I thought perhaps we could get that this morning, but as I understand it, you have not got that made up yet.

Mr. BRUNDAGE. No, not in the form in which you asked for it.

The CHAIRMAN. I think it is vitally important to the whole question of raising the debt limit, because a reduction of nonessential expenditures would be a way to avoid an increase in the debt ceiling, is that not right?

Mr. BRUNDAGE. Well, we think that—we have made provision for what can be done administratively, and these proposals that I was outlining were those that we thought we should have the support of the Congress in. That is why I presented it in that way.

The CHAIRMAN. There is a statement you can put in. What you can do administratively, and likewise what is required of Congress. With that breakdown we could get a clear picture of the matter.

And you have made quite substantial increases, have you not, in certain items of the budget? You could likewise give that to the committee.

Mr. BRUNDAGE. There are some increases; yes. I will separate it for you, be glad to.

Senator WILLIAMS. How much do you have in this year's budget to take care of salary increases?

Mr. BRUNDAGE. We are proposing the salary increases recommended, in essence, by the Cordiner Committee for the military, and

applying the same principles to the civilian; in other words, we are increasing particularly the higher skilled, the ones that are more competitive with private industry, and then a general residual increase of about 6 percent down along the line, civilian and military. Military is limited to those that have been enlisted for 2 years.

Senator WILLIAMS. What effective date did you take into consideration that these might be put in?

Mr. BRUNDAGE. Well, we are assuming July 1. We are giving effect for the whole fiscal year of 1959, but not for 1958.

Senator WILLIAMS. But not for 1958?

Mr. BRUNDAGE. Not for fiscal 1958.

The CHAIRMAN. How long would it take, Mr. Brundage, to get that information in itemized form?

Mr. BRUNDAGE. Well, we have it all in the budget document. It is the compiling. We have all kinds of lists.

The CHAIRMAN. I know you have got all kinds of lists. But we want the particular list of where you are going to cut these expenses.

Senator ANDERSON. I think we ought to find out what things are going to be suggested, what savings are within the power of the Federal Government to do, and then go on to the things that the Congress ought to do.

Senator MARTIN. Mr. Chairman, should there not be two separate lists?

Senator ANDERSON. There ought to be one list that shows what the administration proposes to do, and then one list that shows the burden placed on Congress.

Senator WILLIAMS. With the projected savings listed on each one of them.

Senator ANDERSON. That is exactly right.

(The requested information was subsequently furnished by Mr. Brundage in a prepared statement which he read into the record of the hearings on February 4, 1958. See p. 243.)

Senator ANDERSON. Now, the postal pay increase, I think, is very definitely tied to this increase in postal revenues. It is a matter of the budget. If you do not get any money, maybe we ought to look at it. You mentioned a while ago, the Senator from Pennsylvania, that there might be some tie between appropriations and revenue measures. Some of us have been advocating for years that no appropriation bill becomes final until the final survey of receipts. And that it has to be reduced or adjusted.

You have soil-bank payments down here. In 1957, the Department of Agriculture paid, I think, \$169 million to reduce the production of corn by acreage reserve payments, and got 200 million additional bushels of corn. Why was not the program stopped then? Why stop it in 1959? We know it is no good. That is something the administration can do now without the Congress. And I think we ought to have a list of the things the administration proposes to do to equalize what the chairman of the committee pointed out was clearly outlined, that there is an effort to meet the extra costs of these missiles by Government savings.

The CHAIRMAN. You were at the White House when the President emphasized—

Senator ANDERSON. Certainly I was there, and that is why I pointed out at that time all these missiles. Here is an article in the



magazine called *Planes*, the December 1957 issue, and the first paragraph is worth reading. It talks about the missiles have been the logical supplement to conventional airpower, and says:

Today there are 43 announced missile projects underway, divided into 4 categories: Air to air, 7 projects; air to surface, 7 projects; surface to air, 10 projects; and surface to surface, 19 projects.

Now, I go deer hunting. I know there are 20 different kinds of deer rifles, different calibers, different makes. But one gun does the job if I shoot straight. And I do not need to take all 20 guns with me.

Senator MARTIN. May I break in? Will you yield just a moment?

Senator ANDERSON. Yes, sir.

Senator MARTIN. You are making an awfully good point there. The whole thing in defense is the personnel, and we have not heard a single word asserted relative to personnel in this matter of defense that we are now discussing, where we are contemplating increasing the budget by 2 or 3 billion. If you do not have the proper personnel, the man that can shoot straight, it does not make any difference how good a gun he has or anything else, we are not going to have good defense.

Senator ANDERSON. Mr. Brundage, I am not trying to be critical of you. I know you are a good, conscientious Budget Director and did a good job on that program. But we can save all the money we need for the missiles program out of the missiles program. All we have got to do is chop down the things everybody knows are no good. But someone comes along and says: "Well, the Navy has one that does it; why should not the Army have one, or the Air Corps?" I asked a man in charge of some Navy work when he was talking about the Talos missile, which is a pretty good missile. I said: "Is the Army using it?" "Well, they plan to." "Air Corps going to use it?" "Well, Air Corps has got their own."

And that is the whole story. Everybody has got to have his own gun, but he cannot take his own gun; he cannot just take a Winchester, he has got to have a Savage 30-30; he has got to have a 270 and a 308, and he has got to have every kind, when all he needs is just one of them. And it applies all the way along the line.

If they are not going to do that, then I think they ought to come in and tell us where they are going to save. They could save it in the missiles program itself to take care of all the missiles work. If they are not going to do it, I think they ought to come in here and tell us where they are going to do it.

Mr. Chairman, the Army developed some time ago an atomic cannon.

The CHAIRMAN. Yes.

Senator ANDERSON. The Army was pretty well told when they brought it before the Joint Commission on Atomic Energy that we could see no possible use for it. They went right ahead and spent several—well, I do not know whether it is still classified or not. Let me say they spent a quarter of a million dollars on it in the equipment and the shells. You find out how many of them are in use today. They put them over in Germany because they did not dare face the people in this country and tell them about it. The last report came in and said it is the only mobilized roadblock that has ever been developed. Did they stop there? No; they have gone

ahead with another device now that the Navy has asked for that the Navy knows it can never use, a shell that there is no gun to fire it in and has not been since they put the battleships in mothballs. But millions and millions and millions have to be poured out in that.

I would like to know where they are going to save this money. It is not too hard to find places to do it.

Senator GORE. I am going to oppose balancing the budget by diverting funds from the highway trust fund, Mr. Brundage. You propose to divert \$68 million a year from the highway trust fund, while at the same time the President talks about the necessity for building better roads and Mr. Tallamy says it is going to be necessary to stretch the 13-year program to a 20-year program. And when we actually measure all of the facts, it looks more nearly like a 25-year stretchout than a 20-year stretchout.

You had better find someplace to balance your budget other than out of the highway trust fund.

Mr. BRUNDAGE. Well, we were proposing to transfer this gas tax on aviation fuel.

Senator GORE. I know what you propose; I am just telling you I am going to oppose it.

Mr. BRUNDAGE. Well, there is no particular reason why an airplane should pay a tax on its fuel in order to build roads. That was the purpose of the suggestion.

Senator GORE. Well, that is not the only diversion you propose.

Senator BENNETT. Mr. Chairman.

The CHAIRMAN. Senator Bennett.

Senator BENNETT. Do you, as chairman of the Committee on Nonessential Expenditures, have a breakdown of the unexpended balances in terms of the agencies or services or programs?

The CHAIRMAN. Yes, sir.

Senator BENNETT. Could that be revised and brought in for the record of this committee?

Senator KERR. He has got it in a very revised condition.

The CHAIRMAN. The aggregate is about \$70 billion.

Senator BENNETT. I know the total, but do you have the breakdown? Yesterday a great deal was made of the fact that this \$70 billion is hanging over our head, and I think for the record we should know how that is allocated among the various departments and agencies, if possible. Should I properly ask the chairman if that can be supplied?

The CHAIRMAN. I shall be pleased to furnish the information you desire.

Senator MARTIN. I think that is very important.

(The material referred to follows:)

*Summary: Analysis of unexpended balances (by budget document chapters)*

[In thousands]

Budget document chapters	Balance, start of fiscal year 1957 (actual)		Balance, start of fiscal year 1958 (estimated)		Balance, start of fiscal year 1959 (estimated)		Fiscal year 1959			Balance, start of fiscal year 1960 (estimated)	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Requested new obligational authority	Estimated expenditures from— New obligational authority	Balances of prior authority	Unobligated	Total
Legislative branch.....	\$147,454	\$195,145	\$144,032	\$181,752	\$103,491	\$157,125	\$98,639	\$84,631	\$41,542	\$49,873	\$121,842
The Judiciary.....		2,275		2,734		2,716	46,073	42,912	2,716		3,161
Executive Office of the President.....	89	743	50	692		688	11,875	11,103	660		800
Funds appropriated to the President.....	693,380	4,880,932	1,356,900	4,944,312	410,611	3,547,903	3,948,600	985,244	3,184,639	356,150	3,344,318
Independent offices.....	8,960,847	11,100,569	7,866,357	10,931,532	8,377,938	11,861,009	8,211,428	6,914,653	1,357,415	7,860,685	11,701,797
General Services Administration.....	459,988	881,843	275,128	530,803	145,534	349,604	335,770	274,838	138,152	63,076	270,538
Housing and Home Finance Agency.....	4,136,728	5,540,058	4,872,091	6,905,113	5,654,423	8,617,546	638,050	134,912	319,765	5,179,793	8,580,411
Department of Agriculture.....	231,935	2,047,000	1,328,350	3,070,480	2,845,937	4,509,078	4,106,602	3,591,379	1,389,957	2,230,789	3,556,494
Department of Commerce.....	2,229,139	3,587,015	360,981	633,168	174,341	667,546	951,009	527,788	275,302	165,012	760,512
Department of Defense, military functions.....	15,358,097	40,208,675	13,235,271	36,910,197	10,344,116	34,446,770	39,145,400	23,457,321	16,321,679	9,584,921	33,794,472
Department of Defense, civil functions.....	140,766	327,127	163,258	351,330	150,407	362,728	685,410	470,009	230,742	65,364	347,387
Department of Health, Education, and Welfare.....	146,207	601,559	144,679	769,344	103,528	890,774	2,792,905	2,192,917	660,686	47,917	830,024
Department of the Interior.....	164,293	311,585	160,698	351,185	103,098	346,857	583,154	433,436	229,229	29,354	254,931
Department of Justice.....	9,979	18,198	12,064	17,899	11,083	19,775	230,190	214,739	13,098	10,228	19,928
Department of Labor.....	3,857	89,397	2,967	8,165	303	8,399	465,033	447,025	5,376	1,388	21,031
Post Office Department.....	22,190	213,769	17,240	212,735	14,240	219,310	1,121	1,121	—16,980	9,403	231,453
Department of State.....	14,360	43,587	16,883	92,525	10,648	77,895	207,187	180,705	47,795	4,293	56,582
Department of the Treasury.....	2,852,142	2,926,880	2,809,214	2,894,339	2,787,869	2,876,532	8,618,926	8,540,001	50,694	2,786,235	2,889,490
District of Columbia.....	30,887	30,887	37,687	37,687	39,815	39,815	35,829	27,229	10,380	38,035	38,035
Allowance for contingencies.....						200,000	1,339,000	1,139,000			400,000
Total.....	35,602,341	73,007,244	32,803,850	68,845,992	31,277,382	69,202,070	72,452,201	49,670,963	24,262,847	28,482,516	67,223,206

LEGISLATIVE BRANCH  
**ANALYSIS OF UNEXPENDED BALANCES**  
 BY ORGANIZATION UNIT AND ACCOUNT TITLE  
 [In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balances of prior authority		
<b>SENATE</b>											
Current authorizations.....		\$4,815		\$6,484		\$6,600	\$22,288	\$19,150	\$650		\$6,700
<b>HOUSE OF REPRESENTATIVES</b>											
Current authorizations.....		9,021		8,810		8,900	41,811	36,200	3,350		9,000
<b>ARCHITECT OF THE CAPITOL</b>											
Current authorizations:											
Office of the Architect of the Capitol:											
Salaries.....		8		8		8	243	234	8		9
Contingent expenses.....		24		10		10	50	40	10		10
Capitol Buildings and Grounds:											
Capitol Buildings.....	\$19	289		58		50	894	844	50		50
Capitol Grounds.....		17		19		21	318	296	21		22
Subway transportation, Capitol and Senate Office Buildings							6	6			
Senate Office Buildings.....		61		103		132	1,822	1,642	132		180
Legislative garage.....		2		1		2	42	40	2		2
House Office Buildings.....		70		88		100	1,283	1,178	100		105

DEBT CEILING INCREASE

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LEGISLATIVE BRANCH—Continued  
ANALYSIS OF UNEXPENDED BALANCES—Continued  
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1959	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balances of prior authority		
ARCHITECT OF THE CAPITOL—Continued											
Current authorizations—Continued											
Capitol Buildings and Grounds—Continued											
Acquisition of property, construction and equipment, additional House Office Building:											
Liquidation of contract authorization.....		\$669	\$47	\$5,745		\$1,886	}		\$24,386	{	
Contract authorization.....	\$38,548	95,000	85,000	85,000	\$62,406	77,500					\$12,146
Capitol Power Plant.....		149		162		200	\$1,769	\$1,557	200		212
Additional office building for the United States Senate:											
Liquidation of contract authorization.....	89	13,864	1,058	10,592	88	1,588			1,500	88	88
Contract authorization.....	1,310	5,250									
Extension of the Capitol:											
Liquidation of contract authorization.....	4,962	4,990	14,839	16,609	3,225	14,820			6,315		8,505
Contract authorization.....	37,600	37,600	25,600	25,600	25,600	25,600				25,600	25,600
Changes and improvements, Capitol Power Plant:											
Liquidation of contract authorization.....	1,236	3,051	2,221	2,732	681	2,043	}		2,043	{	
Contract authorization.....	1,196	1,196	730	730	730	730					730
Capitol Building, Senate and House roofs and chambers.....	14	14									
Reconstruction, repair, alteration, and improvements, Capitol Grounds.....	50	476	19	21							
Senate restaurants.....	19	20									

Library buildings and grounds:											
Structural and mechanical care.....		361		583		275	747	477	275		270
Furniture and furnishings.....		25		25		20	90	65	20		25
<b>Total, Architect of the Capitol.....</b>	<b>135,043</b>	<b>163,136</b>	<b>129,515</b>	<b>148,086</b>	<b>92,730</b>	<b>124,985</b>	<b>7,264</b>	<b>6,379</b>	<b>35,062</b>	<b>37,834</b>	<b>90,808</b>
<b>BOTANIC GARDEN</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		10		13		15	386	366	15		19
Relocation of greenhouses.....							587	587			
<b>Total, Botanic Garden.....</b>	<b>10</b>			<b>13</b>		<b>15</b>	<b>972</b>	<b>953</b>	<b>15</b>		<b>19</b>
<b>LIBRARY OF CONGRESS</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		325		349		375	6,154	5,742	374		413
Copyright Office: Salaries and expenses.....		78		95		90	1,274	1,181	90		93
Legislative Reference Service: Salaries and expenses.....		54		55		59	1,258	1,192	59		66
Distribution of catalog cards: Salaries and expenses.....		180		184		195	1,778	1,554	195		224
Increase of the Library of Congress:											
General increase of the Library of Congress.....	21	123	17	120		128	320	199	120		129
Increase of the law library.....	5	34	13	33		34	90	58	32		34
Books for the Supreme Court.....		5		4		4	30	26	4		5
Books for the blind: Salaries and expenses.....		252		420		307	1,355	979	307		376
Organizing and microfilming the papers of the Presidents: Salaries and expenses.....							50	46			4
<b>Intragovernmental funds:</b>											
Advances and reimbursements.....	3	19	226	406		394			47		347
<b>Total, Library of Congress.....</b>	<b>29</b>	<b>1,071</b>	<b>256</b>	<b>1,667</b>		<b>1,586</b>	<b>12,309</b>	<b>10,977</b>	<b>1,228</b>		<b>1,691</b>

LEGISLATIVE BRANCH—Continued  
ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

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DEBT CEILING INCREASE

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from— New obligational authority	Balances of prior authority	Unobligated	Total
<b>GOVERNMENT PRINTING OFFICE</b>											
Current authorizations:											
Printing and binding.....		\$4,971		\$2,646		\$3,231	\$10,700	\$7,990	\$2,530		\$3,410
Salaries and expenses, Office of the Superintendent of Documents.....		404		379		347	3,295	2,982	346		314
Intragovernmental funds:											
Government Printing Office revolving fund.....	\$12,382	11,717	\$14,261	13,667	\$10,761	11,461			-1,639	\$12,039	19,900
Total, Government Printing Office.....	12,382	17,092	14,261	16,692	10,761	15,039	13,995	10,972	1,237	12,039	13,624
Total, legislative branch.....	147,454	195,145	144,032	181,752	103,491	157,125	98,639	84,631	41,542	49,873	121,842
<b>RECAPITULATION</b>											
Enacted or recommended in this document:											
Appropriations.....	\$6,415	\$44,362	\$18,215	\$56,349	\$3,994	\$41,440	} \$98,639	\$84,631	\$41,542	{ \$38 37,746 12,039	* \$21,760 89,835 10,247
Contract authorizations.....	128,654	139,046	111,330	111,330	88,736	103,830					
Revolving and management funds: Intragovernmental funds..	12,385	11,737	14,487	14,073	10,761	11,855					
Total, legislative branch.....	147,454	195,145	144,032	181,752	103,491	157,125	98,639	84,631	41,542	49,873	121,842

\* Excludes capital transfer (payment of profits to Treasury), in 1959 of \$3,200 thousand. \* Excludes amounts no longer available in 1959 of \$4,548 thousand.

THE JUDICIARY  
ANALYSIS OF UNEXPENDED BALANCES  
BY ORGANIZATION UNIT AND ACCOUNT TITLE  
[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balances of prior authority		
SUPREME COURT OF THE UNITED STATES											
Current authorizations:											
Salaries.....		\$57		\$57		\$59	\$1,249	\$1,191	\$58		\$58
Printing and binding, Supreme Court reports.....		35		48		40	90	50	40		40
Miscellaneous expenses.....		9		8		9	74	66	9		8
Care of the building and grounds.....		241		88		10	317	305	10		12
Automobile for the Chief Justice.....		1				1	6	5	1		1
Total, Supreme Court.....		342		200		119	1,736	1,617	118		119
COURT OF CUSTOMS AND PATENT APPEALS											
Current authorizations:											
Salaries and expenses.....		16		20		22	308	285	22		23
CUSTOMS COURT											
Current authorizations:											
Salaries and expenses.....		120		73		51	700	648	51		52

DEBT, CEILING, INCREASE

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**THE JUDICIARY—Continued**  
**ANALYSIS OF UNEXPENDED BALANCES—Continued**  
**BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued**  
 [In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1959	
	Unobli- gated	Total	Unobli- gated	Total	Unobli- gated	Total	New obli- gational author- ity	Estimated expend- itures from— New obli- gational author- ity	Balances of prior authori- zations	Unobli- gated	Total
<b>COURT OF CLAIMS</b>											
<b>Current authorizations:</b>											
Salaries and expenses .....		\$42		\$38		\$45	\$313	\$765	\$45		\$48
Repairs and improvements .....		2					9	9			
<b>Total, Court of Claims .....</b>		<b>44</b>		<b>38</b>		<b>45</b>	<b>822</b>	<b>774</b>	<b>45</b>		<b>48</b>
<b>COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES</b>											
<b>Current authorizations:</b>											
Salaries of judges .....		219		310		48	9,358	8,967	48		391
Salaries of supporting personnel .....		646		735		988	19,291	18,012	988		1,279
Fees of jurors and commissioners .....		345		344			4,988	4,528			460
Travel and miscellaneous expenses .....		326		295		241	3,098	2,784	241		314
Administrative Office of the United States courts .....		28		28		37	1,101	1,058	37		43
Air conditioning courtrooms, offices, and other rooms .....				362							
Salaries of referees (indefinite special account) .....		38		147		109	2,035	1,855	109		180
Expenses of referees (indefinite special account) .....		151		183		128	2,636	2,384	128		252

<b>Proposed for later transmission (under existing legislation):</b>											
Salaries of judges.....						300			300		
Fees of jurors and commissioners.....						430			430		
Travel and miscellaneous expenses.....						59			59		
Salaries of referees (indefinite special account).....						65			65		
Expenses of referees (indefinite special account).....						75			75		
Total, courts of appeals, district courts, and other judicial services.....		1,753		2,404		2,480	42,507	39,588	2,480		2,919
Total, the judiciary.....		2,275		2,734		2,716	46,073	42,912	2,716		3,161
<b>RECAPITULATION</b>											
<b>Enacted or recommended in this document:</b>											
Appropriations.....		\$2,275		\$2,734		\$1,787	\$46,073	\$42,912	\$1,787		\$3,161
<b>Proposed for later transmission:</b>											
Appropriations.....						929			929		
Total, the judiciary.....		2,275		2,734		2,716	46,073	42,912	2,716		3,161

DEBT CEILING INCREASE

**EXECUTIVE OFFICE OF THE PRESIDENT**  
**ANALYSIS OF UNEXPENDED BALANCES**  
**BY ORGANIZATION UNIT AND ACCOUNT TITLE**

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobli- gated	Total	Unobli- gated	Total	Unobli- gated	Total	New oblig- ational author- ity	Estimated expend- itures from—		Unobli- gated	Total
								New oblig- ational author- ity	Balances of prior author- ity		
COMPENSATION OF THE PRESIDENT											
Current authorizations:											
Compensation of the President.....							\$150	\$150			
THE WHITE HOUSE OFFICE											
Current authorizations:											
Salaries and expenses.....		\$131		\$102		\$129	2,052	1,920	\$113		\$148
SPECIAL PROJECTS											
Current authorizations:											
Special projects.....		126		145		145	1,500	1,310	140		195
EXECUTIVE MANSION AND GROUNDS											
Current authorizations:											
Executive Mansion and Grounds.....		18		11		16	415	394	16		21
Addition to Executive Mansion.....	\$89	89	\$50	56							
Total, Executive Mansion and Grounds.....	89	107	50	67		16	415	394	16		21

BUREAU OF THE BUDGET										
Current authorizations:										
Salaries and expenses .....	192	195	210	4,205	3,981	209	225			
COUNCIL OF ECONOMIC ADVISERS										
Current authorizations:										
Salaries and expenses .....	15	14	15	375	360	15	15			
NATIONAL SECURITY COUNCIL										
Current authorizations:										
Salaries and expenses .....	18	14	42	700	658	42	42			
OFFICE OF DEFENSE MOBILIZATION										
Current authorizations:										
Salaries and expenses .....	137	149	126	2,420	2,275	120	151			
Defense rental areas division .....		4	2			2				
Total, Office of Defense Mobilization .....	137	153	128	2,420	2,275	122	151			
PRESIDENT'S ADVISORY COMMITTEE ON GOVERNMENT ORGANIZATION										
Current authorizations:										
Salaries and expenses .....	2	2	3	58	55	3	3			
PRESIDENT'S COMMISSION ON VETERANS' PENSIONS										
Current authorizations:										
Salaries and expenses .....	15									
Total, Executive Office of the President .....	89	743	50	692	688	11,875	11,103	660	800	

DEBT CEILING INCREASE

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## EXECUTIVE OFFICE OF THE PRESIDENT—Continued

## ANALYSIS OF UNEXPENDED BALANCES—Continued

## BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1959	
	Unobli- gated	Total	Unobli- gated	Total	Unobli- gated	Total	New obli- gational author- ity	Estimated expend- itures from—		Unobli- gated	Total
								New obli- gational author- ity	Balances of prior authori- zations		
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations.....	\$80	\$743	\$50	\$692		\$688	\$11,875	\$11,103	\$660		\$800

# FUNDS APPROPRIATED TO THE PRESIDENT

## ANALYSIS OF UNEXPENDED BALANCES

### BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balances of prior authority		
<b>DEFENSE AID</b>											
<b>Current authorizations:</b>											
Defense aid, special fund.....	\$256	\$256	\$83	\$218	\$83	\$83				\$83	\$83
<b>DISASTER RELIEF</b>											
<b>Current authorizations:</b>											
Disaster relief.....	22, 774	29, 268	13, 123	20, 284	18, 122	27, 284			\$18, 000		9, 284
<b>EMERGENCY FUND FOR THE PRESIDENT</b>											
<b>Current authorizations:</b>											
Emergency fund for the President, national defense.....		40		275		55	\$1, 000	\$930	55		70
<b>EXPANSION OF DEFENSE PRODUCTION</b>											
<b>Public enterprise funds:</b>											
Revolving fund, Defense Production Act:											
Cash.....		13, 811		34, 675		34, 769					34, 619
Authorization to expend from debt receipts.....	262, 276	956, 271	470, 725	805, 570	170, 502	435, 700			271, 864	59, 499	163, 986
Total, expansion of defense production.....	262, 276	970, 082	470, 725	840, 245	170, 502	470, 469			271, 864	59, 499	198, 605

DEBT CEILING INCREASE

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# FUNDS APPROPRIATED TO THE PRESIDENT—Continued

## ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balances of prior authority		
<b>EXPENSES OF MANAGEMENT IMPROVEMENT</b>											
<b>Current authorizations:</b>											
Expenses of management improvement.....	\$135	\$ 238	\$519	\$528	\$289	\$323	-----	-----	\$279	-----	\$44
<b>MUTUAL SECURITY</b>											
<b>Current authorizations:</b>											
<b>Military assistance:</b>											
Military assistance.....	195,500	1,958,171	538,800	2,000,402	25,000	1,093,124	-----	-----	1,846,000	-----	339,822
Common-use items.....							-----	-----			
<b>Defense support:</b>											
Defense support.....							-----	-----		-----	
Defense support, Europe.....											
Defense support, Near East and Africa.....											
Defense support, Asia.....											
Defense support, Near East, Africa and South Asia.....											
Mutual defense financing, defense support, economic and technical assistance, Europe.....		1,117,462	36,000	1,065,601		809,601	-----	-----	575,000	-----	234,601
Mutual defense financing, defense support, economic and technical assistance, Formosa and the Associated States of Cambodia, Laos, and Vietnam.....							-----	-----		-----	
Southeast Asia and the Western Pacific.....							-----	-----		-----	





# FUNDS APPROPRIATED TO THE PRESIDENT—Continued

## ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balances of prior authority		
<b>MUTUAL SECURITY—Continued</b>											
<b>Public enterprise funds:</b>											
Development loan fund (current appropriation).....					\$100,000	\$280,000			\$99,526	\$474	\$180,474
Foreign investment guaranty fund:											
Cash.....				\$2,028		2,628					3,528
Authorization to expend from debt receipts.....	\$69,210	\$159,071	\$105,177	199,072	89,577	199,072			-900	70,377	199,072
<b>Proposed for later transmission (under proposed legislation):</b>											
Military assistance.....							\$1,800,000	\$354,000			1,371,000
Defense support.....							865,000	310,000			555,000
Economic, technical, and other assistance.....							650,000	240,000			410,000
Development loan fund.....							625,000	74,483		225,517	550,517
<b>Total, mutual security.....</b>	407,311	3,877,465	869,426	4,074,211	218,505	3,041,716	3,940,000	978,483	2,889,626	296,368	3,131,305
<b>PRESIDENT'S SPECIAL INTERNATIONAL PROGRAM</b>											
<b>Current authorizations:</b>											
President's special international program.....	628	2,073	3,024	6,610	3,110	6,321	7,600	5,831	4,711	200	3,379

REFUGEE RELIEF											
Current authorizations:											
Refugee relief.....		1,510		184							
MISCELLANEOUS											
Current authorizations:											
Assistance to Greece and Turkey.....				1							
Obligations, defense aid, liquidation lend-lease program.....				1,730		1,630			100		1,530
United Nations Relief and Rehabilitation Administration.....				26		22			4		18
Total, miscellaneous.....				1,757		1,652			104		1,548
Total, funds appropriated to the President.....	693,380	4,880,932	1,356,900	4,944,312	410,611	3,547,903	3,948,600	985,244	3,184,639	356,150	3,344,318
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations.....	\$361,894	\$3,751,779	\$780,898	\$3,902,967	\$50,532	\$2,595,734	} \$8,600	\$6,761	\$3,184,639	\$283	\$876,122
Authorizations to expend from debt receipts.....	331,486	1,115,342	575,902	1,004,642	260,079	634,772				129,876	363,058
Revolving and management funds: Public enterprise funds.....		13,811		36,703	100,000	317,397				474	218,621
Proposed for later transmission:											
Appropriations.....							3,940,000	978,483		225,517	\$1,886,517
Total, funds appropriated to the President.....	693,380	4,880,932	1,356,900	4,944,312	410,611	3,547,903	3,948,600	985,244	3,184,639	356,150	3,344,318

<sup>1</sup> Excludes outstanding common-item order reservations accounted for as balances under Department of Defense—Military Functions.

INDEPENDENT OFFICES  
ANALYSIS OF UNEXPENDED BALANCES  
BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobli- gated	Total	Unobli- gated	Total	Unobli- gated	Total	New obli- gational author- ity	Estimated expend- itures from— New obli- gational author- ity	Balances of prior author- ity	Unobli- gated	Total
ADVISORY COMMITTEE ON WEATHER CONTROL											
Current authorizations: Salaries and expenses.....		\$55		\$113							
AIRWAYS MODERNIZATION BOARD											
Current authorizations: Salaries and expenses.....						\$10,592	\$35,000	\$18,600	\$9,400		\$17,592
ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION											
Current authorizations: Salaries and expenses.....					\$6	10			10		
AMERICAN BATTLE MONUMENTS COMMISSION											
Current authorizations: Salaries and expenses.....		118		154		194	1,250	1,090	130		224

Construction of memorials and cemeteries.....	\$7,423	10,316	\$6,124	8,556	3,374	7,306			3,000		4,306
Dedication of World War II memorials.....	119	123									
<b>Total, American Battle Monuments Commission.....</b>	<b>7,542</b>	<b>10,557</b>	<b>6,124</b>	<b>8,710</b>	<b>3,374</b>	<b>7,500</b>	<b>1,250</b>	<b>1,090</b>	<b>3,130</b>		<b>4,530</b>
<b>ATOMIC ENERGY COMMISSION</b>											
<b>Current authorizations:</b>											
Operating expenses.....		622,191		700,445		843,847	2,298,000	1,466,153	843,847		831,847
Plant acquisition and construction.....	375,810	728,746	308,029	584,226	65,287	492,388			220,000		272,388
<b>Public enterprise funds:</b>											
Defense production guaranties.....	197	197	341	341	445	445			-64	\$509	509
<b>Intragovernmental funds:</b>											
Advances and reimbursements.....				54							
<b>Proposed for later transmission (under proposed legislation):</b>											
Plant acquisition and construction.....							120,000	20,000			100,000
<b>Total, Atomic Energy Commission.....</b>	<b>376,007</b>	<b>1,351,134</b>	<b>308,370</b>	<b>1,285,066</b>	<b>65,732</b>	<b>1,336,680</b>	<b>2,418,000</b>	<b>1,486,153</b>	<b>1,063,783</b>	<b>509</b>	<b>1,204,744</b>
<b>CENTRAL INTELLIGENCE AGENCY</b>											
<b>Current authorizations:</b>											
Construction.....	3,514	5,490	47,138	52,861	43,241	45,141			13,855	1,756	31,286
<b>CIVIL SERVICE COMMISSION</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		1,066		1,007		1,061	18,420	17,289	1,061		1,131
Investigations of United States citizens for employment by international organizations.....		42		44		47	383	346	47		37
Annuities, Panama Canal construction employees and lighthouse service widows.....		176		208		190	2,328	2,141	190		187
<b>Intragovernmental funds:</b>											
Investigations.....	3,712	3,545	3,607	3,768	3,488	3,073			55	3,570	3,018
<b>Total, Civil Service Commission.....</b>	<b>3,712</b>	<b>4,829</b>	<b>3,607</b>	<b>5,117</b>	<b>3,488</b>	<b>4,371</b>	<b>21,131</b>	<b>19,776</b>	<b>1,353</b>	<b>3,570</b>	<b>4,373</b>

INDEPENDENT OFFICES—Continued  
ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balances of prior authority		
COMMISSION ON CIVIL RIGHTS											
Current authorizations:											
Salaries and expenses.....							\$750	\$675			\$75
COMMISSION ON GOVERNMENT SECURITY											
Current authorizations:											
Salaries and expenses.....	\$135	\$160		\$52							
COMMISSION ON INCREASED INDUSTRIAL USE OF AGRICULTURAL PRODUCTS											
Current authorizations:											
Commission on Increased Industrial Use of Agricultural Products.....				9							

COMMISSION ON INTERGOVERNMENTAL RELATIONS										
<b>Current authorizations:</b>										
Salaries and expenses.....		1								
DISTRICT OF COLUMBIA AUDITORIUM COMMISSION										
<b>Current authorizations:</b>										
Salaries and expenses.....				6						
EXPORT-IMPORT BANK OF WASHINGTON										
<b>Public enterprise funds:</b>										
Export-Import Bank of Washington fund:										
Cash.....		1,024		43,704		\$2,856		\$1,500		1,356
Authorization to expend from debt receipts.....	2,039,776	2,793,500	\$1,323,078	2,822,000	\$806,853	2,440,400		55,500	\$595,255	2,362,400
Liquidation of certain Reconstruction Finance Corporation assets.....	88		78		59			-6,117	45	( <sup>2</sup> )
<b>Proposed for later transmission (under proposed legislation):</b>										
Export-Import Bank of Washington fund (authorization to expend from debt receipts).....					2,000,000	2,000,000			1,800,000	2,000,000
Total, Export-Import Bank of Washington.....	2,039,864	2,794,524	1,323,156	2,865,704	2,806,912	4,443,256		50,883	2,395,300	4,363,756
FARM CREDIT ADMINISTRATION										
<b>Permanent authorizations:</b>										
Administrative expenses (indefinite special account).....	984	1,084	1,137	1,247	1,137	1,247	2,125	2,016	109	1,137
<b>Public enterprise funds:</b>										
Federal Farm Mortgage Corporation: Federal Farm Mortgage Corporation fund:										
Cash.....	2,539	2,593	1,073	1,120	532	573		-2,006	343	* 378
Authorization to expend from debt receipts.....	499,705	499,705	499,735	499,735				-30		

<sup>1</sup> Excludes capital transfer in 1959 of \$22,500 thousand.

<sup>2</sup> Excludes capital transfer of \$7 thousand and unobligated balance no longer available of \$6,110 thousand in 1959.

<sup>3</sup> Excludes capital transfer of \$2,200 thousand and unobligated balance rescinded of \$30 thousand in 1959.

INDEPENDENT OFFICES—Continued  
**ANALYSIS OF UNEXPENDED BALANCES—Continued**  
 BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued  
 [In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from— New obligational authority	Balances of prior authority	Unobligated	Total
FARM CREDIT ADMINISTRATION—Con.											
Public enterprise funds—Continued											
Federal intermediate credit banks:											
Federal intermediate credit banks investment fund.....			\$40,000	\$40,000	\$40,000	\$40,000				\$40,000	\$40,000
Operating fund:											
Cash.....	\$111,498	\$112,048									
Authorization to expend from debt receipts.....	273,382	273,382									
Federal intermediate credit banks revolving fund.....	37,300	37,300									
Production credit associations investment fund.....			58,130	58,130	57,930	57,930			\$600	57,330	57,330
Agricultural marketing revolving fund.....	35,865	35,865	38,600	38,600	44,326	44,326			—5,000	49,326	49,326
Farm Credit Administration revolving fund.....	60,765	60,765									
Total, Farm Credit Administration.....	1,022,033	1,022,742	638,675	638,832	143,925	144,076	\$2,125	\$2,016	—6,327	148,136	148,281
FEDERAL CIVIL DEFENSE ADMINISTRATION											
Current authorizations:											
Operations.....		2,887		2,653		4,653	19,400	15,000	3,000		6,053
Emergency supplies and equipment.....		26,720		39,244		4,244	18,000	5,756	4,244		12,244

Research and development.....	6,929	8,866	9,043	13,834	1,500	10,794	4,400	1,000	4,500	-----	9,694
Federal contributions.....	8,993	16,729	14,022	25,030	17,000	34,030	-----	-----	10,000	-----	24,030
Salaries and expenses, civil defense functions of Federal agencies.....		286		607			-----	-----		-----	
<b>Public enterprise funds:</b>											
Civil defense procurement fund.....	2,953	4,171	4,374	4,905	986	937	-----	-----	22	912	915
<b>Proposed for later transmission</b> (under proposed legislation):											
Civil defense assistance to States.....							26,000	20,000	-----	-----	6,000
<b>Total, Federal Civil Defense Administration...</b>	<b>18,875</b>	<b>59,659</b>	<b>27,439</b>	<b>86,273</b>	<b>19,486</b>	<b>54,658</b>	<b>67,800</b>	<b>41,756</b>	<b>21,766</b>	<b>912</b>	<b>58,936</b>
<b>FEDERAL COAL MINE SAFETY BOARD OF REVIEW</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		2		2		2	70	68	2		2
<b>FEDERAL COMMUNICATIONS COMMISSION</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		344		399		450	8,950	8,450	450		500
<b>FEDERAL DEPOSIT INSURANCE CORPORATION</b>											
<b>Current authorizations:</b>											
Investment in Federal Deposit Insurance Corpora- tion (authorization to expend from debt receipts).....	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	-----	-----	-----	3,000,000	3,000,000
<b>FEDERAL HOME LOAN BANK BOARD</b>											
<b>Public enterprise funds:</b>											
Federal Home Loan Bank Board revolving fund:											
Cash.....	345	317	315	346	265	274	-----	-----	-46	356	320
Authorization to expend from debt receipts.....	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-----	-----	-----	1,000,000	1,000,000



INDEPENDENT OFFICES—Continued  
ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from— New obligational authority	Balances of prior authority	Unobligated	Total
<b>FEDERAL HOME LOAN BANK BOARD—Continued</b>											
<b>Public enterprise funds:—Continued</b>											
Federal Savings and Loan Insurance Corporation:											
Revolving fund:											
Cash.....	\$252,883	\$257,812	\$270,218	\$275,979	\$290,620	\$297,175			—\$43,125	\$313,363	\$320,847
Authorization to expend from debt receipts.....	750,000	750,000	750,000	750,000	750,000	750,000				750,000	750,000
Home Owners' Loan Corporation fund.....		626		566		501			5		436
<b>Total, Federal Home Loan Bank Board.....</b>	<b>2,003,228</b>	<b>2,008,755</b>	<b>2,020,533</b>	<b>2,026,891</b>	<b>2,040,885</b>	<b>2,047,950</b>			—43,166	2,063,719	2,071,603
<b>FEDERAL MEDIATION AND CONCILIATION SERVICE</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		208		187		178	\$3,695	\$3,474	178		221
<b>FEDERAL POWER COMMISSION</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		275		281		320	6,385	5,922	288		495

<b>Permanent authorizations:</b>									
Payments to States under Federal Power Act (indefinite special account).....	33		44		40	41		40	41
<b>Proposed for later transmission (under existing legislation):</b>									
Salaries and expenses.....					10			10	
<b>Total, Federal Power Commission.....</b>	<b>308</b>		<b>325</b>		<b>370</b>	<b>6,426</b>	<b>5,922</b>	<b>338</b>	<b>536</b>
<b>FEDERAL TRADE COMMISSION</b>									
<b>Current authorizations:</b>									
Salaries and expenses.....	204		314		335	6,025	5,675	335	350
<b>FOREIGN CLAIMS SETTLEMENT COMMISSION</b>									
<b>Current authorizations:</b>									
Salaries and expenses.....			57		50	565	515	50	50
Payment of Korean claims.....	33		6						
<b>Total, Foreign Claims Settlement Commission.....</b>	<b>33</b>		<b>63</b>		<b>50</b>	<b>565</b>	<b>515</b>	<b>50</b>	<b>50</b>
<b>GENERAL ACCOUNTING OFFICE</b>									
<b>Current authorizations:</b>									
Salaries and expenses.....	1,519		1,560		2,190	38,300	35,546	2,190	2,754
<b>HISTORICAL AND MEMORIAL COMMISSIONS</b>									
<b>Current authorizations:</b>									
Alexander Hamilton Bicentennial Commission.....	69	73	26	31					
Booker T. Washington Centennial Commission.....			35	35					
Boston National Historic Sites Commission.....	35	35		1					
Corregidor Bataan Memorial Commission, salaries and expenses.....	54	55		3	1			1	
Franklin Delano Roosevelt Memorial Commission.....			10	10	1			1	

\* Excludes capital transfer of \$19,463 thousand and unobligated balance no longer available of \$60 thousand in 1959.

DEBT CEILING INCREASE

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INDEPENDENT OFFICES—Continued  
**ANALYSIS OF UNEXPENDED BALANCES—Continued**  
 BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued  
 [In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from— New obligational authority	Balances of prior authority	Unobligated	Total
<b>HISTORICAL AND MEMORIAL COMMISSIONS—Continued</b>											
<b>Current authorizations—Continued</b>											
Jamestown-Williamsburg-Yorktown Celebration Commission.....		\$57		\$21							
John Marshall Bicentennial Celebration Commission.....		5									
Theodore Roosevelt Centennial Commission.....			\$98	101	\$38	\$41			\$33	\$3	\$8
Woodrow Wilson Centennial Celebration Commission.....	\$21	27		15							
<b>Total, historical and memorial commissions.....</b>	<b>179</b>	<b>252</b>	<b>169</b>	<b>217</b>	<b>38</b>	<b>43</b>			<b>35</b>	<b>3</b>	<b>8</b>
<b>INDIAN CLAIMS COMMISSION</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		4		4		5	\$178	\$172	5		6
<b>INTERSTATE COMMERCE COMMISSION</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		685		916		1,043	17,500	16,468	1,043		1,032

INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN										
<b>Current authorizations:</b>										
Contribution to Interstate Commission on the Potomac River Basin.....							5	5		
NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS										
<b>Current authorizations:</b>										
Salaries and expenses.....		6,150		6,624		6,624	80,480	72,500	6,000	8,604
Construction and equipment.....	13,221	25,946	8,379	28,717	18,545	46,412	26,220	500	19,000	53,132
Construction and equipment (liquidation of con- tract authorization).....				34						
Construction and equipment, unitary plan.....	787	1,896	268	763						
<b>Proposed for later transmission (under existing legis- lation):</b>										
Salaries and expenses.....						500			500	
Construction and equipment.....				4,480		6,280			2,000	4,280
Total, National Advisory Committee for Aeronautics.....	14,008	33,992	8,647	30,138	23,025	59,816	106,700	73,000	27,500	66,016
NATIONAL CAPITAL HOUSING AUTHORITY										
<b>Current authorizations:</b>										
Maintenance and operation of properties.....		\$2		\$6		\$6	\$46	\$35	\$6	\$11
NATIONAL CAPITAL PLANNING COMMISSION										
<b>Current authorizations:</b>										
Salaries and expenses.....		14		22		15	250	235	15	15
Salaries and expenses, Washington regional mass transportation survey.....		82		169						
Land acquisition, National Capital park, park- way, and playground system.....	\$973	1,340	\$1,206	2,350	\$99	599	1,120	520	599	600

DEBT CEILING INCREASE

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INDEPENDENT OFFICES—Continued  
ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balances of prior authority		
<b>NATIONAL CAPITAL PLANNING COMMISSION—Continued</b>											
Proposed for later transmission (under proposed legislation):											
Land acquisition, National Capital park, park- way, and playground system.....						\$3,000	\$751	\$751	\$3,000		
Total, National Capital Planning Commission.	\$973	\$1,436	\$1,206	\$2,541	\$99	3,614	2,121	1,506	3,614		\$615
<b>NATIONAL LABOR RELATIONS BOARD</b>											
Current authorizations:											
Salaries and expenses.....		548		521		425	9,985	9,390	425		595
<b>NATIONAL MEDIATION BOARD</b>											
Current authorizations:											
Salaries and expenses.....		27		31		30	520	490	30		30
Arbitration and emergency boards.....		10		20		20	250	230	20		20

Salaries and expenses, National Railroad Adjustment Board.....		35		52		50	525	475	50		50
Total, National Mediation Board.....		72		103		100	1,295	1,195	100		100
NATIONAL SCIENCE FOUNDATION											
Current authorizations:											
Salaries and expenses.....	183	9,010	1,553	18,821		22,422	140,000	82,800	14,800		64,822
International Geophysical Year.....	32,374	33,786	17,337	18,759	604	2,259			2,000	\$46	259
Public enterprise funds:											
Research and development of rubber program.....		120		75							
Intragovernmental funds:											
Advances and reimbursements.....		65		14							
Proposed for later transmission (under existing legislation):											
Salaries and expenses.....						8,000			8,000		
Total, National Science Foundation.....	32,557	42,981	18,890	37,669	604	32,681	140,000	82,800	24,800	46	65,081
NATIONAL SECURITY TRAINING COMMISSION											
Current authorizations:											
Salaries and expenses.....		5		3							
PERMANENT COMMITTEE FOR THE OLIVER WENDELL HOLMES DEVISE											
Permanent authorizations:											
Oliver Wendell Holmes devise fund (indefinite special account).....	434	434	434	434	405	405	13		60	358	358
PRESIDENT'S ADVISORY COMMISSION ON PRESIDENTIAL OFFICE SPACE											
Current authorizations:											
Salaries and expenses.....				2							

DEBT CEILING INCREASE

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INDEPENDENT OFFICES—Continued

**ANALYSIS OF UNEXPENDED BALANCES—Continued**

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobli- gated	Total	Unobli- gated	Total	Unobli- gated	Total	New obli- gational author- ity	Estimated expend- itures from— New obli- gational author- ity	Balances of prior author- ity	Unobli- gated	Total
<b>RENEGOTIATION BOARD</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		\$224		\$206		\$157	\$2,900	\$2,755	\$152		\$150
<b>SAINT LAWRENCE SEAWAY DEVELOP- MENT CORPORATION</b>											
<b>Public enterprise funds:</b>											
Saint Lawrence Seaway Development Corporation fund:											
Cash.....		4,850		180		280					280
Authorization to expend from debt receipts.....	\$30,428	89,000	\$9,201	56,700	\$25,363	47,600			19,000	\$17,763	28,600
Total, Saint Lawrence Seaway Development Corporation.....	30,428	93,850	9,201	56,880	25,363	47,880			19,000	17,763	28,880
<b>SECURITIES AND EXCHANGE COMMISSION</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		327		298		498	7,100	6,600	498		500

<b>SELECTIVE SERVICE SYSTEM</b>											
<b>Current authorizations:</b>											
Salaries and expenses	1,848		2,402		2,747	28,000	25,316	2,384		3,047	
<b>SMALL BUSINESS ADMINISTRATION</b>											
<b>Current authorizations:</b>											
Salaries and expenses	723		906		837			795		42	
Salaries and expenses, small defense plants activities			2								
<b>Public enterprise funds:</b>											
Revolving fund	6,768	43,866	4,109	64,443	16,450	68,947		-25,591		12,167	
Revolving fund, small defense plants activities	1,369	1,256	108								
Liquidation of Reconstruction Finance Corporation loans	33	158	-82	40	2,596	2,428		-5,028	2,607	2,206	
<b>Proposed for later transmission (under proposed legislation):</b>											
Salaries and expenses						2,800	1,904			896	
Revolving fund						50,000	40,000	51,308		41,063	
<b>Total, Small Business Administration</b>	8,170	46,003	4,135	65,391	19,046	72,212	52,800	41,904	21,484	2,607	56,374
<b>SMITHSONIAN INSTITUTION</b>											
<b>Current authorizations:</b>											
Salaries and expenses	1,147		923		1,451	7,355	5,712	1,443		1,651	
Additions to the Natural History Building					180	455		345	100	110	
Museum of History and Technology	888	2,245	34,557	35,800	34,265	34,952		5,000	3,066	29,952	
Salaries and expenses, National Gallery of Art		81		111		81	1,674	1,588	80	87	
<b>Intragovernmental funds:</b>											
Advances and reimbursements	25	40	16	39							
<b>Total, Smithsonian Institution</b>	913	3,513	34,573	36,873	34,445	36,939	9,029	7,300	6,868	3,166	31,800
<b>SUBVERSIVE ACTIVITIES CONTROL BOARD</b>											
<b>Current authorizations:</b>											
Salaries and expenses		9		14		15	375	360	15		15

\* Excludes capital transfer of \$4,100 thousand and unobligated balance no longer available of \$1,150 thousand in 1959.



INDEPENDENT OFFICES—Continued  
ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobli- gated	Total	Unobli- gated	Total	Unobli- gated	Total	New obli- gational author- ity	Estimated expend- itures from— New obli- gational author- ity	Balances of prior author- ity	Unobli- gated	Total
<b>TARIFF COMMISSION</b>											
Current authorizations:											
Salaries and expenses.....		\$70		\$87		\$85	\$1,810	\$1,720	\$85		\$90
<b>TAX COURT OF THE UNITED STATES</b>											
Current authorizations:											
Salaries and expenses.....		52		62		60	1,481	1,417	55		69
<b>TENNESSEE VALLEY AUTHORITY</b>											
Public enterprise funds:											
Tennessee Valley Authority fund.....	\$83,954	129,902	\$6,695	102,434	—\$36,028	62,465	16,850	16,850	29,802	—\$15,501	\$ 30,600
Proposed for later transmission (under proposed legislation):											
Tennessee Valley Authority fund (authorization to expend from debt receipts).....							125,000	13,000		66,000	112,000
<b>Total, Tennessee Valley Authority.....</b>	<b>83,954</b>	<b>129,902</b>	<b>6,695</b>	<b>102,434</b>	<b>—36,028</b>	<b>62,465</b>	<b>141,850</b>	<b>29,850</b>	<b>29,802</b>	<b>50,499</b>	<b>142,600</b>

## UNITED STATES INFORMATION AGENCY

## Current authorizations:

Salaries and expenses.....		15,580		25,422		24,522	105,000	81,900	18,600		29,022
Acquisition and construction of radio facilities.....	5,983	6,428	5,139	5,865	2,529	4,965	5,032	1,900	2,500		5,597

## Public enterprise funds:

## Informational media guaranty fund:

Cash.....		37		77		7			-12		19
Authorization to expend from debt receipts.....	9,239	19,437	5,472	15,013	2,538	12,937			2,625	7	10,312

Total, United States Information Agency.....	15,222	41,482	10,611	46,377	5,067	42,431	110,032	83,800	23,713	7	44,950
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## VETERANS ADMINISTRATION

## Current authorizations:

General operating expenses.....		9,075		8,677		8,800	149,582	140,682	8,800		8,900
Medical administration and miscellaneous operating expenses.....		1,705		3,071		2,500	21,481	18,881	2,500		2,600
Inpatient care.....		33,466	-581	34,514		36,000	707,100	670,100	36,000		37,000
Outpatient care.....		6,873		6,698		7,000	75,798	69,398	6,050		7,350
Maintenance and operation of supply depots.....		83		92		100	2,136	2,031	100		105
Compensation and pensions.....	7,744	4,902	25,031	28,562		3,500	3,232,000	3,228,500	3,500		3,500
Readjustment benefits.....	7,967	5,169	7,663	10,385		2,500	717,960	715,560	3,184		2,400
Veterans' insurance and indemnities.....							51,100	50,997	1,310		150
Grants to the Republic of the Philippines.....	300	300	10	10			1,250	1,250			
Construction of hospital and domiciliary facilities..	89,664	131,332	123,418	150,374	104,942	158,551	9,145	1,375	34,596	66,967	136,232
Major alterations, improvements, and repairs.....	4,104	6,199	4,876	7,314	2,880	4,507					(?)
Military and naval insurance.....	140	145	726	713	651	651					(?)
National service life insurance.....	4,075	4,053	7,793	7,767	556	556					(?)
Servicemen's indemnities.....	14,822	14,955	5,680	5,819		150					(?)
Automobiles and other conveyances for disabled veterans.....	920	1,426	850	1,377	234	684					(?)
Military and naval family allowance.....			10	10							

## Permanent authorizations:

Veterans insurance and indemnities.....							570	570			
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¶ Excludes capital transfer in 1959 of \$2,063 thousand.

† Represents transfers between accounts.

DEBT CEILING INCREASE

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INDEPENDENT OFFICES—Continued  
ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balances of prior authority		
VETERANS ADMINISTRATION—Continued											
<b>Public enterprise funds:</b>											
Canteen service revolving fund.....	\$3,037	\$5,501	\$3,105	\$5,622	\$2,453	\$5,191	-----	-----	-\$535	\$2,139	\$4,927
Direct loans to veterans and reserves (authoriza- tion to expend from debt receipts) ..	152,972	180,277	203,478	252,861	40,841	108,310	-----	-----	-4,882	53,692	73,092
Rental, maintenance, and repair of quarters.....	4	4	2	6	2	2	-----	-----		2	2
Service-disabled veterans insurance fund.....	-2,879	637	-4,924	1,120	-7,230	2,012	-----	-----	963	-11,613	1,049
Soldiers' and sailors' civil relief.....	446	446	447	447	442	442	-----	-----	10	432	432
Veterans special term insurance fund.....	12,466	20,912	22,211	35,068	34,573	49,459	-----	-----	-13,440	46,754	62,899
Vocational rehabilitation, revolving fund.....	607	609	317	317	318	318	-----	-----		318	318
<b>Intragovernmental funds:</b>											
Supply fund.....	2,705	14,285	-3,358	8,646	-1,837	8,340	-----	-----	-615	-1,172	8,955
<b>Total, Veterans Administration.....</b>	<b>299,094</b>	<b>442,354</b>	<b>396,754</b>	<b>569,470</b>	<b>178,825</b>	<b>399,573</b>	<b>\$4,968,122</b>	<b>\$4,899,344</b>	<b>77,541</b>	<b>157,519</b>	<b>349,911</b>
<b>Total, Independent offices.....</b>	<b>8,960,847</b>	<b>11,100,569</b>	<b>7,866,357</b>	<b>10,931,532</b>	<b>8,377,938</b>	<b>11,861,009</b>	<b>8,211,428</b>	<b>6,914,653</b>	<b>1,357,415</b>	<b>7,860,685</b>	<b>11,701,797</b>

## RECAPITULATION

## Enacted or recommended in this document:

Appropriations.....	588,665	1,756,317	630,011	1,849,182	297,473	1,835,991	7,886,877	6,818,998	1,292,597	{ 88,248	1,614,865
Authorizations to expend from debt receipts.....	7,755,623	8,605,459	6,790,960	8,396,349	5,628,250	7,361,675				{ 5,419,369	7,226,610
Revolving and management funds:											
Public enterprise funds.....	610,117	720,858	445,121	673,480	446,084	634,140				{ 484,670	<sup>10</sup> 584,110
Intragovernmental funds.....	6,442	17,935	265	12,521	1,651	11,413				{ 2,398	11,973
Proposed for later transmission:											
Appropriations.....					4,480	17,790	324,551	95,655	64,818	{ -----	152,239
Authorizations to expend from debt receipts.....					2,000,000	2,000,000				{ 1,866,000	2,112,000
Total, independent offices.....	8,960,847	11,100,569	7,866,357	10,931,532	8,377,938	11,861,009	8,211,428	6,914,653	1,357,415	7,860,685	11,701,797

\* Excludes capital transfer in 1959 of \$799 thousand.

\* Excludes unobligated balance no longer available in 1959 of \$40,100 thousand.

<sup>10</sup> Excludes capital transfers of \$51,122 thousand, unobligated balance no longer available of \$47,420 thousand, and unobligated balance rescinded of \$30 thousand in 1959.

GENERAL SERVICES ADMINISTRATION  
ANALYSIS OF UNEXPENDED BALANCES  
BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balances of prior authority		
REAL PROPERTY ACTIVITIES											
Current authorizations:											
Operating expenses, Public Buildings Service.....		\$4, 115		\$10, 643		\$4, 785	\$138, 500	\$137, 000	\$3, 700		\$2, 585
Repair and improvement, federally owned buildings.....	\$865	13, 329	\$11, 373	30, 308	\$11, 373	44, 308	50, 000	25, 000	25, 000		44, 308
Sites and expenses, purchase contract projects.....	11, 582	13, 952	3, 652	12, 954		24, 454	20, 000	1, 000	14, 000		29, 454
Payments, public buildings purchase contracts.....						7	1, 265	693	7		572
Construction, United States Court of Claims and Federal Office Building, Washington, D. C.....							1, 200	1, 000			200
Construction, United States Mission Building, New York, N. Y.....							3, 975	1, 500		\$295	2, 475
Construction, public buildings.....					175	1, 755			1, 500	20	255
Hospital facilities in the District of Columbia.....	7, 057	13, 871	5, 930	11, 793	150	5, 794	}			130	1, 794
Hospital facilities in the District of Columbia (liquidation of contract authorization).....	2, 640	5, 300							4, 000		
Miscellaneous accounts:											
Acquisition of land and building, Chicago, Illinois.....	1, 000	1, 000	1, 000	1, 000							
Additional court facilities.....		637		281							
Construction of public buildings, public buildings.....	1	1									
Construction, purchase, remodeling and designing, buildings outside the District of Columbia, public buildings.....	3	5									
Defense public works, community facilities.....	157	157	159	159	12	12				12	12
Emergency operating expenses.....		313									

Federal Supply and Records Building.....	2	14	1	1							
General Accounting Office Building.....	5	5									
Operating expenses.....				2							
Remodeling the Congress Street Post Office, Chicago, Illinois.....	507	806	348	427		27			27		
Renovation and improvement of federally owned buildings outside the District of Columbia.....	6	94	15	27							
Repair, preservation, and equipment, outside the District of Columbia.....				4							
Sites and planning, public buildings outside the District of Columbia.....	615	1,462	1,134	1,134	284	334			50	284	284
United States Post Office, Chicago, Illinois.....	61	103	55	57							
United States Post Office and Courthouse, Nome, Alaska.....	1,100	1,100	110	1,213	31	363			300		63
<b>Permanent authorizations:</b>											
Expenses, disposal of surplus real and related personal property (indefinite special account).....		130		134		400	1,000	600	400		400
<b>Public enterprise funds:</b>											
Cost of maintenance, repair, etc., of improvements, public buildings.....	564	564	543	543	557	557			-560	557	1 557
Maintenance, etc., Lafayette Building, Washington, D. C., public buildings.....	39	39	35	35	35	35			-32	33	2 32
<b>Intragovernmental funds:</b>											
Buildings management fund.....	5,661	6,452	6,640	7,236	6,367	7,067			-100	6,467	7,167
Construction services, public buildings.....	129	319	138	311	118	342			20	88	322
Advances and reimbursements, real property activities.....				15							
<b>Proposed for later transmission (under existing legislation):</b>											
Operating expenses, Public Buildings Service.....						200			200		
<b>Total, real property activities.....</b>	<b>31,994</b>	<b>63,768</b>	<b>31,133</b>	<b>78,277</b>	<b>19,102</b>	<b>90,440</b>	<b>215,940</b>	<b>166,793</b>	<b>48,512</b>	<b>7,886</b>	<b>90,480</b>
<b>PERSONAL PROPERTY ACTIVITIES</b>											
<b>Current authorizations:</b>											
Operating expenses, Federal Supply Service.....		210		220		247	5,480	5,220	200		307
Expenses, supply distribution.....		872		726		891	19,500	18,500	800		1,091
<b>Intragovernmental funds:</b>											
General supply fund.....	-190	6,676	11,652	14,698	13,492	13,692	15,000	15,000	242	17,350	3 12,250
Administrative expenses, foreign aid procurements.....	643	594	471	607	474	436			-23	499	459
Advances and reimbursements, personal property activities.....	79	480	160	716		178			4		174
<b>Total, personal property activities.....</b>	<b>532</b>	<b>8,832</b>	<b>12,283</b>	<b>16,967</b>	<b>13,966</b>	<b>15,444</b>	<b>39,980</b>	<b>38,720</b>	<b>1,223</b>	<b>17,849</b>	<b>14,281</b>

<sup>1</sup>Excludes capital transfer in 1959 of \$560 thousand.<sup>2</sup>Excludes capital transfer in 1959 of \$35 thousand.<sup>3</sup>Excludes capital transfer in 1959 of \$1,200 thousand.

GENERAL SERVICES ADMINISTRATION—Continued  
 ANALYSIS OF UNEXPENDED BALANCES—Continued  
 BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued  
 [In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from— New obligational authority	Balances of prior authority	Unobligated	Total
<b>RECORDS ACTIVITIES</b>											
<b>Current authorizations:</b>											
Operating expenses, National Archives and Records Service.....	\$41	\$393	\$1	\$344		\$337	\$7,650	\$7,270	\$330		\$387
<b>TRANSPORTATION AND UTILITIES ACTIVITIES</b>											
<b>Current authorizations:</b>											
Operating expenses, Transportation and Public Utilities Service.....		53		77		87	2,000	1,865	85		137
<b>Proposed for later transmission:</b>											
Operating expenses, Transportation and Public Utilities Service.....						5			5		
<b>Total, transportation and utilities activities.....</b>		<b>53</b>		<b>77</b>		<b>92</b>	<b>2,000</b>	<b>1,865</b>	<b>90</b>		<b>137</b>
<b>DEFENSE MATERIALS ACTIVITIES</b>											
<b>Current authorizations:</b>											
Strategic and critical materials.....	389,030	767,306	198,560	407,561	\$76,663	212,561	70,000	60,000	90,000		132,561
<b>Public enterprise funds:</b>											
Albaca fiber program.....	5,296	6,163	4,562	4,889	4,593	4,885			577	\$4,016	4,308

Defense production guaranties, defense materials procurement activities.....	3,677	3,644	3,941	3,875	4,596	4,408	-----	-----	-749	5,324	5,157
Total, defense materials activities.....	398,003	777,113	207,063	416,325	85,852	221,854	70,000	60,000	89,828	9,340	142,026
<b>GENERAL ACTIVITIES</b>											
<b>Current authorizations:</b>											
Salaries and expenses, Office of Administrator.....				20		14	200	190	14		10
Administrative operations.....		171									
Refunds under Renegotiation Act (interest).....	180	180	500	500	250	250			250		
<b>Public enterprise funds:</b>											
Federal Facilities Corporation fund.....	18,401	24,564	11,601	9,865	13,995	12,408			-1,287	15,285	13,695
Reconstruction Finance Corporation liquidation fund.....	10,773	6,638	12,469	7,819	12,305	8,091			-715	12,660	* 8,756
<b>Intragovernmental funds:</b>											
Administrative operations fund.....				471		551			-100		651
Working capital fund.....	64	131	78	138	64	123			7	56	* 115
Total, general activities.....	29,418	31,684	24,648	18,813	26,614	21,437	200	190	-1,831	28,001	23,227
Total, General Services Administration.....	459,988	881,843	275,128	530,803	145,534	349,604	335,770	274,838	138,152	63,076	270,538
<b>RECAPITULATION</b>											
<b>Enacted or recommended in this document:</b>											
Appropriations.....	\$412,212	\$820,279	\$222,838	\$479,585	\$88,938	\$296,026	} \$335,770	\$274,838	\$137,947	{ \$741	\$216,895
Contract authorizations.....	2,640	5,300									
Revolving and management funds:											
Public enterprise funds.....	38,750	41,612	33,151	27,026	36,081	30,384					
Intragovernmental funds.....	6,386	14,652	19,139	24,192	20,515	22,389				{ 37,875	* 32,505
										{ 24,460	* 21,138
<b>Proposed for later transmission:</b>											
Appropriations.....						205			205		
Total, General Services Administration.....	459,988	881,843	275,128	530,803	145,534	349,604	335,770	274,838	138,152	63,076	270,538

\* Excludes capital transfer in 1959 of \$50 thousand.

\* Excludes capital transfer in 1959 of \$1 thousand.

\* Excludes capital transfers in 1959 of \$645 thousand.

\* Excludes capital transfers in 1959 of \$1,201 thousand.



HOUSING AND HOME FINANCE AGENCY  
ANALYSIS OF UNEXPENDED BALANCES  
BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from— New obligational authority	Balances of prior authority	Unobligated	Total
<b>OFFICE OF THE ADMINISTRATOR</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		\$372		\$435		\$815	\$8,850	\$7,987	\$420		\$1,258
Urban planning grants.....	\$2,371	2,726	\$2,191	3,575		2,375	3,500	725	2,375		2,775
<b>Permanent authorizations:</b>											
Housing studies (contract authorization).....			500	500	\$1,500	1,500	1,000			\$2,500	2,500
<b>Public enterprise funds:</b>											
Operations, college housing loans fund:											
Cash.....		3,784		18,637		21,454	}		219,175	}	24,279
Authorization to expend from debt receipts.....	298,717	383,888	341,538	522,143	260,347	532,144					310,144
Operations, public facility loans:											
Cash.....	97	370		424		1,142	}		24,300	}	1,842
Authorization to expend from debt receipts.....	99,500	99,500	88,357	98,600	67,632	82,600					57,600
Public works planning fund.....	3,398	4,385	5,435	10,687	935	10,468	8,500		8,100	685	10,868
Revolving fund (liquidating programs).....	23,145	24,212	18,438	19,043	12,435	10,052			-22,010	8,722	17,062
Urban renewal fund:											
Cash.....		59,144		65,953		17,849	}		53,268	}	14,681
Contract authorization.....	497,449	583,000	638,734	743,000	787,234	1,093,000					1,043,000
Authorization to expend from debt receipts.....	800,871	952,000	682,869	947,000	521,474	937,000					937,000
Community disposal operations fund.....		57	1,646	1,978	835	1,859			-15,030	1,724	1,889

<b>Proposed for later transmission:</b>											
Operations, college housing loans fund (authorization to expend from debt receipts).....							200,000			198,897	200,000
Urban renewal capital grants (contract authorization).....							200,000			200,000	200,000
<b>Total, Office of the Administrator.....</b>	<b>1,725,548</b>	<b>2,113,438</b>	<b>1,779,708</b>	<b>2,431,975</b>	<b>1,652,392</b>	<b>2,712,258</b>	<b>421,850</b>	<b>8,712</b>	<b>270,598</b>	<b>1,325,382</b>	<b>2,814,798</b>
<b>FEDERAL FLOOD INDEMNITY ADMINISTRATION</b>											
<b>Public enterprise funds:</b>											
Investment in flood indemnity operations (authorization to expend from debt receipts).....			500,000	500,000	500,000	500,000				500,000	500,000
Administrative expenses.....				51							
<b>Total, Federal Flood Indemnity Administration.....</b>			<b>500,000</b>	<b>500,051</b>	<b>500,000</b>	<b>500,000</b>				<b>500,000</b>	<b>500,000</b>
<b>FEDERAL NATIONAL MORTGAGE ASSOCIATION</b>											
<b>Public enterprise funds:</b>											
Loans for secondary market operations (authorization to expend from debt receipts).....	905,519	905,519	1,346,766	1,346,766	2,313,000	2,313,000			10,000	2,303,000	2,303,000
Special assistance functions fund:											
Cash.....		21		314		200				\$ 200	
Authorization to expend from debt receipts.....	530,336	549,573	239,178	575,374	251,397	944,374			292,875	44,157	\$ 635,174
Management and liquidating functions fund:											
Cash and U. S. securities.....		11,731	23,339	36,589	35,837	66,446				40,902	76,446
Authorization to expend from debt receipts.....	17,925	17,944	274	274					-164,000		( <sup>1</sup> )
<b>Proposed for later transmission:</b>											
Special assistance functions fund (authorization to expend from debt receipts).....							90,000			1,608	90,000
<b>Total, Federal National Mortgage Association.....</b>	<b>1,453,780</b>	<b>1,484,788</b>	<b>1,609,557</b>	<b>1,959,317</b>	<b>2,600,234</b>	<b>3,324,020</b>	<b>90,000</b>		<b>138,875</b>	<b>2,389,667</b>	<b>3,104,820</b>

See footnotes at end of table.

## HOUSING AND HOME FINANCE AGENCY—Continued

## ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from— New obligational authority	Balances of prior authority	Unobligated	Total
<b>FEDERAL HOUSING ADMINISTRATION</b>											
<b>Public enterprise funds:</b>											
Federal Housing Administration fund.....	\$363,068	\$449,060	\$434,680	\$521,155	\$504,873	\$583,387			—\$90,003	\$587,738	\$654,293
<b>PUBLIC HOUSING ADMINISTRATION</b>											
<b>Public enterprise funds:</b>											
Low-rent public housing program fund:											
Cash.....		29,862		32,905		38,129	\$126,200	\$126,200	—10,457	377,006	747,500 1,459,000
Authorization to expend from debt receipts.....	594,332	1,462,000	548,146	1,459,000	396,924	1,459,000					
<b>Intragovernmental funds:</b>											
Limitation on administrative and nonadministrative expenses.....		910		710		752			752		
Total, Public Housing Administration.....	594,332	1,492,772	548,146	1,492,615	396,924	1,497,881	126,200	126,200	—9,705	377,006	1,506,500
Total, Housing and Home Finance Agency....	4,136,728	5,540,058	4,872,091	6,905,113	5,654,423	8,617,546	638,050	134,912	319,765	5,179,793	8,580,411

RECAPITULATION											
<b>Enacted or recommended in this document:</b>											
Appropriations.....	\$2,371	\$3,098	\$2,191	\$4,010	-----	\$3,190	} \$148,050	\$134,912	\$319,765	{ -----	\$4,033
Authorizations to expend from debt receipts.....	3,610,268	4,819,484	4,181,808	5,970,312	\$4,815,647	7,351,505					\$4,179,121 <sup>8</sup> 6,856,211
Contract authorizations.....	497,449	583,000	639,234	743,500	788,734	1,094,500					548,134 1,045,500
Revolving and management funds:											
Public enterprise funds.....	26,640	133,506	48,858	180,581	50,042	167,599					52,033 <sup>9</sup> 184,667
Intragovernmental funds.....		910	-----	710	-----	752	} 490,000	-----	-----	{ -----	-----
<b>Proposed for later transmission:</b>											
Authorizations to expend from debt receipts.....											200,505 290,000
Contract authorizations.....											200,000 200,000
<b>Total, Housing and Home Finance Agency.....</b>	<b>4,136,728</b>	<b>5,540,058</b>	<b>4,872,091</b>	<b>6,905,113</b>	<b>5,654,423</b>	<b>8,617,546</b>	<b>638,050</b>	<b>134,912</b>	<b>319,765</b>	<b>5,179,793</b>	<b>8,580,411</b>

<sup>1</sup> Excludes capital transfer (repayment of investment to Treasury) in 1959 of \$25,000 thousand.

<sup>2</sup> Excludes capital transfer (repayment of investment to Treasury) in 1959 of \$15,000 thousand.

<sup>3</sup> Excludes capital transfer (payment of dividend to Treasury) in 1959 of \$5,125 thousand.

<sup>4</sup> Excludes unobligated balance no longer available (authorization to expend from debt receipts) in 1959 of \$11,200 thousand.

<sup>5</sup> Excludes unobligated balance no longer available (authorization to expend from debt receipts) in 1959 of \$154,000 thousand.

<sup>6</sup> Excludes net debentures retired (authorization to expend from debt receipts) in 1959 of \$9,097 thousand.

<sup>7</sup> Excludes capital transfer (payment of property receipts to Treasury) in 1959 of \$1,086 thousand.

<sup>8</sup> Excludes amounts no longer available in 1959 of \$174,297 thousand.

<sup>9</sup> Excludes capital transfers in 1959 of \$46,211 thousand.

DEPARTMENT OF AGRICULTURE  
ANALYSIS OF UNEXPENDED BALANCES  
BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobli- gated	Total	Unobli- gated	Total	Unobli- gated	Total	New obli- gational author- ity	Estimated expend- itures from— New obli- gational author- ity	Balances of prior author- ity	Unobli- gated	Total
<b>AGRICULTURAL RESEARCH SERVICE</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....	\$7	\$9,591		\$14,499		\$16,372	\$120,203	\$104,500	\$14,615		\$17,460
State experiment stations.....		45		305		159	30,604	30,430	152		181
Diseases of animals and poultry.....		720		911		205			125		80
Animal disease laboratory facilities.....	221	224	\$15,765	16,468	\$2,529	15,668			8,000	\$1,279	7,668
Research facilities.....	786	1,948	277	817		17			17		
Research on strategic and critical agricultural materials.....		40		49		4					4
Salaries and expenses, Bureau of Agricultural and Industrial Chemistry, Agricultural Research Administration.....		150									
Salaries and expenses, Bureau of Animal Industry, Agricul- tural Research Administration.....		1									
Salaries and expenses, Bureau of Dairy Industry, Agricultural Research Administration.....		10									
Salaries and expenses, Bureau of Human Nutrition and Home Economics, Agricultural Research Administration.....		39									
<b>Intragovernmental funds:</b>											
Working capital fund, Agricultural Research Center.....	264	322	383	286	342	322				352	322
Advances and reimbursements.....				1							
<b>Total, Agricultural Research Service.....</b>	<b>1,278</b>	<b>13,090</b>	<b>16,425</b>	<b>33,336</b>	<b>2,871</b>	<b>32,747</b>	<b>150,807</b>	<b>134,030</b>	<b>22,909</b>	<b>1,631</b>	<b>25,715</b>

EXTENSION SERVICE										
Current authorizations:										
Cooperative extension work, payments and expenses.....		812		1,484		2,512	60,159	58,797	1,480	2,394
FARMER COOPERATIVE SERVICE										
Current authorizations:										
Salaries and expenses.....		37		41		64	578	505	64	73
Intragovernmental funds:										
Advances and reimbursements.....				34		56			—3	59
Total, Farmer Cooperative Service.....		37		75		120	578	505	61	132
SOIL CONSERVATION SERVICE										
Current authorizations:										
Conservation operations.....		4,282		4,693		5,765	72,280	66,700	4,700	6,645
Watershed protection.....	2,604	6,275	7,150	12,500	10,839	21,050	14,000	6,000	14,000	15,050
Flood prevention.....	1,740	4,648	1,583	6,096		6,172	13,220	6,900	6,100	6,392
Water conservation and utilization projects.....	126	156	16	45		45	335	300	45	35
Great Plains conservation program.....						7,000	10,000	3,000	3,500	10,500
Total, Soil Conservation Service.....	4,470	15,361	8,749	23,334	10,839	40,032	109,835	82,900	28,345	38,622
AGRICULTURAL CONSERVATION PROGRAM SERVICE										
Current authorizations:										
Agricultural conservation program.....	17	56,582	16	22,556		14,556	235,000	217,444	14,556	17,556
Emergency conservation measures.....			3,069	3,069						
Total, Agricultural Conservation Program Service.....	17	56,582	3,085	25,625		14,556	235,000	217,444	14,556	17,556
AGRICULTURAL MARKETING SERVICE										
Current authorizations:										
Marketing research and service.....		2,766		3,180		3,264	35,292	32,355	2,820	3,381
Payments to States, Territories, and possessions.....							1,160	1,160		
School lunch program.....		367		890		890	100,000	99,125	875	890
Agricultural Marketing Act.....		49								
Research and Marketing Act of 1946.....		34								

DEPARTMENT OF AGRICULTURE--Continued  
ANALYSIS OF UNEXPENDED BALANCES--Continued  
BY ORGANIZATION UNIT AND ACCOUNT TITLE--Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from--		Unobligated	Total
								New obligational authority	Balances of prior authority		
AGRICULTURAL MARKETING SERVICE--Continued											
<b>Permanent authorizations:</b>											
Perishable Agricultural Commodities Act fund (indefinite special account).....	\$304	\$335	\$312	\$343	\$309	\$350	\$680	\$329	\$350	\$309	\$351
Removal of surplus agricultural commodities (indefinite).....	244,701	293,554	297,949	318,074	300,000	320,125	227,850		150,000	300,000	320,125
<b>Intragovernmental funds:</b>											
Advances and reimbursements.....			20	72		132			81		51
Total, Agricultural Marketing Service.....	245,005	297,105	298,281	322,559	300,309	324,761	364,982	132,969	154,126	300,309	324,798
FOREIGN AGRICULTURAL SERVICE											
<b>Current authorizations:</b>											
Salaries and expenses.....		566		771		662	4,002	3,428	662		574
<b>Intragovernmental funds:</b>											
Advances and reimbursements.....		2									
Total, Foreign Agricultural Service.....		568		771		662	4,002	3,428	662		574

COMMODITY EXCHANGE AUTHORITY										
<b>Current authorizations:</b>										
Salaries and expenses.....	38		42		39	832	793	39		39
SOIL BANK PROGRAMS										
<b>Current authorizations:</b>										
Conservation reserve program:										
Authorization to expend from debt receipts.....			1,003	1,599						
Current appropriation.....					1,340	350,000	349,638	1,212		490
Acreage reserve program:										
Authorization to expend from debt receipts.....			14,607	14,627						
Current appropriation.....					75,042	330,000	329,962	75,034		46
Total, soil bank programs.....			15,610	16,226	76,382	680,000	679,600	76,246		536
COMMODITY STABILIZATION SERVICE										
<b>Current authorizations:</b>										
Acreage allotments and marketing quotas.....	33		117		71	39,715	39,665	52		69
Sugar Act program.....	3,986		4,614		877	76,000	74,130	800		1,947
<b>Permanent authorizations:</b>										
Reimbursement to Commodity Credit Corporation, National Wool Act (indefinite).....						30,000	30,000			
<b>Intragovernmental funds:</b>										
Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938.....	177	1,350	986	2,364	2,422		-1,401	2,422		1,401
Local administration, sec. 388, Agricultural Adjustment Act of 1938.....	3,837	5,128	5,052	7,020	7,817		-1,800	7,817		1,800
<b>Proposed for later transmission (under proposed legislation):</b>										
Acreage allotments and marketing quotas.....						-2,300	-2,200			-100
Total, Commodity Stabilization Service.....	4,014	10,497	6,038	14,115	11,187	143,415	138,394	11,091		5,117

<sup>1</sup> Excludes unobligated balance expiring in 1959 of \$77,850 thousand.



DEPARTMENT OF AGRICULTURE—Continued  
**ANALYSIS OF UNEXPENDED BALANCES—Continued**  
 BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued  
 [In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligatory authority	Estimated expenditures from— New obligatory authority	Balances of prior authority	Unobligated	Total
<b>COMMODITY CREDIT CORPORATION</b>											
<b>Public enterprise funds:</b>											
Commodity Credit Corporation fund:											
Cash.....		\$29,459		\$44,682		\$39,349	\$1,760,400	\$1,760,400	\$524,355	\$1,462,631	\$34,994
Authorization to expend from debt receipts.....	-\$163,991	810,000	\$316,967	1,117,000	\$2,031,130	2,678,000					
<b>Proposed for later transmission</b> (under proposed legislation):											
Special milk program.....									75,000		-75,000
Total, public enterprise funds.....	-163,991	839,459	316,967	1,161,682	2,031,130	2,717,349	1,760,400	1,760,400	599,355	1,462,631	2,117,994
<b>Intragovernmental funds:</b>											
<b>Proposed for later transmission</b> (under proposed legislation):											
Sales of surplus agricultural commodities for foreign currencies.....						-28,000			95,000		-123,000
Total, Commodity Credit Corporation.....	-163,991	839,459	316,967	1,161,682	2,031,130	2,689,349	1,760,400	1,760,400	694,355	1,462,631	1,994,994
<b>FEDERAL CROP INSURANCE CORPORATION</b>											
<b>Current authorizations:</b>											
Operating and administrative expenses.....		1,511		1,514		236	6,377	6,141	235		237

<b>Public enterprise funds:</b>											
Federal Crop Insurance Corporation fund.....	15,294	16,133	21,538	21,768	25,501	28,349	-----	-----	486	24,833	27,863
Total, Federal Crop Insurance Corporation.....	15,294	17,644	21,538	23,282	25,501	28,585	6,377	6,141	721	24,833	28,100
<b>RURAL ELECTRIFICATION ADMINISTRATION</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		415	-----	414	-----	559	9,019	8,450	559	-----	569
Loans (authorization to expend from debt receipts).....	55,023	696,621	171,570	931,703	25,670	810,703	206,000	22,000	345,000	170	649,703
Total, Rural Electrification Administration.....	55,023	697,036	171,570	932,117	25,670	811,262	215,019	30,450	345,559	170	650,272
<b>FARMERS' HOME ADMINISTRATION</b>											
<b>Current authorizations:</b>											
Loans (authorization to expend from debt receipts):											
Farm ownership, farm operating, and soil and water con-											
servation.....	1,332	6,960	-----	23,387	-----	2,030	175,000	174,300	1,300	-----	1,430
Farm housing.....			430,139	433,312	400,139	403,360			12,200	390,139	391,160
Salaries and expenses.....		1,345	-----	1,437	-----	1,677	29,089	27,300	1,676	-----	1,790
<b>Public enterprise funds:</b>											
Disaster loans, etc., revolving fund.....	40,416	37,707	33,679	28,033	42,448	36,499	-----	-----	-1,783	44,447	38,282
Farm tenant-mortgage insurance fund (authorization to ex-											
pend from debt receipts).....	1,712	603	2,651	1,301	3,327	1,272	3,550	2,045	1,272	4,127	1,505
Total, Farmers' Home Administration.....	43,460	46,615	466,469	487,470	445,914	444,838	207,639	203,645	14,665	438,713	434,167
<b>OFFICE OF THE GENERAL COUNSEL</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		125	-----	130	-----	135	3,043	2,890	135	-----	153
<b>OFFICE OF THE SECRETARY</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		118	-----	126	-----	171	2,661	2,490	171	-----	171
<b>Intragovernmental funds:</b>											
Working capital fund, Department of Agriculture.....	246	408	252	264	241	316	-----	-----	-32	249	348
Total, Office of the Secretary.....	246	526	252	390	241	487	2,661	2,490	139	249	519

DEPARTMENT OF AGRICULTURE—Continued  
ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligatory authority	Estimated expenditures from— New obligatory authority	Balances of prior authority	Unobligated	Total
<b>OFFICE OF INFORMATION</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		\$585		\$350		\$368	\$1,367	\$990	\$360		\$385
<b>LIBRARY</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		33		34		36	772	737	33		38
<b>FOREST SERVICE</b>											
<b>Current authorizations:</b>											
Forest protection and utilization.....					10,805	92,680	80,900	10,600			11,985
Forest roads and trails.....	\$600	10,727	\$337	8,270	\$850	9,946	23,099	15,350	7,150		10,545
Forest roads and trails (contract authorization).....	24,000	24,000									
Acquisition of lands for national forests:											
Cache National Forest.....			3	50	50	50	10	40			50
Superior National Forest.....	42	233	268	532	200	662	300	60	310		592
Special acts.....		19		15		15	10	2	8		15
Weeks Act.....		186		119		19		16			3
Cooperative range improvements.....	43	165	36	137		137	700	575	125		137
Assistance to States for tree planting.....						35		30			5
Salaries and expenses.....		7,942		7,606		106		80			26
State and private forestry cooperation.....		1,035		1,598		28		20			8
<b>Permanent authorizations:</b>											
Expenses, brush disposal (indefinite special account).....	2,032	3,656	2,676	3,125	2,216	3,275	4,500	2,000	2,350	\$1,756	3,425

Roads and trails for States, national forests fund (indefinite special account).....	394	2,821	489	4,562	-----	4,072	10,789	7,400	3,389	-----	4,072
Miscellaneous permanent appropriations:											
Forest fire prevention (indefinite special account).....	9	18	5	7	-----	7	15	8	7	-----	7
Payment to Minnesota (Cook, Lake, and St. Louis Counties) from the national forests fund (indefinite special account).....							48	48			
Payments due counties, submarginal land program, Farm Tenant Act (indefinite special account).....		1					425	425			
Payments to school funds, Arizona and New Mexico, act of June 20, 1910 (receipt limitation) (indefinite).....							129	129			
Payments to States and Territories from the national forests fund (indefinite special account).....							26,969	26,969			
Development and improvement of ranger dwelling, Tonto National Forest (indefinite special account).....	1	1									
<b>Intragovernmental funds:</b>											
Working capital fund, Forest Service.....			-446	1,422	197	1,463			-50	497	1,513
Advances and reimbursements.....		83		15							
<b>Proposed for later transmission:</b>											
Forest protection and utilization.....						400			400		
Total, Forest Service.....	27,121	50,887	3,368	27,458	3,463	31,020	159,714	133,876	24,475	2,253	32,383
Total, Department of Agriculture.....	231,935	2,047,000	1,328,350	3,070,480	2,845,937	4,509,078	4,106,602	3,591,379	1,389,957	2,230,789	3,556,494
<b>RECAPITULATION</b>											
<b>Enacted or recommended in this document:</b>											
Appropriations.....	\$253,625	\$418,225	\$330,021	\$442,337	\$316,942	\$524,206	\$4,108,902	\$3,593,579	\$1,219,557	\$303,344	\$445,627
Authorizations to expend from public debt receipts.....	-107,636	1,513,580	934,214	2,520,881	2,456,939	3,894,475					
Contract authorizations.....	24,000	24,000									
Revolving and management funds:											
Public enterprise funds.....	57,422	83,902	57,868	95,784	71,276	105,469				73,407	102,644
Intragovernmental funds.....	4,524	7,293	6,247	11,478	780	12,528				1,098	5,494
<b>Proposed for later transmission:</b>											
Appropriations.....						400	-2,300	-2,200	400		-100
Revolving and management funds: Public enterprise funds.....						-28,000			170,000		-198,000
Total, Department of Agriculture.....	231,935	2,047,000	1,328,350	3,070,480	2,845,937	4,509,078	4,106,602	3,591,379	1,389,957	2,230,789	3,556,494

1 Excludes unobligated balance expiring in 1959 of \$77,850 thousand.

DEPARTMENT OF COMMERCE  
ANALYSIS OF UNEXPENDED BALANCES  
BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from— New obligational authority	Balances of prior authority	Unobligated	Total
<b>GENERAL ADMINISTRATION</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		\$102		\$115		\$126	\$2,745	\$2,576	\$124		\$171
<b>Intragovernmental funds:</b>											
Advances and reimbursements.....		17		14		12					12
Working capital fund.....	\$154	178	\$191	147	\$129	116			5	\$95	100
<b>Public enterprise funds:</b>											
Aviation war risk insurance revolving fund.....								—6		6	6
Defense production guaranties.....	6	6	6	6							
Total, general administration.....	160	303	197	282	129	254	2,745	2,570	129	101	289
<b>BUREAU OF THE CENSUS</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		118		189		271	8,920	8,529	221		441
1958 censuses of business, manufactures, and mineral industries.....			47	54		154	7,300	7,090	45		319
Eighteenth decennial census.....						350	7,000	6,530	85		735
Census of governments.....			915	939	90	115	395	371	115		24
Census of agriculture.....	1,818	2,126		47							
Censuses of business, manufactures, and mineral industries.....	737	897	166	155		25			25		

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DEBT CEILING INCREASE

<b>Intragovernmental funds:</b>										
Advances and reimbursements.....										
Total, Bureau of the Census.....	2,555	3,141	1,128	1,384	99	915	23,615	22,520	491	1,519
<b>CIVIL AERONAUTICS ADMINISTRATION</b>										
<b>Current authorizations:</b>										
Operation and regulation.....		6,972		11,052		19,700	230,000	201,170	18,830	29,700
Establishment of air-navigation facilities.....	17,531	25,547	16,866	77,003	35,470	146,607	175,000	26,700	93,300	201,607
Grants-in-aid for airports (permanent contract authorization).....	33,294	42,500	58,803	96,144	60,553	129,000	63,000		45,500	146,500
Operation and maintenance, Washington National Airport.....		77		126		138	2,500	1,962	138	538
Construction, Washington National Airport.....	2,782	2,959	1,008	2,213		747			509	238
Operation and maintenance of public airports, Territory of Alaska.....		43		33		36	1,200	964	36	236
Air navigation development.....		255		1,382						
Construction and development, additional Washington airport.....						10,500			8,000	2,500
Grants-in-aid for airports.....	14,631	33,591	6,991	22,318		12,318			6,000	6,318
Claims, Federal Airport Act.....	142	527	11	351		70			70	
Construction of public airports, Territory of Alaska.....	80	84	9	52						
Land acquisition, additional Washington airport.....	-3									
<b>Intragovernmental funds:</b>										
Advances and reimbursements.....		92		27						
Total, Civil Aeronautics Administration.....	68,457	112,647	83,778	211,601	96,023	319,116	471,700	230,796	172,383	387,637
<b>CIVIL AERONAUTICS BOARD</b>										
<b>Current authorizations:</b>										
Salaries and expenses.....		292		225		339	6,100	5,720	339	380
Payments to air carriers.....	17,099	23,244	1,853	440	-1,692		40,750	40,750	-3,581	
Total, Civil Aeronautics Board.....	17,099	23,536	1,853	665	-1,692	339	46,850	46,470	339	380

<sup>1</sup> Excludes capital transfer in 1959 of \$11 thousand.

DEPARTMENT OF COMMERCE—Continued  
**ANALYSIS OF UNEXPENDED BALANCES—Continued**  
 BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued  
 [In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from— New obligational authority	Balances of prior authority	Unobligated	Total
<b>COAST AND GEODETIC SURVEY</b>											
<b>Current authorizations:</b>											
Salaries and expenses		\$583		\$724		\$1,050	\$11,750	\$10,640	\$935		\$1,225
Construction of a surveying ship			\$3,679	3,679	\$109	5,329			4,580		749
Construction and equipment, geomagnetic station	\$19	53		2							
Total, Coast and Geodetic Survey	19	636	3,679	4,405	109	6,379	11,750	10,640	5,515		1,974
<b>BUSINESS AND DEFENSE SERVICES ADMINISTRATION</b>											
<b>Current authorizations:</b>											
Salaries and expenses		446		557		500	7,650	7,000	500		650
<b>Proposed for later transmission:</b>											
Salaries and expenses						20			20		
<b>Intragovernmental funds:</b>											
Advances and reimbursements	25	30		4							
Total, Business and Defense Services Administration	25	476		561		520	7,650	7,000	520		650

OFFICE OF AREA DEVELOPMENT											
Current authorizations:											
Salaries and expenses .....						13	395	382	13		13
BUREAU OF FOREIGN COMMERCE											
Current authorizations:											
Salaries and expenses .....		156		188		191	2,448	2,278	162		199
Export control .....		101		117		126			119		7
Proposed for later transmission:											
Export control .....							3,060	2,900			160
Total, Bureau of Foreign Commerce .....		257		305		317	5,508	5,178	281		366
OFFICE OF BUSINESS ECONOMICS											
Current authorizations:											
Salaries and expenses .....		58		68		73	1,317	1,202	73		115
Intragovernmental funds:											
Advances and reimbursements .....			\$3	6	\$3	7			7		
Total, Office of Business Economics .....		58	3	74	3	80	1,317	1,202	80		115
MARITIME ACTIVITIES											
Current authorizations:											
Ship construction .....	78,993	135,588	161,764	208,182	19,313	177,182	160,000	3,000	52,000	\$18,313	282,182
Operating-differential subsidies .....	4,685	4,685	20,392	20,392			120,000	120,000			
Salaries and expenses .....		592		346		771	15,050	13,725	1,225		871
Maritime training .....		188		263		272	2,394	2,170	215		281
State marine schools .....		59		156		106	660	535	95		136
War Shipping Administration liquidation .....		6,583		9,998		7,898			1,900		5,998
Repair of reserve fleet vessels .....	827	1,730	460	823							
Contract authorization .....	7,000	7,000	7,000	7,000							
Construction fund .....				92		92					92
Repair of reserve fleet facilities .....		44									
Ship construction (liquidation of contract authorization) .....	4,963	13,336	7,357	7,432							
Vessel operations functions .....				106		106					106

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DEPARTMENT OF COMMERCE—Continued  
ANALYSIS OF UNEXPENDED BALANCES—Continued  
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from— New obligational authority	Balances of prior authority	Unobligated	Total
<b>MARITIME ACTIVITIES—Continued</b>											
<b>Public enterprise funds:</b>											
Federal ship mortgage fund.....	\$148	\$148	\$475	\$475	\$844	\$844			\$927	\$2,917	\$2,917
Vessel operations revolving fund.....	26,926	24,038	3,767	7,208	15,379	15,817			-4,571	16,656	17,388
War risk insurance revolving fund.....	233	235	377	346	609	557			-176	766	733
Total, maritime activities.....	123,775	194,526	201,592	262,819	36,145	203,645	\$298,104	\$139,430	51,615	38,652	310,704
<b>INLAND WATERWAYS CORPORATION</b>											
<b>Public enterprise funds:</b>											
Inland Waterways Corporation fund.....	4,059	3,973	4,753	5,332	5,421	5,270			-628	6,086	5,898
<b>PATENT OFFICE</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		1,543		1,373		1,900	19,000	17,000	1,900		2,000
<b>BUREAU OF PUBLIC ROADS</b>											
<b>Current authorizations:</b>											
Federal-aid highways (liquidation of contract authorization)...	3	130									

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Federal-aid highways (contract authorization).....	1,939,233	3,100,084									
Forest highways (liquidation of contract authorization).....	11	1,281		2,779		1,000				(2)	
Forest highways (contract authorization).....	22,069	39,250	27,997	46,250	29,997	51,250				(2)	
Public lands highways (liquidation of contract authorization).....		740		728							
Public lands highways (contract authorization).....	3,323	3,625	1,570	3,725	40	2,692				(2)	
Inter-American Highway.....	30,147	64,227	6,583	49,524	700	36,524			25,000		11,524
Reimbursement to the highway fund, District of Columbia.....			200	200							
Woodrow Wilson Memorial Bridge.....	557	557	14,321	14,878	415	13,877			5,260	255	8,617
Construction, operation, and maintenance of roads, Alaska:											
Appropriation.....	2,497	8,155	1,134	4,999	380	580			580		
Contract authorization.....		2,835									
Access roads (act of Sept. 7, 1950).....	1,540	4,156	1,418	2,924	200	1,024			1,024		
Elimination of grade crossings.....		319		130		50			50		
Surveys and plans.....		389		278		150			150		
Testing and research laboratory.....	32	32									
Tongass Forest highways, Alaska.....		7									
War and emergency damage, Territory of Hawaii.....		83									
Proposed for later transmission:											
Inter-American Highway.....							10,000			550	10,000
Total, Bureau of Public Roads.....	1,999,412	3,225,870	53,223	126,415	31,732	107,147	10,000		32,064	805	30,141
NATIONAL BUREAU OF STANDARDS											
Current authorizations:											
Expenses.....		814		1,140		1,368	11,500	10,000	1,187		1,681
Plant and equipment.....	830	895	268	412		217	600	283	217		317
Construction of facilities.....			337	340		90			90		
Construction of laboratories:											
Appropriation.....	67	156	48	62							
Liquidation of contract authorization.....											
Purchase and installation of betatron.....	1	2									
Intragovernmental funds:											
Working capital fund.....	9,645	5,907	8,048	3,924	5,386	7,858			1,968	4,271	5,890
Advances and reimbursements.....	21	327	17	235							
Total, National Bureau of Standards.....	10,564	8,101	8,718	6,113	5,386	9,533	12,100	10,283	3,462	4,271	7,888

\* Balance rescinded.

DEPARTMENT OF COMMERCE—Continued  
ANALYSIS OF UNEXPENDED BALANCES—Continued  
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1959	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from— New obligational authority	Balances of prior authorizations	Unobligated	Total
<b>WEATHER BUREAU</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		\$4, 215		\$3, 499		\$4, 777	\$40, 000	\$34, 317	\$4, 483		\$5, 977
Establishment of meteorological facilities.....	\$2, 704	6, 827	\$2, 032	8, 181	\$995	7, 181	275		2, 500	\$155	4, 956
<b>Intragovernmental funds:</b>											
Advances and reimbursements .....	310	906	25	159		160			155		5
Total, Weather Bureau.....	3, 014	11, 948	2, 057	11, 839	995	12, 118	40, 275	34, 317	7, 138	155	10, 938
Total, Department of Commerce.....	2, 229, 139	3, 587, 015	360, 981	633, 168	174, 341	667, 546	951, 009	527, 788	275, 302	165, 012	760, 512
<b>RECAPITULATION</b>											
<b>Enacted or recommended in this document:</b>											
Appropriations.....	\$182, 693	\$355, 864	\$247, 949	\$482, 810	\$55, 980	\$453, 943	} \$937, 949	\$524, 888	\$275, 282	{ \$83, 112	\$570, 903
Contract authorizations.....	2, 004, 919	3, 195, 294	95, 370	132, 475	90, 590	182, 942					
Revolving and management funds:											
Public enterprise funds.....	31, 372	28, 400	9, 378	13, 367	22, 253	22, 488					
Intragovernmental funds.....	10, 155	7, 457	8, 284	4, 516	5, 518	8, 153				26, 431	26, 942
<b>Proposed for later transmission:</b>										4, 366	1 <sup>1</sup> 6, 907
Appropriations.....						20	13, 060	2, 900	20	550	10, 160
Total, Department of Commerce.....	2, 229, 139	3, 587, 015	360, 981	633, 168	174, 341	667, 546	951, 009	527, 788	275, 302	165, 012	760, 512

<sup>1</sup> Excludes capital transfer in 1959 of \$11 thousand.

# DEPARTMENT OF DEFENSE--MILITARY FUNCTIONS

## ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balance of prior au- thority		
<b>OFFICE OF THE SECRETARY OF DEFENSE</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		\$880		\$1,064		\$1,187	\$15,900	\$15,050	\$762		\$1,275
Office of Public Affairs: Salaries and expenses.....		31		40		43	500	451	40		52
Advanced Research Projects Agency: Salaries and expenses.....							340,000	194,109		\$40,000	145,891
<b>Proposed for later transmission (under existing legislation):</b>											
Advanced Research Projects Agency: Salaries and expenses.....						5,000			5,000		
Total, Office of the Secretary of Defense.....		911		1,104		6,230	356,400	209,610	5,802	40,000	147,218
<b>INTERSERVICE ACTIVITIES</b>											
<b>Current authorizations:</b>											
Claims.....		475		588		638	18,620	17,990	510		758
Contingencies.....		12,426		8,755		21,155	30,000	18,000	13,500		19,655

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## DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS—Continued

## ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balance of prior authority		
INTERSERVICE ACTIVITIES—Con.											
Current authorizations—Continued											
Emergency fund.....						\$23,374	\$85,000	\$60,000	\$15,000		\$33,374
Retired pay.....		\$3,179		\$27,440		19,440	600,000	596,200	5,300		17,940
Court of Military Appeals.....		31		26		48	380	334	45		49
United States scientific satellite.....						6,200			6,200		
Interservice activities miscellaneous accounts:											
Access roads.....	\$2,450	9,521	\$2,027	4,911		1,951			1,500		451
Construction of ships, Military Sea Transportation Service.....	11,631	55,694	10,255	24,315	\$5,605	13,081			1,500	\$1,105	11,581
Family housing.....	6,445	27,215	3,311	5,737		509			509		
Military construction, foreign countries.....		62,547		56,066		38,066			18,000		20,066
Public enterprise funds:											
Acquisition, rehabilitation, and rental of Wherry Act housing.....			74,894	74,929	22,042	34,929	50,000	42,112	12,888	21,638	29,929
Proposed for later transmission (under proposed legislation):											
Loran stations.....									<sup>3</sup> 20,000		( <sup>3</sup> )
Total, interservice activities.....	20,526	176,088	90,487	202,767	27,647	159,391	784,000	734,636	94,952	22,743	133,903

DEPARTMENT OF THE ARMY										
<b>Current authorizations:</b>										
Military personnel.....		175,257	-7,636	191,126		184,126	3,105,200	3,145,000	180,000	* 189,326
Operation and maintenance.....	8,000	685,660	63,163	886,092	100,079	931,009	3,040,000	2,327,000	665,000	1 948,279
Reserve personnel.....		18,917		38,267		41,467	185,000	153,000	32,000	41,467
Army National Guard.....		52,696		59,859		66,559	298,000	240,000	60,000	64,559
Research and development.....	28,552	310,102	33,828	308,232	20,780	302,084	471,000	233,000	227,000	313,084
Procurement of equipment and missiles.....	2,524,767	5,635,948	1,595,891	4,085,669	428,300	2,838,278	1,405,000	210,000	1,091,000	1 2,681,935
National Board for Promotion of Rifle Practice.....		52		88		88	300	220	80	88
Alaska Communication System:										
Operation and maintenance.....	610	2,625	35	1,068		1,133	5,500	4,700	800	1,133
Construction.....	1,361	1,361	857	1,268	599	768			100	668
Military construction, Army.....	303,306	712,172	161,262	501,634	131,262	451,634			290,000	161,634
Military construction, Army Reserve Forces.....	24,228	56,889	28,076	71,273	56,076	81,273			35,000	46,273
Preparation for sale or salvage of military property (indefinite special account).....		1,894		1,983		2,983	22,000	20,000	2,000	2,983
Miscellaneous expired accounts.....				1,871						
<b>Public enterprise funds:</b>										
Defense housing.....			440	563	790	963			-400	* 813
<b>Intragovernmental funds:</b>										
Army industrial fund.....	562,448	337,584	461,874	260,629	386,032	187,402			333,963	1 186,432
Army management fund.....	1,000	2,802	1,091	782	1,000	782			1,000	782
Army stock fund.....	859,863	791,379	679,246	536,093	774,879	720,291			-253,000	1 607,636
Advances and reimbursements.....	6,408	15,797	3,608	5,322	835	1,942			500	1,442
<b>Proposed for later transmission (under proposed legislation):</b>										
Military personnel.....							164,000	162,000		2,000
Reserve personnel.....							12,000	12,000		
Army National Guard.....							8,000	8,000		
Military construction, Army.....							320,000	35,000	131,262	285,000
Total, Department of the Army....	4,319,542	8,801,135	3,021,734	6,951,819	1,900,632	5,812,782	9,036,000	6,549,920	2,330,080	5,535,534

See footnotes at end of table.

## DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS—Continued

## ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balance of prior au- thority		
DEPARTMENT OF THE NAVY											
Current authorizations:											
Military personnel, Navy.....		\$40,661		\$47,795		\$61,795	\$2,301,818	\$2,255,000	\$135,000		\$73,613
Reserve personnel, Navy.....		14,719		15,927		16,695	84,735	68,000	15,500		17,930
Navy personnel, general expenses.....	\$5,293	16,482	\$3,994	16,572	\$4,988	19,711	86,305	73,500	9,500	\$1,988	121,716
Military personnel, Marine Corps.....		26,122		35,630		40,079	593,606	557,000	33,000		43,685
Reserve personnel, Marine Corps.....		3,266		4,759		5,759	23,000	18,500	4,000		6,259
Marine Corps procurement.....	314,102	786,522	387,132	741,925	259,097	548,571	30,000		175,000	96,097	1398,571
Marine Corps troops and facilities.....	7,710	59,098	4,068	47,833	2,005	51,329	168,252	131,000	35,000	5	152,181
Aircraft and related procurement.....	2,022,229	5,540,154	1,790,263	5,096,750	1,441,562	4,779,272	2,069,105	250,000	1,850,000	1,284,667	14,710,594
Aircraft and facilities.....		266,335		279,219	1,217	267,436	840,548	650,000	190,000	217	1264,767
Shipbuilding and conversion.....	912,976	2,549,850	955,907	3,109,559	1,026,030	3,587,284	1,381,000	120,000	1,187,000	859,530	13,654,784
Ships and facilities.....	4,371	264,115	6,006	248,454	8,991	265,946	789,233	611,000	183,000	7,391	1259,584
Procurement of ordnance and ammunition.....	127,735	486,822	157,412	484,098	49,279	367,689	460,235	87,835	258,365	36,514	1463,124
Ordnance and facilities.....		56,427		69,059	1,839	60,059	149,850	115,000	37,000	839	156,909
Medical care.....		3,240		4,675		6,375	88,532	81,900	5,100		7,907
Civil engineering.....	2,432	31,005	4,528	24,424	2,998	26,267	126,554	106,000	20,000		125,221
Research and development.....	19,002	332,187	22,725	351,228	22,725	321,959	641,045	339,800	260,000	22,725	363,204
Service-wide supply and finance.....	202	15,693	748	15,205	700	16,240	312,637	294,000	16,000		118,127
Service-wide operations.....		18,188		26,099		28,499	113,257	90,000	20,000		31,756

Naval petroleum reserves.....		2,788		1,167		157	1,683	1,443	157		240
Military construction, Navy.....	185,795	540,617	177,927	587,049	142,927	473,049			308,000	30,927	165,049
Construction of ships.....	40,557	77,730		27,214		13,214			4,000		9,214
Contract authorization.....	18,428	18,428									
Military construction, Naval Reserve Forces.....	35,397	47,077	25,725	41,477	12,725	24,477			14,000	1,725	10,477
Ordinance for new construction.....	8,112	19,790		7,392		4,392			2,000		2,392
Contract authorization.....	21,000	21,000									
Preparation for sale or salvage of military property (indefinite special account).....		586		823		1,123	15,000	13,877	923		1,323
Construction, water supply facilities, San Diego, Calif.....	1,882	1,882									
Facilities.....		798		2,305		1,115			877		238
Increase and replacement of naval vessels, armor, armament, and ammunition.....				674		30					30
Increase and replacement of naval vessels, construction and machinery.....				316		175			175		
Public works, Bureau of Yards and Docks.....				2							
Research.....				76		6					6
<b>Permanent authorizations.</b>											
Ships' stores profits (indefinite special account).....	2,227	2,227	2,303	2,303	2,303	2,303	8,100	8,100		2,303	2,303
<b>Public enterprise funds:</b>											
Defense housing.....			347	631	580	681			-330	459	561
Laundry service, Naval Academy.....	97	120	77	133	54	118			27	29	91
<b>Intragovernmental funds:</b>											
Marine Corps stock fund.....	62,186	80,262	33,321	57,530	29,521	53,530			-17,000	26,621	50,530
Naval working fund.....	7,029	24,866	6,318	15,341	6,318	10,341			4,500	3,818	5,841
Navy industrial fund.....	774,430	296,803	850,687	215,661	632,687	147,661			-8,000	587,687	155,661
Navy management fund.....	61,795	168,962	52,896	155,586	12,896	101,233			55,251	3,896	45,982
Navy stock fund.....	373,293	505,202	95,941	332,302	130,968	342,328			-40,000	76,718	271,078
<b>Proposed for later transmission:</b>											
Under existing legislation:											
Shipbuilding and conversion.....					116,000	276,000			60,000	7,000	216,000
Procurement of ordnance and ammunition.....						28,800			28,800		
Research and development.....						5,200			5,200		
See footnotes at end of table.											

DEBT CEILING INCREASE

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## DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS—Continued

## ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balance of prior au- thority		
<b>DEPARTMENT OF THE NAVY—Continued</b>											
<b>Proposed for later transmission—Con.</b>											
Under proposed legislation:											
Military personnel, Navy.....							\$121,000	\$117,400			\$3,600
Reserve personnel, Navy.....							4,000	3,900			100
Military personnel, Marine Corps.....							20,000	19,700			300
Reserve personnel, Marine Corps.....							1,000	1,000			
Military construction, Navy.....							281,500	45,000		\$94,500	236,500
Military construction, Naval Reserve Forces.....							8,000	2,000		4,000	6,000
Total, Department of the Navy..	\$5,008,280	\$12,320,023	\$4,578,325	\$12,067,192	\$3,908,410	\$11,956,898	10,720,000	6,060,955	\$4,852,045	3,139,656	11,653,448
<b>DEPARTMENT OF THE AIR FORCE</b>											
<b>Current authorizations:</b>											
Aircraft and missile procurement.....	4,594,099	13,206,746	4,556,846	12,232,016	3,376,534	10,647,374	5,888,800	1,305,000	5,317,000	2,882,434	9,554,174
Aircraft and missile support.....	752,025	2,001,918	422,129	2,203,321	301,092	2,010,021	2,146,000	575,000	849,000	531,192	2,522,021
Research and development.....	38,763	473,968	76,600	469,399	40,000	415,106	719,000	380,000	340,000	40,000	414,106
Operation and maintenance.....	10,120	1,288,566	9,336	886,253		849,042	4,100,000	3,335,000	733,000		881,042

Military personnel.....		110,169		111,008		112,608	3,737,000	3,625,000	115,000		109,608
Reserve personnel.....		5,538		6,832		7,832	50,500	41,000	8,000		9,332
Air National Guard.....		50,551		84,482		94,482	238,100	165,000	71,000		96,582
Military construction, Air Force.....	344,163	1,320,897	367,012	1,435,856	267,012	1,265,856			795,000		470,856
Contingencies.....		863									
Preparation for sale or salvage of military property (indefinite special account).....		457		1,878		1,878	12,000	10,200	1,800		1,878
Special procurement.....				388		298			30		268
Replacement of personal property sold.....				21		11					11
<b>Intragovernmental funds:</b>											
Air Force industrial fund.....	6,006	7,105	6,237	7,120	81,328	81,652			-40	81,497	81,692
Air Force management fund.....	12,826	115,226	6,104	54,473	1,000	11,041			10,010	1,000	1,031
Air Force stock fund.....	251,747	328,491	100,461	194,208	140,461	234,208			19,000	127,461	215,208
Advances and reimbursements.....		23		60		60					60
<b>Proposed for later transmission:</b>											
Under existing legislation:											
Aircraft and missile support.....					30,000	303,000			303,000		
Research and development.....						10,000			10,000		
Under proposed legislation:											
Military personnel.....							182,000	178,700			3,300
Reserve personnel.....							3,000	2,800			200
Air National Guard.....							12,600	4,500			8,100
Military construction, Air Force.....					180,000	467,000	955,000	75,000	467,000	267,012	880,000
<b>Total, Department of the Air Force.....</b>	<b>6,009,749</b>	<b>18,910,518</b>	<b>5,544,725</b>	<b>17,687,315</b>	<b>4,507,427</b>	<b>16,511,469</b>	<b>18,044,000</b>	<b>9,697,200</b>	<b>9,038,800</b>	<b>3,930,596</b>	<b>15,249,469</b>
<b>Proposed for later transmission:</b>											
Department of Defense: Amount anticipated to be "reserved" from proposed 1959 "Military assistance" appropriations for orders to be placed with the Department of Defense (this sum is excluded from the amounts shown in the "Analysis of unexpended balances" for "Military assistance").....										1,075,000	1,075,000
<b>Total, Department of Defense—Military Functions.....</b>	<b>15,358,097</b>	<b>40,208,675</b>	<b>13,235,271</b>	<b>36,910,197</b>	<b>10,344,116</b>	<b>34,446,770</b>	<b>39,145,400</b>	<b>23,457,321</b>	<b>16,321,679</b>	<b>9,584,921</b>	<b>33,794,472</b>

See footnotes at end of table.

## DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS—Continued

## ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balance of prior au- thority		
<b>RECAPITULATION</b>											
<b>Enacted or recommended in this document:</b>											
Appropriations.....	\$12,340,551	\$37,494,625	\$10,861,730	\$34,998,835	\$7,796,725	\$31,422,608	}	\$36,848,300	\$22,585,321	\$15,432,273	\$6,129,764 22,716 1,863,667 1,568,774
Contract authorizations.....	39,428	39,428									
Revolving and management funds:											
Public enterprise funds.....	97	120	75,758	76,256	23,466	36,691					
Intragovernmental funds.....	2,978,021	2,674,502	2,297,783	1,835,107	2,197,925	1,892,471					431,394
<b>Proposed for later transmission:</b>											
Appropriations.....					326,000	1,095,000	2,297,100	872,000	899,000		2,716,100
<b>Total, Department of Defense—   Military Functions.....</b>	<b>15,358,097</b>	<b>\$40,208,675</b>	<b>13,235,271</b>	<b>736,910,197</b>	<b>10,344,116</b>	<b>\$34,446,770</b>	<b>39,145,400</b>	<b>23,457,321</b>	<b>16,321,679</b>	<b>9,584,921</b>	<b>\$33,794,472</b>

<sup>1</sup> Excludes amounts representing deliveries against prior year common item orders shown on the table at the end of the chapter.

<sup>2</sup> Excludes capital transfer of \$550 thousand in 1959.

<sup>3</sup> Excludes capital transfer of \$450 thousand in 1959.

<sup>4</sup> Excludes capital transfer of \$1,000 thousand in 1959.

<sup>5</sup> Reflects transfers between accounts.

<sup>6</sup> Includes \$2,642,320,000 of military assistance fund reservations.

<sup>7</sup> Includes \$2,251,611,737 of military assistance fund reservations.

<sup>8</sup> Includes \$2,298,889,737 of military assistance fund reservations.

<sup>9</sup> Includes \$2,281,191,737 of military assistance fund reservations.

## DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS

## ANALYSIS OF UNEXPENDED BALANCES

## BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from— New obligational authority	Balance of prior authority	Unobligated	Total
<b>DEPARTMENT OF THE ARMY</b>											
<b>CEMETERIAL EXPENSES</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		\$1,391		\$1,248		\$1,163	\$6,915	\$5,800	\$1,100		\$1,178
Entombment of unknown Americans of World War II and Korea.....			\$159	159		59			59		
<b>Total, cemeterial expenses.....</b>		<b>1,391</b>	<b>159</b>	<b>1,407</b>		<b>1,222</b>	<b>6,915</b>	<b>5,800</b>	<b>1,159</b>		<b>1,178</b>
<b>RIVERS AND HARBORS AND FLOOD CONTROL</b>											
<b>Current authorizations:</b>											
General investigations.....	\$709	1,262	1,200	2,108	\$1,680	2,888	7,800	7,000	2,500		1,188
Construction, general.....	60,698	181,187	92,020	209,282	87,815	217,062	449,920	290,700	187,350		188,932
Operation and maintenance, general.....	10,573	23,477	2,955	17,678	1,305	18,528	100,000	83,000	18,000		17,528
General expenses.....		644		704		889	11,200	10,315	885		889
Flood control, Mississippi River and tributaries.....	1,181	8,615	5,445	13,866	4,160	14,581	57,000	46,500	12,000		13,081
United States Section, Saint Lawrence River Joint Board of Engineers.....		7		6		14	100	86	14		14
Niagara remedial works.....	789	866	241	288							

DEBT CEILING INCREASE

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## DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS—Continued

## ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1959	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balances of prior authorizations		
DEPARTMENT OF THE ARMY—Continued											
RIVERS AND HARBORS AND FLOOD CONTROL—Continued											
<b>Permanent authorizations:</b>											
Payments to States, Flood Control Act of 1954 (indefinite special account).....	\$1,472	\$1,472	\$1,461	\$1,461	\$1,500	\$1,500	\$1,500	-----	\$1,500	\$1,500	\$1,500
Rivers and harbors and flood control, special expense funds:											
Hydraulic mining in California, debris fund (indefinite special account).....	3	3	14	17				-----			
Maintenance and operation of dams and other improvements of navigable waters (indefinite special account).....	152	152	152	152	150	150	150	-----	150	150	150
<b>Intragovernmental funds:</b>											
Revolving fund, Corps of Engineers.....	7,956	28,295	6,570	29,620	6,289	29,673		-----		6,299	29,673
Advances and reimbursements, rivers and harbors and flood control.....	4	4						-----			
<b>Proposed for later transmission (under existing legislation):</b>											
Operation and maintenance, general.....						5,000		-----	5,000		
Total, rivers and harbors and flood control.....	83,537	245,984	110,058	275,182	102,899	290,285	627,670	\$137,601	227,399	7,949	252,655

ADMINISTRATION, RYUKYU ISLANDS										
<b>Current authorizations:</b>										
Administration.....		291		219		344	3,150	2,987	213	294
Construction of utility systems.....						893	6,000	2,200	800	3,893
Total, administration, Ryukyu Islands.....		291		219		1,237	9,150	5,187	1,013	4,187
PANAMA CANAL										
<b>Current authorizations:</b>										
Canal Zone Government:										
Operating expenses.....	239	2,442		2,110		2,633	17,597	14,437	2,633	3,160
Capital outlay.....	2,694	2,962	1,599	1,901	666	889	4,800	4,286	562	841
Panama Canal Bridge.....					54	425	19,250	2,675	425	16,575
<b>Public enterprise funds:</b>										
Panama Canal Company: Panama Canal Company fund....	15,017	30,880	22,868	39,531	17,305	36,554			-474	37,028
Total, Panama Canal.....	17,950	36,284	24,467	43,542	18,025	40,501	41,647	21,398	3,146	57,604
MISCELLANEOUS ARMY ACCOUNTS										
<b>Current authorizations:</b>										
Civilian relief in Korea.....				30						
<b>Permanent authorizations:</b>										
Payment to claimants, disaster at Texas City, Texas, Department of the Army (indefinite).....	25,733	26,256	11,789	11,789	11,439	11,439			50	11,389
<b>Public enterprise funds:</b>										
Defense production guaranties.....	1,541	2,540	1,918	1,918	2,503	2,503			-405	2,908
Total, miscellaneous Army accounts.....	27,274	28,796	13,707	13,737	13,942	13,942			-355	14,297
DEPARTMENT OF THE NAVY										
<b>Public enterprise funds:</b>										
Defense production guaranties.....	4,503	6,878	5,594	7,969	4,969	4,969			-428	5,397

# DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS—Continued

## ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

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DEBT CEILING INCREASE

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from— New obligational authority	Balance of prior authority	Unobligated	Total
<b>DEPARTMENT OF THE AIR FORCE</b>											
<b>Permanent authorizations:</b>											
Wildlife conservation, etc., Eglin Field Reservation (indefinite special account).....	\$17	\$18	\$16	\$17	\$15	\$15	\$28	\$23	\$1	\$19	\$19
<b>Public enterprise funds:</b>											
Defense production guaranties.....	7,485	7,485	9,257	9,257	10,557	10,557			—1,193	11,750	11,750
Total, Department of the Air Force.....	7,502	7,503	9,273	9,274	10,572	10,572	28	23	—1,192	11,769	11,769
Total, Department of Defense—Civil Functions.....	140,766	327,127	163,258	351,330	150,407	362,728	685,410	470,009	230,742	65,364	347,887
<b>RECAPITULATION</b>											
<b>Enacted or recommended in this document:</b>											
Appropriations.....	\$104,260	\$251,045	\$117,051	\$263,035	\$108,784	\$273,472	685,410	470,009	\$225,742	\$28,094	\$260,631
Revolving and management funds:											
Public enterprise funds.....	28,546	47,783	39,637	58,675	35,334	54,583				30,971	57,083
Intragovernmental funds.....	7,960	28,209	6,570	29,620	6,289	29,673				6,299	29,673
<b>Proposed for later transmission:</b>											
Appropriations.....						5,000			5,000		
Total, Department of Defense—Civil Functions.....	140,766	327,127	163,258	351,330	150,407	362,728	685,410	470,009	230,742	65,364	347,887

# DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

## ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balances of prior authority		
AMERICAN PRINTING HOUSE FOR THE BLIND											
Current authorizations:											
Education of the blind.....							\$400	\$400			
FOOD AND DRUG ADMINISTRATION											
Current authorizations:											
Salaries and expenses.....		\$308		\$397		\$697	9,410	8,650	\$650		\$807
Salaries and expenses, certification, inspection, and other services (indefinite special account).....	\$640	724	\$385	521	\$415	551	1,255	1,119	136	\$415	551
Intragovernmental funds:											
Advances and reimbursements.....		98									
Total, Food and Drug Administration.....	640	1,130	385	918	415	1,248	10,665	9,769	786	415	1,358
FREEDMEN'S HOSPITAL											
Current authorizations:											
Salaries and expenses.....		308		276		318	2,975	2,582	318		393

DEBT CEILING INCREASE

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from— New obligational authority	Balances of prior authority	Unobligated	Total
<b>GALLAUDET COLLEGE</b>											
<b>Current authorizations:</b>											
Salaries and expenses .....		\$6		\$9		\$9	\$785	\$785			\$9
Construction .....	\$2, 131	2, 243	\$2, 612	4, 191	\$1, 944	2, 992	123	100	\$2, 800	\$57	215
Total, Gallaudet College .....	2, 131	2, 249	2, 612	4, 200	1, 944	3, 001	908	885	2, 800	57	224
<b>HOWARD UNIVERSITY</b>											
<b>Current authorizations:</b>											
Salaries and expenses .....		97		105		105	4, 000	3, 850	100		155
Plans and specifications .....	41	119	15	33	8	16	171	171	5	8	11
Construction of men's dormitory (liquidation of contract authorization) .....	1, 353	1, 353	244	1, 292			(163)		163		
Contract authorization .....	286	286	735	735	583	735				572	572
Construction of buildings .....	1, 923	5, 418	1, 661	2, 581	722	1, 194			796	125	398
Construction of administration building (liquidation of contract authorization) .....	28	64									
Construction of auditorium-fine arts building (liquidation of contract authorization) .....	1, 611	1, 611	1, 611	1, 611		1, 311			1, 311		
Contract authorization .....						860					860

Construction of biology-greenhouse (liquidation of contract authorization).....	50	134		15							
Contract authorization.....	421	421	421	421							
Construction of law school (liquidation of contract authorization).....		53									
Contract authorization.....	540	540									
Total, Howard University.....	6,253	10,096	4,687	6,793	1,313	4,221	4,171	4,021	2,375	705	1,996
OFFICE OF EDUCATION											
<b>Current authorizations:</b>											
Promotion and further development of vocational education.....				20			33,750	33,750			
Further endowment of colleges of agriculture and the mechanic arts.....							2,502	2,502			
Grants for library services.....				610		100	3,000	3,000	100		
Assistance for school construction.....	12,098	86,335	19,103	118,956	8,000	60,656	850	800	47,800		12,906
Salaries and expenses.....		260		1,128		1,078	7,950	7,197	1,078		753
President's Committee on Education Beyond the High School.....				32							
Payments to school districts.....		10,360		25,869		33,800			28,500		5,300
Salaries and expenses, White House Conference on Education.....		10									
<b>Permanent authorizations:</b>											
Colleges for agriculture and the mechanic arts.....							2,550	2,550			
Promotion of vocational education, act Feb. 23, 1917 (indefinite).....							7,138	7,138			
<b>Intragovernmental funds:</b>											
Advances and reimbursements.....		2		4		2			2		
<b>Proposed for later transmission:</b>											
Under existing legislation:											
Assistance for school construction.....						53,000			44,800		8,200
Under proposed legislation:											
Assistance for school construction.....							20,500	2,000			18,500
Payments to school districts.....							110,000	88,000			22,000
Promotion of science and general education.....							145,500	75,000			70,500
Total, Office of Education.....	12,098	96,967	19,103	146,619	8,000	148,636	333,740	221,937	122,280		138,159

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from— New obligational authority	Balances of prior authority	Unobligated	Total
<b>OFFICE OF VOCATIONAL REHABILITATION</b>											
<b>Current authorizations:</b>											
Grants to States and other agencies.....		\$161		\$341		\$569	\$50,600	\$49,231	\$569		\$1,369
Training and traineeships.....		82		309		466	4,800	4,134	466		666
Salaries and expenses.....		85		97		111	1,400	1,269	111		131
<b>Proposed for later transmission (under existing legislation):</b>											
Grants to States and other agencies.....						100			100		
<b>Total, Office of Vocational Rehabilitation.....</b>		<b>328</b>		<b>747</b>		<b>1,246</b>	<b>56,800</b>	<b>54,634</b>	<b>1,246</b>		<b>2,166</b>
<b>PUBLIC HEALTH SERVICE</b>											
<b>Current authorizations:</b>											
Assistance to States, General.....		303		516		1,088	22,889	21,370	1,030		1,577
Grants and special studies, Territory of Alaska.....		33		44		59	2,165	2,100	50		74
Construction, mental health facilities, Territory of Alaska.....							6,500	2,500			4,000
Control of venereal diseases.....		155		166		281	4,400	4,050	250		381
Control of tuberculosis.....		161		356		556	5,386	4,660	540		742

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Communicable disease activities.....		200		280		430	6,200	5,695	405		530
Sanitary engineering activities.....		339		736		1,860	12,815	10,400	1,800		2,475
Grants for waste treatment works construction.....			\$12,379	49,156		63,156	45,000	5,000	46,100		57,056
Grants for hospital construction.....	\$79,663	189,534	86,083	240,391	\$79,050	264,591	75,000	8,000	104,000	\$45,330	227,591
Salaries and expenses, hospital construction services.....		69		93		93	1,320	1,227	93		93
Hospitals and medical care.....		2,275		3,681		3,593	44,309	40,500	3,500		3,902
Foreign quarantine activities.....		170		253		279	3,983	3,740	220		302
Indian health activities.....		3,876		4,853		5,252	39,609	34,134	5,050		5,677
Contract authorization.....		678		616		616	616	616			616
Construction of Indian health facilities.....	3,641	4,691	11,526	11,840	9,473	12,970	2,374		8,000		7,344
General research and services, National Institutes of Health.....		1,205		1,815		2,641	17,742	15,550	1,450		3,383
National Cancer Institute.....		3,163		6,212		7,497	55,923	48,370	5,330		9,720
Mental health activities.....		1,830		2,473		4,150	37,697	32,700	3,500		5,647
National Heart Institute.....		2,393		1,989		3,912	34,712	31,240	2,360		5,024
Dental health activities.....		126		406		534	6,293	5,600	400		827
Arthritis and metabolic disease activities.....		1,090		759		1,811	20,592	18,600	1,200		2,603
Allergy and infectious disease activities.....		524		441		1,619	17,497	15,500	1,240		2,316
Neurology and blindness activities.....		1,511		1,966		2,410	20,727	18,200	1,700		3,237
Grants for construction of health research facilities.....				26,596		35,596	30,000	10,000	30,000		25,596
Operations, National Library of Medicine.....				141		191	1,415	1,220	160		228
Retired pay of commissioned officers.....	6	6					1,600	1,600			
Salaries and expenses.....		213		398		498	5,325	4,710	450		663
Surveys and planning for hospital construction.....	1,558	1,569									
Construction of biologics standards laboratory building.....	3,500	3,500	3,343	3,429	425	1,429			1,200		229
Construction of surgical facilities.....			1,557	1,630	1,530	1,540			500		1,040
Buildings and facilities, Cincinnati, Ohio.....	105	260	31	61							
Construction of animal quarters.....			188	704							
Construction of dental research building.....				70		60			50		10
Construction of library facilities.....				330		129			129		
Construction of research facilities.....	1,289	2,437	201	874							
General office building.....				169		193			75		118
Grants to States for poliomyelitis vaccination.....	33,396	35,110		507							
Construction of housing facilities for animals.....		64		16							
<b>Public enterprise funds:</b>											
Operation of commissaries, narcotic hospitals.....	18	29	17	29	19	30			-2	20	32

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balances of prior authority		
<b>PUBLIC HEALTH SERVICE—Continued</b>											
<b>Intragovernmental funds:</b>											
National Institutes of Health management fund.....						\$1, 200					\$1, 200
Service and supply fund.....	\$553	\$497	\$550	\$650	\$577	661			\$4	\$577	657
Working capital fund, narcotic hospitals.....	31	54	28	29	46	44			—5	64	49
Total, Public Health Service.....	123, 760	258, 065	115, 903	364, 675	91, 120	420, 969	\$522, 089	\$347, 342	220, 779	45, 991	374, 937
<b>SAINT ELIZABETHS HOSPITAL</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		634		726		700	3, 154	2, 400	700		754
Major repairs and preservation of buildings and grounds.....	301	812	76	417		5	87	87	5		
Construction, continued treatment building.....							125	110			15
Construction and equipment, treatment and cafeteria building.....						20			20		
Miscellaneous accounts:											
Building for storerooms, etc.....		1		1							
Construction and equipment, treatment building.....	264	317	147	198							

Construction and equipment, maximum security building.....		18	965	5,655		630			630		
Total, Saint Elizabeths Hospital.....	565	1,782	1,188	6,997		1,355	3,366	2,597	1,355		769
<b>SOCIAL SECURITY ADMINISTRATION</b>											
<b>Current authorizations:</b>											
Grants to States for public assistance.....		229,183		236,153		308,005	1,806,400	1,498,400	308,000		308,005
Salaries and expenses, Bureau of Public Assistance.....		92		101		119	2,040	1,881	119		159
Salaries and expenses, Children's Bureau.....		94		101		120	2,013	1,880	115		138
Salaries and expenses, White House Conference on Children and Youth.....							150	135			15
Grants to States for maternal and child welfare.....				1			41,500	41,500			
Salaries and expenses, Office of Commissioner.....		17		25		25	314	278	25		36
<b>Public enterprise funds:</b>											
Operating fund, Bureau of Federal Credit Unions..	678	678	698	705	631	651			-93	630	1 694
<b>Intragovernmental funds:</b>											
Advances and reimbursements.....		12		412		213		-216	213		216
Total, Social Security Administration.....	678	230,074	698	237,498	631	309,133	1,852,417	1,543,858	308,379	630	1 309,263
<b>OFFICE OF THE SECRETARY</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		95		112		135	1,819	1,615	135		204
Salaries and expenses, Office of Field Administration.....		117		78		161	2,418	2,239	161		179
Salaries and expenses, Office of the General Counsel.....		39		43		47	505	453	47		52
Surplus property utilization.....		21		33		35	632	585	35		47
Civil defense activities.....		4		2							
Defense community facilities and services.....				78							
<b>Intragovernmental funds:</b>											
Working capital fund.....	84	248	103	271	105	267			-8	119	275
Advances and reimbursements.....		36		4		2					2
Total, Office of the Secretary.....	84	560	103	621	105	647	\$5,374	\$4,892	370	119	759
Total, Department of Health, Education, and Welfare.....	146,207	601,559	144,679	769,344	103,528	890,774	2,792,905	2,192,917	660,686	47,917	1 830,024

## DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

## ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from— New obligational authority	Balances of prior authority	Unobligated	Total
<b>RECAPITULATION</b>											
<b>Enacted or recommended in this document:</b>											
Appropriations.....	\$143,598	\$597,982	\$142,127	\$765,468	\$101,567	\$832,393	\$2,516,905	\$2,027,917	\$615,786	\$45,935 572	\$705,651 2,048
Contract authorizations.....	1,247	1,925	1,156	1,772	583	2,211					
Revolving and management funds:											
Public enterprise funds.....	694	705	715	734	650	681					
Intragovernmental funds.....	668	947	681	1,370	728	2,389				650 760	1,726 2,399
<b>Proposed for later transmission:</b>											
Appropriations.....						53,100	276,000	165,000	44,900		119,200
Total, Department of Health, Education, and Welfare.....	146,207	601,559	144,679	769,344	103,528	890,774	2,792,905	2,192,917	660,686	47,917	<sup>1</sup> 830,024

<sup>1</sup> Excludes capital transfer in 1959 of \$50 thousand.

DEPARTMENT OF THE INTERIOR  
ANALYSIS OF UNEXPENDED BALANCES  
BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational author- ity	Estimated expend- itures from—		Unobligated	Total
								New obligational author- ity	Balances of prior author- ity		
DEPARTMENTAL OFFICES											
Current authorizations:											
Office of Saline Water.....		\$376		\$390		\$444	\$825	\$400	\$400		\$468
Office of Oil and Gas.....		34		25		55	550	520	30		55
Office of the Solicitor.....		123		144		283	2,873	2,723	150		282
Office of Minerals Mobilization.....		17		11		19	262	255	9		19
Acquisition of strategic minerals.....			\$1,838	3,137		412			412		
Total, departmental offices.....		550	1,838	3,707		1,213	4,510	3,898	1,001		824
COMMISSION OF FINE ARTS											
Current authorizations:											
Salaries and expenses.....				4		6	35	32	3		6
BONNEVILLE POWER ADMINISTRATION											
Current authorizations:											
Construction.....	\$4,644	24,832	399	16,284		14,022	21,000	12,800	9,200		13,022
Operation and maintenance.....		31		98		98	9,170	9,075	95		98

DEBT CEILING INCREASE

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DEPARTMENT OF THE INTERIOR—Continued  
ANALYSIS OF UNEXPENDED BALANCES—Continued  
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from— New obligational authority	Balances of prior authority	Unobligated	Total
<b>BONNEVILLE POWER ADMINISTRATION—Con.</b>											
<b>Permanent authorizations:</b>											
Continuing fund for emergency expenses (indefinite special account).....	\$116	\$500	\$326	\$500	\$500	\$500				\$500	\$500
Total, Bonneville Power Administration.....	5,060	25,363	725	16,882	500	14,620	\$30,170	\$21,875	\$9,295	500	13,620
<b>SOUTHEASTERN POWER ADMINISTRATION</b>											
<b>Current authorizations:</b>											
Operation and maintenance.....		134		128		190	735	663	190		72
Continuing fund (indefinite special account).....	50	50	50	50	50	50				50	50
<b>Proposed for later transmission (under existing legislation):</b>											
Operation and maintenance.....						67			67		
Total, Southeastern Power Administration.....	50	184	50	176	50	307	735	663	257	50	122
<b>SOUTHWESTERN POWER ADMINISTRATION</b>											
<b>Current authorizations:</b>											
Construction.....	1,052	1,193	469	815	847	1,374			580	792	794

Operation and maintenance.....		46		47		60	975	920	60		55
Continuing fund (indefinite special account).....	300	987	300	885	300	1,153	4,405	4,060	290	300	1,208
Total, Southwestern Power Administration.....	1,352	2,226	769	1,747	1,147	2,587	5,380	4,980	930	1,092	2,057
<b>BUREAU OF LAND MANAGEMENT</b>											
<b>Current authorizations:</b>											
Management of lands and resources.....		1,732		2,457		4,185	20,940	17,945	3,025		4,155
Construction.....	2,220	4,158	2,309	4,448	600	4,658	4,435	2,336	3,828		2,929
Range improvements (receipt limitation) (indefinite).....	305	451	203	230	167	282	786	440	260	248	368
<b>Permanent authorizations:</b>											
Expenses, sale of timber, etc., on reclamation lands (indefinite special account).....							2	2			
Leasing of grazing lands (receipt limitation).....		1		1		1	3	3			1
Payments to Oklahoma (royalties) (receipt limitation).....							10	10			
Payments to Coos and Douglas Counties, Oregon from receipts, Coos Bay Wagon Road grant lands (indefinite special account).....							50	50			
Payments to counties, Oregon and California grant lands (indefinite special account).....							11,065	11,065			
Payments to States (grazing fees).....							1	1			
Payments to States (proceeds of sales) (receipt limitation).....		59					238	238			
Payments to States from grazing receipts, etc., public lands outside grazing districts (indefinite special account).....		88		85		85	183	98	85		85
Payments to States from grazing receipts, etc., public lands within grazing districts (indefinite special account).....		59		43		43	261	218	43		43
Payments to States from grazing receipts, etc., public lands within grazing districts, miscellaneous (indefinite special account).....		2		1		4	10	6	4		4
Payments to States from receipts under Mineral Leasing Act (indefinite special account).....		1					30,388	29,388			1,000
Payments to Territory of Alaska, income and proceeds, Alaska school lands (indefinite special account).....		15		22		22	25	3	22		22
Payments to Alaska, coal leases (indefinite special account).....							90	90			
<b>Proposed for later transmission (under existing legislation):</b>											
Management of lands and resources.....						121			100		21
Total, Bureau of Land Management.....	2,525	6,566	2,512	7,287	767	9,401	68,487	61,893	7,367	248	8,628

DEPARTMENT OF THE INTERIOR—Continued  
ANALYSIS OF UNEXPENDED BALANCES—Continued  
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balances of prior authority		
BUREAU OF INDIAN AFFAIRS											
Current authorizations:											
Education and welfare services:											
Appropriation.....		\$3, 539		\$4, 808		\$9, 393	} \$57, 469	\$49, 987	\$9, 813	{	\$7, 482
Permanent contract authorization.....		420		396		420					
Resources management.....		2, 042		2, 924		3, 827	17, 000	13, 773	3, 827		3, 227
Construction.....	\$7, 416	10, 610	\$909	6, 914	\$1, 841	13, 374	13, 000	6, 486	8, 914		10, 974
Road construction and maintenance (liquidation of contract authorization):											
Appropriation.....		1, 695	5	2, 414		3, 874	}		11, 874	{	13, 063
Permanent contract authorization.....	11, 107	14, 185	13, 156	14, 685	13, 122	14, 685					
General administrative expenses.....		197		218		399	3, 450	3, 048	399		402
Payment to Menominee Tribe of Indians.....						100	200	100	100		100
Distribution of funds of the Creek Indians.....			146	148	75	85			85		
Payment to Klamath Tribe of Indians.....							250	200		\$50	50
Miscellaneous accounts:											
Payment to Pine Ridge Sioux Tribe of Indians.....			147	147		6			6		
Payment to Indians, States, counties, etc., act of June 11, 1940.....	2	2	2	2		2					
Payment to loyal Creeks and Freedmen.....		539		509		21			21		
Payment to Sioux Indians for property losses, act of May 3, 1928.....				12							

Redemption of restricted Indian property subject to taxation.....	5	5	5	5							
Relocation of Yankton Sioux Tribe, Bureau of Indian Affairs.....	107	107									
Fulfilling treaties with Columbias and Colvilles.....	3	3	3	3	3	3				3	3
Fulfilling treaties with Winnebagoes.....	3	3	3	3	3	3				3	3
Payments to Shawnee and affiliated Delaware Indians, Oklahoma, act of Dec. 22, 1927.....	2	2	2	2	2	2				2	2
Payment to Indians of Klamath Agency, Oregon.....	3	3	3	3	3	3				3	3
Payments to Indians of Round Valley Reservation, California, for lands.....	1	1	1	1	1	1				1	1
Payment to absentee Shawnees, for lands.....	2	2	2	2	2	2				2	2
<b>Permanent authorizations:</b>											
Claims and treaty obligations.....		10		16		7	140	140	7		
Other miscellaneous permanent appropriations (indefinite special accounts):											
Acquisition of lands and loans to Indians in Oklahoma act of June 26, 1936.....	51	51	59	59			10	10			
Indian arts and crafts fund.....	1	1		2							
Operation and maintenance, Indian irrigation systems.....	1,844	2,022	1,899	2,125	1,831	2,636	3,000	126	2,527	1,788	2,983
Power systems, Indian irrigation projects.....	935	1,132	642	1,102	622	1,132	1,487	406	1,059	651	1,154
Purchase of land for Rocky Boy's Reservation, Montana.....	11	11	11	11							
Colorado River Indian reservation, northern reserve.....	13	13	38	38		53	100	100	53		
Colorado River Indian reservation, southern reserve.....	11	11	14	16			12	12			
<b>Public enterprise funds:</b>											
Revolving fund for loans.....	7,833	7,833	7,946	7,946	7,676	7,676			874	6,802	6,802
Total, Bureau of Indian Affairs.....	29,350	44,439	24,993	44,511	25,181	57,702	96,119	74,389	39,559	9,305	36,251
<b>BUREAU OF RECLAMATION</b>											
<b>Current authorizations:</b>											
General investigations.....	150	855	568	1,186	603	1,518	4,752	3,804	1,496	22	970
Construction and rehabilitation.....	30,749	69,236	28,124	86,885	174	67,851	123,237	66,812	67,757	94	56,519
Operation and maintenance.....		4,088		3,662		5,462	27,500	21,538	5,462		5,962
General administrative expenses.....		199		207		271	4,164	3,929	271		235
Emergency fund.....	982	1,001	925	944	300	444			100		344
Loan program.....					2,268	9,770	200	200	3,800		5,970

See footnotes at end of table.

DEBT CEILING INCREASE

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DEPARTMENT OF THE INTERIOR—Continued  
**ANALYSIS OF UNEXPENDED BALANCES—Continued**  
 BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligatory authority	Estimated expenditures from— New obligatory authority	Balances of prior authority	Unobligated	Total
<b>BUREAU OF RECLAMATION—Continued</b>											
<b>Permanent authorizations:</b>											
Disposal of Coulee Dam community (indefinite special account).....						\$84	\$200	\$66	\$84		\$134
Colorado River dam fund, Boulder Canyon project:											
Payment of interest on advances from the Treasury (indefinite special account).....							3,200	3,200			
Payments to States of Arizona and Nevada (indefinite special account).....							600	600			
Operation, maintenance, and replacement of project works, North Platte project (Gering and Fort Laramie, Goshen and Pathfinder irrigation districts) (indefinite special account).....	\$18	\$18	\$73	\$73	\$58	58	4		30	\$32	32
Payment to Farmers' Irrigation district (North Platte project, Nebraska-Wyoming) (indefinite special account).....							8	8			
Refunds and returns (indefinite).....	41	41	81	81			125	125			
<b>Public enterprise funds:</b>											
Continuing fund for emergency expenses, Fort Peck project, Montana.....	641	581	803	506	650	500			-1,300	650	2,500
Upper Colorado River Basin fund.....			1,868	4,870	1,500	5,012	38,425	31,988	5,012		6,437

<b>Intragovernmental funds:</b>											
Advances and reimbursement.....	2	5	1	1							
<b>Proposed for later transmission:</b>											
Upper Colorado River Basin fund.....						1,000			1,000		
<b>Total, Bureau of Reclamation.....</b>	<b>32,583</b>	<b>76,024</b>	<b>32,443</b>	<b>98,415</b>	<b>5,553</b>	<b>91,970</b>	<b>202,415</b>	<b>132,270</b>	<b>83,712</b>	<b>798</b>	<b>77,103</b>
<b>GEOLOGICAL SURVEY</b>											
<b>Current authorizations:</b>											
Surveys, investigations, and research.....	475	1,495	475	2,108	475	4,593	36,750	35,800	2,000	400	3,543
<b>Permanent authorizations:</b>											
Payments from proceeds, sale of water, Mineral Leasing Act of 1920, sec. 40 (d) (indefinite special account).....	10	10	10	10	11	11	1			12	12
<b>Intragovernmental funds:</b>											
Advances and reimbursements.....	59	125	29	1,268		568			200		368
<b>Total, Geological Survey.....</b>	<b>544</b>	<b>1,630</b>	<b>514</b>	<b>3,386</b>	<b>486</b>	<b>5,172</b>	<b>36,751</b>	<b>35,800</b>	<b>2,200</b>	<b>412</b>	<b>3,923</b>
<b>BUREAU OF MINES</b>											
<b>Current authorizations:</b>											
Conservation and development of mineral resources.....		1,634		2,060		3,559	18,339	15,100	3,348		3,450
Health and safety.....		406		413		1,069	5,900	4,915	939		1,115
Construction.....	3,669	5,785	1,244	1,652	723	795			33	723	762
General administrative expenses.....		44		63		128	1,095	1,000	102		121
Drainage of anthracite mines.....	8,500	8,500	8,171	8,492	4,171	6,067			4,000	1,171	2,067
<b>Public enterprise funds:</b>											
Development and operation of helium properties.....	4,599	5,045	5,559	7,267	2,164	5,601			1,648	3,624	3,952
<b>Intragovernmental funds:</b>											
Advances and reimbursements.....	91	146	168	439	185	300				150	300
<b>Total, Bureau of Mines.....</b>	<b>16,859</b>	<b>21,560</b>	<b>15,142</b>	<b>20,386</b>	<b>7,243</b>	<b>17,519</b>	<b>25,334</b>	<b>21,015</b>	<b>10,070</b>	<b>5,668</b>	<b>11,767</b>
<b>NATIONAL PARK SERVICE</b>											
<b>Current authorizations:</b>											
Management and protection.....		956		1,110		1,749	14,632	13,375	1,125		1,881
Maintenance and rehabilitation of physical facilities.....		1,118		1,281		1,862	12,000	10,450	1,350		2,062
Construction.....	5,415	9,671	6,590	12,900	3,492	14,011	12,400	6,500	7,500		12,411

See footnotes at end of table.

DEBT CEILING INCREASE

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DEPARTMENT OF THE INTERIOR—Continued  
**ANALYSIS OF UNEXPENDED BALANCES—Continued**  
 BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued  
 [In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligatory authority	Estimated expenditures from— New obligatory authority	Balances of prior authority	Unobligated	Total
<b>NATIONAL PARK SERVICE—Continued</b>											
<b>Current authorizations—Continued</b>											
Construction (liquidation of contract authorization).....		\$8,769		\$14,740							
Permanent contract authorization.....	\$28,667	37,852	\$35,257	40,053	\$34,022	\$50,631			\$31,578		\$12,386
General administrative expenses.....		87		70		130	\$1,330	\$1,258	72		130
<b>Permanent authorizations (indefinite special accounts).</b>											
Educational expenses, children of employees, Yellowstone National Park.....	7	7	9	9	4	4	34	29		\$4	4
Operation, management, maintenance, and demolition of federally acquired properties, Independence National Historical Park.....	40	129	66	93	15	33	30	10	27	15	26
Payment for tax losses on land acquired for Grand Teton National Park.....	26	26	28	28	28	28	28		28	28	28
Purchase of Great Onyx and Crystal Cave properties, Mammoth Cave National Park.....	29	29	42	42	67	67	26			62	62
<b>Intragovernmental funds:</b>											
Advances and reimbursements.....	1	1	11	37		2			2		
<b>Total, National Park Service.....</b>	<b>34,185</b>	<b>58,645</b>	<b>42,003</b>	<b>70,363</b>	<b>37,628</b>	<b>68,517</b>	<b>40,479</b>	<b>31,623</b>	<b>41,682</b>	<b>139</b>	<b>29,020</b>

FISH AND WILDLIFE SERVICE											
BUREAU OF SPORT FISHERIES AND WILDLIFE											
<b>Current authorizations:</b>											
Management and investigations of resources .....				1,236		1,839	11,963	10,388	1,812		1,602
Construction .....			2,794	3,272	3,024	5,370	1,458	1,000	2,500		3,328
General administrative expenses .....						63	714	651	63		63
Miscellaneous: Upper Mississippi River Wildlife Refuge .....	1	11	1	11	1	11			10	1	1
<b>Permanent authorizations:</b>											
Expenses for sales, etc., in refuges, Migratory Bird Conservation Act (indefinite special account) .....	6	6	11	13	5	10	69	65	5		*4
Federal aid in fish restoration and management (receipt limitation, general account) (indefinite special account) .....	2,747	8,293	1,584	9,119	1,026	9,336	5,000	750	3,250	595	10,336
Federal aid in wildlife restoration (indefinite special account) .....	10,473	21,635	5,716	24,962	4,309	28,804	16,055	750	13,250	1,210	30,859
Management of national wildlife refuges (indefinite special account) .....	37	440	243	506	284	638	1,800	1,450	350	227	638
Migratory bird conservation account (receipt limitation) (indefinite) .....	3,441	4,700	4,091	5,074	2,736	4,374	4,500	3,800	1,300	2,188	3,774
Payments to counties from receipts under Migratory Bird Conservation Act (indefinite special account) .....							600	600			
<b>Intragovernmental funds:</b>											
Advances and reimbursements .....	1	2	28	36							
Total, Bureau of Sport Fisheries and Wildlife .....	16,706	35,087	14,468	44,229	11,385	50,445	42,159	19,454	22,540	4,221	50,605
BUREAU OF COMMERCIAL FISHERIES											
<b>Current authorizations:</b>											
Management and investigations of resources .....			18	642		1,091	6,321	5,448	845		1,119
Construction .....			904	957	300	357	500	500	300		57
General administrative expenses .....						18	175	157	18		18
Administration of Pribilof Islands (receipt limitation, annual indefinite) .....	167	490	721	998	547	915	2,182	1,025	825	413	*747
<b>Permanent authorizations:</b>											
Promote and develop fishery products and research pertaining to American fisheries (indefinite) .....	2,677	3,777	1,212	4,127	278	4,178	4,650	4,150	450		4,228
<b>Public enterprise funds:</b>											
Fisheries loan fund .....			6,728	8,624	401	356			255	166	101
<b>Intragovernmental funds:</b>											
Advances and reimbursements .....	3	6	1	6							
Total, Bureau of Commercial Fisheries .....	2,847	4,273	9,684	15,354	1,526	6,915	13,828	11,280	2,693	579	6,270
See footnotes at end of table											



DEPARTMENT OF THE INTERIOR—Continued  
ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balances of prior authority		
<b>FISH AND WILDLIFE SERVICE—Continued</b>											
<b>OFFICE OF THE COMMISSIONER OF FISH AND WILDLIFE</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....				\$29		\$7	\$308	\$300	\$7		\$8
<b>MISCELLANEOUS ACCOUNTS</b>											
<b>Current authorizations:</b>											
Management of resources.....	\$17	\$812									
Investigations of resources.....		733									
Construction.....	1,137	1,814									
General administrative expenses.....		44									
<b>Total, Fish and Wildlife Service.....</b>	<b>20,707</b>	<b>42,763</b>	<b>\$24,052</b>	<b>59,612</b>	<b>\$12,911</b>	<b>57,367</b>	<b>56,295</b>	<b>31,034</b>	<b>25,240</b>	<b>\$4,800</b>	<b>58,883</b>
<b>OFFICE OF TERRITORIES</b>											
<b>Current authorizations:</b>											
Administration of Territories.....		154		47		148	2,100	2,050	65		133
Trust Territory of the Pacific Islands.....		8		6		6	4,715	4,709	6		6
Alaska public works.....	4,840	11,935	3,174	9,151	1,604	7,688	4,000	1,700	5,000		4,988
Care and custody of Alaska Insane, Governor of Alaska.....				71							
Virgin Islands public works.....	363	424	366	371	278	346			68		( <sup>1</sup> )
<b>Permanent authorizations:</b>											
Internal revenue collections for Virgin Islands (indefinite special account).....							3,000	3,000			

<b>Public enterprise funds:</b>											
Alaska Railroad revolving fund.....	14,005	17,140	10,032	14,050	7,442	10,717	-----	-----	2,515	3,023	8,202
Loans to private trading enterprises, Trust Territory of the Pacific Islands.....	151	151	241	241	269	269	-----	-----	—33	262	<sup>8</sup> 262
Virgin Islands Corporation:											
Revolving fund.....	1,456	1,338	1,609	463	1,789	463	} 130	130	167	1,906	183
Operating fund.....		55		28		361					
Total, Office of Territories.....	20,815	31,205	15,422	24,428	11,382	19,998	13,945	11,589	7,788	6,091	14,248
<b>OFFICE OF THE SECRETARY</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		110		122		236	2,500	2,375	125		236
<b>Intragovernmental funds:</b>											
Working capital fund.....	262	311	222	139	250	224			—1	251	226
Advances and reimbursements.....	1	9	3	20		18					17
Total, Office of the Secretary.....	263	430	235	281	250	478	2,500	2,375	124	251	479
Total, Department of the Interior.....	164,293	311,585	160,698	351,185	103,098	346,857	583,154	433,436	229,229	29,354	254,931
<b>RECAPITULATION</b>											
<b>Enacted or recommended in this document:</b>											
Appropriations.....	\$95,439	\$226,386	\$77,026	\$250,110	\$33,628	\$247,866	} \$583,154	\$433,436	\$228,062	{ \$11,620	<sup>9</sup> \$203,217
Contract authorization.....	39,749	52,458	48,413	55,134	47,144	65,736					
Revolving and management funds:											
Public enterprise funds.....	28,685	32,143	34,786	43,995	21,891	30,955					
Intragovernmental funds.....	420	598	473	1,946	435	1,112				{ 17,333	<sup>11</sup> 26,913
<b>Proposed for later transmission:</b>											
Appropriations.....						1,188	-----	-----	1,167	-----	21
Total, Department of the Interior.....	164,293	311,585	160,698	351,185	103,098	346,857	583,154	433,436	229,229	29,354	254,931

<sup>1</sup> Excludes unobligated balance rescinded in 1959 of \$3,622 thousand.<sup>2</sup> Excludes capital transfer in 1959 of \$1,300 thousand.<sup>3</sup> Excludes unobligated balance rescinded in 1959 of \$6,667 thousand.<sup>4</sup> Excludes unobligated balance no longer available in 1959 of \$4 thousand.<sup>5</sup> Excludes unobligated balance no longer available in 1959 of \$5 thousand.<sup>6</sup> Excludes unobligated balance no longer available in 1959 of \$500 thousand.<sup>7</sup> Excludes unobligated balance no longer available in 1959 of \$278 thousand.<sup>8</sup> Excludes capital transfer in 1959 of \$40 thousand.<sup>9</sup> Excludes unobligated balance no longer available in 1959 of \$786 thousand.<sup>10</sup> Excludes unobligated balance rescinded in 1959 of \$10,289 thousand.<sup>11</sup> Excludes capital transfer in 1959 of \$1,340 thousand.

DEPARTMENT OF JUSTICE  
ANALYSIS OF UNEXPENDED BALANCES  
BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobli- gated	Total	Unobli- gated	Total	Unobli- gated	Total	New obli- gational author- ity	Estimated expend- itures from—		Unobli- gated	Total
								New obli- gational author- ity	Balances of prior author- ity		
<b>LEGAL ACTIVITIES AND GENERAL ADMINISTRATION</b>											
<b>Current authorizations:</b>											
Salaries and expenses, general administration.....		\$170		\$200		\$286	\$3,200	\$2,918	\$281		\$287
Salaries and expenses, general legal activities.....		877		1,155		1,377	11,350	10,033	1,222		1,472
Salaries and expenses, Antitrust Division.....		283		225		236	3,800	3,572	227		237
Salaries and expenses, United States attorneys and marshals.....		739		821		1,161	20,430	19,409	972		1,210
Fees and expenses of witnesses.....		36		60		43	1,800	1,753	41		49
Salaries and expenses, claims of persons of Japanese ancestry.....		19		10		24	210	187	24		23
Special temporary attorneys and assistants.....		33		15		8			8		
<b>Proposed for later transmission (under existing legislation):</b>											
Fees and expenses of witnesses.....						25			25		
Total, legal activities and general administration.....		2,157		2,486		3,160	40,790	37,872	2,800		3,278
<b>FEDERAL BUREAU OF INVESTIGATION</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		5,802		4,437		4,888	102,500	97,260	4,862		5,266

IMMIGRATION AND NATURALIZATION SERVICE											
Current authorizations:											
Salaries and expenses.....		3, 317		2, 671		3, 979	49, 600	45, 510	3, 937		4, 132
FEDERAL PRISON SYSTEM											
Current authorizations:											
Salaries and expenses, Bureau of Prisons.....		2, 018		2, 034		2, 069	33, 000	30, 876	2, 065		2, 128
Buildings and facilities.....	\$245	927	\$896	1, 502	\$425	1, 302	1, 500	798	1, 302	\$224	702
Support of United States prisoners.....		428		368		370	2, 800	2, 423	370		377
Intragovernmental funds:											
Federal Prison Industries, Incorporated: Prison industries fund.....	9, 734	3, 549	11, 168	4, 401	10, 658	4, 007			-2, 238	10, 004	1 4, 045
Total, Federal Prison System.....	9, 979	6, 922	12, 064	8, 305	11, 083	7, 748	37, 300	34, 097	1, 499	10, 228	7, 252
Total, Department of Justice.....	9, 979	18, 198	12, 064	17, 899	11, 083	19, 775	230, 190	214, 739	13, 098	10, 228	19, 928
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations.....	\$245	\$14, 649	\$896	\$13, 498	\$425	\$15, 743	\$230, 190	\$214, 739	\$13, 073	{ \$224 10, 004	{ \$15, 883 1 4, 045
Revolving and management funds: Intragovernmental funds.....	9, 734	3, 549	11, 168	4, 401	10, 658	4, 007					
Proposed for later transmission:											
Appropriations.....						25			25		
Total, Department of Justice.....	9, 979	18, 198	12, 064	17, 899	11, 083	19, 775	230, 190	214, 739	13, 098	10, 228	19, 928

<sup>1</sup> Excludes capital transfer (payment of dividend to Treasury) in 1959 of \$2,200 thousand.

DEPARTMENT OF LABOR  
ANALYSIS OF UNEXPENDED BALANCES  
BY ORGANIZATION UNIT AND ACCOUNT TITLE  
[In thousands]

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DEBT CEILING INCREASE

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobli- gated	Total	Unobli- gated	Total	Unobli- gated	Total	New obli- gational author- ity	Estimated expend- itures from—		Unobli- gated	Total
								New obli- gational author- ity	Balances of prior author- ity		
OFFICE OF THE SECRETARY											
Current authorizations:											
Salaries and expenses.....		\$51		\$52		\$48	\$1,556	\$1,503	\$48		\$53
Intragovernmental funds:											
Working capital fund.....						69			-73	\$71	142
Advances and reimbursements.....	\$6	169	\$3	87		69			-2		71
Total, Office of the Secretary.....	6	220	3	139		186	1,556	1,503	-27	71	266
OFFICE OF THE SOLICITOR											
Current authorizations:											
Salaries and expenses.....		118		92		127	2,121	1,989	127		132
BUREAU OF LABOR STANDARDS											
Current authorizations:											
Salaries and expenses.....		66		68		74	1,004	928	74		76
BUREAU OF VETERANS' REEMPLOYMENT RIGHTS											
Current authorizations:											
Salaries and expenses.....		23		19		20	542	522	20		20

<b>BUREAU OF APPRENTICESHIP AND TRAINING</b>										
<b>Current authorizations:</b>										
Salaries and expenses.....		200		193		250	3,900	3,545	250	355
<b>BUREAU OF EMPLOYMENT SECURITY</b>										
<b>Current authorizations:</b>										
Salaries and expenses.....		275		201		11	126	126	11	
Grants to States for unemployment compensation and employment service administration.....		29,445		2,108		3,966	329,300	314,554	3,966	14,746
Unemployment compensation for veterans.....		53,229		283		1,225	19,000	18,025	150	2,050
Unemployment compensation for Federal employees.....	3,217	3,414	2,593	2,913		310	27,800	27,490	310	310
Salaries and expenses, Mexican farm labor program.....		101		99		140	1,339	1,253	140	86
<b>Public enterprise funds:</b>										
Farm labor supply revolving fund.....	620	1,084	371	911	\$303	835			-880	1,317
<b>Intragovernmental funds:</b>										
Advances and reimbursements.....		2								
Total, Bureau of Employment Security.....	3,837	87,550	2,964	6,515	303	6,487	377,565	361,448	3,697	18,907
<b>BUREAU OF EMPLOYEES' COMPENSATION</b>										
<b>Current authorizations:</b>										
Salaries and expenses.....		141		137		193	2,811	2,616	193	196
Employees' compensation fund (indefinite).....							57,000	57,000		
Total, Bureau of Employees' Compensation.....		141		137		193	59,811	59,616	193	195
<b>BUREAU OF LABOR STATISTICS</b>										
<b>Current authorizations:</b>										
Salaries and expenses.....		381		460		500	7,572	7,068	480	524
<b>Intragovernmental funds:</b>										
Advances and reimbursements.....	14	66		42		40			40	
Total, Bureau of Labor Statistics.....	14	447		502		540	7,572	7,068	520	524
<b>WOMEN'S BUREAU</b>										
<b>Current authorizations:</b>										
Salaries and expenses.....		32		20		25	462	436	25	26

DEPARTMENT OF LABOR—Continued  
ANALYSIS OF UNEXPENDED BALANCES—Continued  
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligatory authority	Estimated expenditures from— New obligatory authority	Balances of prior authority	Unobligated	Total
<b>WAGE AND HOUR DIVISION</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		\$600		\$480		\$497	\$10,500	\$9,970	\$497		\$530
Total, Department of Labor.....	\$3,857	89,397	\$2,967	8,165	\$303	8,399	465,033	447,025	5,376	\$1,388	21,031
<b>RECAPITULATION</b>											
<b>Enacted or recommended in this document:</b>											
Appropriations.....	\$3,217	\$88,076	\$2,593	\$7,125		\$7,386	\$465,033	\$447,025	\$5,376		\$19,103
Revolving and management funds:											
Public enterprise funds.....	620	1,084	371	911	\$303	835				\$1,388	1,715
Intragovernmental funds.....	20	237	3	129		178					212
Total, Department of Labor.....	3,857	89,397	2,967	8,165	303	8,399	465,033	447,025	5,376	1,388	21,031

# POST OFFICE DEPARTMENT ANALYSIS OF UNEXPENDED BALANCES

## BY ACCOUNT TITLE

[In thousands]

Account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from— New obligational authority	Balances of prior authority	Unobligated	Total
<b>Public enterprise funds:</b>											
Postal fund.....	\$22,190	\$213,769	\$17,240	\$212,735	\$14,240	\$219,310	\$676,121	\$676,121	—\$16,980	\$9,403	\$231,453
<b>Proposed for later transmission:</b>											
Appropriations.....							—675,000	—675,000			
Total, Post Office Department.....	22,190	213,769	17,240	212,735	14,240	219,310	1,121	1,121	—16,980	9,403	231,453
<b>RECAPITULATION</b>											
<b>Enacted or recommended in this document:</b>											
Appropriations.....							\$676,121	\$676,121			
Revolving and management funds: Public enterprise funds...	\$22,190	\$213,769	\$17,240	\$212,735	\$14,240	\$219,310			—\$16,980	\$9,403	\$231,453
<b>Proposed for later transmission:</b>											
Appropriations.....							—675,000	—675,000			
Total, Post Office Department.....	22,190	213,769	17,240	212,735	14,240	219,310	1,121	1,121	—16,980	9,403	231,453

Excludes balance no longer available (repayment to Treasury) in 1959 of \$4,837 thousand.

DEBT CEILING INCREASE

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DEPARTMENT OF STATE  
ANALYSIS OF UNEXPENDED BALANCES  
BY ORGANIZATION UNIT AND ACCOUNT TITLE  
[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditure from— New obligational authority	Balances of prior authority	Unobligated	Total
<b>ADMINISTRATION OF FOREIGN AFFAIRS</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		\$4,780		\$1,864		\$2,652	\$105,000	\$101,800	\$200		\$5,652
Representation allowances.....		108		119		100	1,000	800	100		200
Acquisition of buildings abroad.....	\$4,439	12,586	\$1,537	18,972	\$750	17,472	18,500	12,000	11,000	\$750	12,972
Emergencies in the diplomatic and consular service.....		464		1,323		748	1,000	600	325		823
Payment to Foreign Service retirement and disability fund.....							2,025	2,025			
Administrative expenses (mutual security).....						1,127			1,127		
Extension and remodeling, State Department Building.....	868	1,658	5,452	43,811	5,782	34,787			18,230	2,422	16,557
Government in occupied areas.....		773		89		10			4		6
<b>Permanent authorizations:</b>											
Replacement of personal property sold abroad (indefinite special account).....	164	274	77	292		116	291	210	113		84
<b>Intragovernmental funds:</b>											
Advances and reimbursements.....	135	342	133	333	42	248			45		203
<b>Proposed for later transmission (under existing legislation):</b>											
Salaries and expenses.....						150			150		
Administrative expenses (mutual security).....							4,577	3,450			1,127
Total, administration of foreign affairs.....	5,606	20,985	7,199	66,803	6,574	57,410	132,393	120,885	31,294	3,172	37,624

INTERNATIONAL ORGANIZATIONS AND  
CONFERENCES

## Current authorizations:

Contributions to international organizations.....	212	1,183	707	41,889	40,309	691	1,596
Missions to international organizations.....	123	85	122	1,700	1,365	100	357
International contingencies.....	272	495	214	2,400	1,800	150	664

## Proposed for later transmission (under existing legislation):

Contributions to international organizations.....			150			150	
International contingencies.....							

Total, international organizations and conferences.....	607	1,763	1,193	45,989	43,474	1,091	2,617
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## INTERNATIONAL COMMISSIONS

## Current authorizations:

International Boundary and Water Commission, United States and Mexico:							
Salaries and expenses.....	30	31	30	505	470	30	35
Operation and maintenance.....	91	73	70	1,570	1,480	70	90
Construction.....	4,775	4,921	3,962	4,110	1,300	1,510	1,000
Rio Grande emergency flood protection.....	114	115	114	114	50	50	50
American sections, international commissions.....	28	37	41	325	291	34	41
Passamaquoddy tidal power survey.....		68	258	30	178	616	605
International fisheries commissions.....	50	77	40	1,660	1,620	40	40
Restoration of salmon runs, Fraser River system, International Pacific Salmon Fisheries Commission.....	2	75	53	75	53	53	53

Total, international commissions.....	4,891	5,310	4,197	4,775	1,433	1,972	5,676	5,416	1,906	53	326
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## EDUCATIONAL EXCHANGE

## Current authorizations:

International educational exchange activities.....	9,212	11,930	11,875	20,800	9,000	10,500	13,175
Educational aid for China and Korea.....	35	20					

## Permanent authorizations:

Educational exchange fund, payments by Finland, World War I debt (indefinite special account).....	499	900	505	849	505	818	399	450	505	767
Educational fund, interest payments by the Government of India (indefinite special account).....	2,891	3,997	2,009	2,080	1,563	1,905		1,050	563	855

Total, educational exchange.....	3,425	14,129	3,114	15,759	2,068	14,598	21,199	9,000	12,000	1,068	14,797
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DEPARTMENT OF STATE—Continued  
**ANALYSIS OF UNEXPENDED BALANCES—Continued**  
 BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued  
 [In thousands]

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DEBT CEILING INCREASE

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from— New obligational authority	Balances of prior authority	Unobligated	Total
<b>OTHER</b>											
<b>Current authorizations:</b>											
Rama Road, Nicaragua.....	\$438	\$2,556	\$2,273	\$3,317	\$573	\$2,717			\$1,500		\$1,217
Cleveland Pan American Games.....			100	100							
Salaries and expenses, Philippine Rehabilitation.....				8		5			4		1
<b>Permanent authorizations:</b>											
Payment to the Republic of Panama.....							\$1,930	\$1,930			
Total, other.....	438	2,556	2,373	3,425	573	2,722	1,930	1,930	1,504		1,218
Total, Department of State.....	14,360	43,587	16,883	92,525	10,648	77,895	207,187	180,705	47,795	\$4,293	56,582
<b>RECAPITULATION</b>											
<b>Enacted or recommended in this document:</b>											
Appropriations.....	\$14,225	\$43,245	\$16,750	\$92,192	\$10,606	\$77,347	} \$202,610	\$177,255	\$47,495	{ \$4,293	\$55,252
Revolving and management funds: Intragovernmental funds.....	135	342	133	333	42	248					
<b>Proposed for later transmission:</b>											
Appropriations.....						300	4,577	3,450	300		1,127
Total, Department of State.....	14,360	43,587	16,883	92,525	10,648	77,895	207,187	180,705	47,795	4,293	56,582

TREASURY DEPARTMENT  
ANALYSIS OF UNEXPENDED BALANCES  
BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from—		Unobligated	Total
								New obligational authority	Balances of prior authority		
OFFICE OF THE SECRETARY											
Current authorizations:											
Salaries and expenses		\$121		\$129		\$150	\$3,068	\$2,924	\$147		\$147
Investment in International Finance Corporation:											
Authorization to expend from debt receipts	\$35,168	35,168									
Investment in International Bank for Reconstruction and Development: Authorization to expend from debt receipts	2,540,000	2,540,000	\$2,540,000	2,540,000	\$2,540,000	2,540,000				\$2,540,000	2,540,000
Permanent authorizations:											
Expenses of administration of settlement of War Claims Act of 1928 (indefinite special account)	2	3	3	4	3	4	17	14	3	4	4
Federal control of transportation systems (indefinite special account)	61	61	56	56	50	50			6	44	44
Public enterprise funds:											
Liquidation of corporate assets: Reconstruction Finance Corporation liquidation fund	17,886	26,547	5,634	10,550	420	4,619			-14,636	330	13,981
Civil defense loans: Civil defense program fund:											
Cash		123		62		51	}		-143	{	51
Authorization to expend from debt receipts	245,356	248,070	246,290	248,935	246,548	249,090					

<sup>1</sup> Excludes capital transfer in 1959 of \$15,274 thousand.

DEBT CEILING INCREASE

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TREASURY DEPARTMENT—Continued  
ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobli- gated	Total	Unobli- gated	Total	Unobli- gated	Total	New obli- gational author- ity	Estimated expend- itures from— New obli- gational author- ity	Balances of prior author- ity	Unobli- gated	Total
OFFICE OF THE SECRETARY—Continued											
<b>Intragovernmental funds:</b>											
Advances and reimbursements, Office of the Secre- tary .....				\$3							
Total, Office of the Secretary .....	\$2,838,473	\$2,850,093	\$2,791,983	2,799,739	\$2,787,021	\$2,793,964	\$3,085	\$2,938	-\$14,623	\$2,787,222	\$2,793,460
<b>BUREAU OF ACCOUNTS</b>											
<b>Current authorizations:</b>											
Salaries and expenses .....		237		217		223	3,110	2,880	223		229
Salaries and expenses, Division of Disbursements ..		2,790		2,923		2,635	17,340	14,649	2,635		2,692
Claims, judgments, and private relief acts .....		440		4,006		28			28		
<b>Permanent authorizations:</b>											
Interest on uninvested funds (Indefinite) .....							6,633	6,633			
Payment to unemployment trust fund (indefinite) ..							25,150	25,150			
Claims, judgments, and private relief acts .....							5,000	5,000			
Permanent private relief acts .....							2	2			
<b>Public enterprise funds:</b>											
Fund for payment of Government losses in ship- ment (current appropriation) .....	140	158	94	113	44	63	100	6	44	94	113
Total, Bureau of Accounts .....	140	3,625	94	7,259	44	2,940	57,335	54,320	2,930	94	3,034

<b>BUREAU OF THE PUBLIC DEBT</b>										
<b>Current authorizations:</b>										
Administering the public debt.....		4,734		4,194		4,052	44,600	40,450	4,100	4,102
<b>OFFICE OF THE TREASURER</b>										
<b>Current authorizations:</b>										
Salaries and expenses.....		411		419		571	17,950	17,326	569	628
<b>Public enterprise funds:</b>										
Check forgery insurance fund.....	24	24	45	28	44	25			-2	44
Total, Office of the Treasurer.....	24	435	45	447	44	596	17,950	17,326	567	653
<b>BUREAU OF CUSTOMS</b>										
<b>Current authorizations:</b>										
Salaries and expenses.....	300	2,392	300	6,059	300	4,971	48,000	45,558	3,127	300
<b>Intragovernmental funds:</b>										
Advances and reimbursements.....				25						
Total, Bureau of Customs.....	300	2,392	300	6,084	300	4,971	48,000	45,558	3,127	300
<b>INTERNAL REVENUE SERVICE</b>										
<b>Current authorizations:</b>										
Salaries and expenses.....		14,930		15,115		16,240	325,500	309,700	14,790	17,250
<b>Permanent authorizations:</b>										
Refunding internal revenue collections, interest (indefinite).....							61,750	61,750		
Coconut oil tax, collections for American Samoa (indefinite special account).....							20	20		
Internal revenue collections for Puerto Rico (indefinite special account).....		1,609		1,821		1,900	20,000	18,100	1,900	1,900
Total, Internal Revenue Service.....		16,539		16,936		18,140	407,270	389,570	16,690	19,150

TREASURY DEPARTMENT—Continued  
ANALYSIS OF UNEXPENDED BALANCES—Continued  
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	New obligational authority	Estimated expenditures from— New obligational authority	Balances of prior authority	Unobligated	Total
<b>BUREAU OF NARCOTICS</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		\$159		\$224		\$225	\$3,780	\$3,545	\$235		\$225
<b>UNITED STATES SECRET SERVICE</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		162		171		149	3,461	3,308	149		153
Salaries and expenses, White House Police.....		54		37		33	865	831	33		34
Salaries and expenses, guard force.....		14		12		6	293	275	12		12
<b>Permanent authorizations:</b>											
Contribution for annuity benefits, White House Police and Secret Service force (indefinite).....							163	163			
Total, United States Secret Service.....		230		220		188	4,782	4,577	194		199
<b>BUREAU OF THE MINT</b>											
<b>Current authorizations:</b>											
Salaries and expenses.....		835		457		366	4,300	3,918	366		382
<b>Permanent authorizations:</b>											
Minor coinage profits, etc (indefinite special account).....	130	130	322	322	200	200	350	150	200	200	200

Silver profit fund (indefinite special account).....	155	155	232	282	200	200	475	275	200	200	200
Total, Bureau of the Mint.....	285	1,120	604	1,061	400	766	5,125	4,343	766	400	782
<b>BUREAU OF ENGRAVING AND PRINTING</b>											
<b>Intragovernmental funds:</b>											
Bureau of Engraving and Printing fund.....	-353	5,497	16	4,461	-1,592	1,633	-----	-----	473	-2,399	1,160
<b>COAST GUARD</b>											
<b>Current authorizations:</b>											
Operating expenses.....		22,072		24,053		24,053	171,700	147,647	24,053	-----	24,053
Acquisition, construction, and improvements.....	10,899	14,602	14,973	23,993	176	18,889	16,000	-8,153	9,825	13	33,217
Retired pay.....		89		102		102	27,800	27,698	102	-----	102
Reserve training.....		615		1,318		1,318	11,500	10,182	1,318	-----	1,318
<b>Intragovernmental funds:</b>											
Coast Guard supply fund.....	1,583	2,395	1,135	2,507	779	2,402	-----	-----	216	558	2,186
Coast Guard yard fund.....	791	2,150	64	1,741	697	2,284	-----	-----	721	3	1,563
Advances and reimbursements.....		133					-----	-----	-----	-----	-----
Total, Coast Guard.....	13,273	42,056	16,172	53,714	1,652	49,048	227,000	177,374	36,235	574	62,439
<b>INTEREST ON THE PUBLIC DEBT</b>											
Interest on the public debt.....							7,800,000	7,800,000	-----	-----	-----
Total, Treasury Department.....	2,852,142	2,926,880	2,809,214	2,894,339	2,787,869	2,876,532	8,618,926	8,540,001	50,694	2,786,235	2,889,490
<b>RECAPITULATION</b>											
<b>Enacted or recommended in this document:</b>											
Appropriations.....	\$11,547	\$66,615	\$15,936	\$85,914	\$929	\$76,365	\$8,618,926	\$8,540,001	\$50,694	\$761	\$91,176
Authorizations to expend from debt receipts.....	2,820,524	2,823,238	2,786,290	2,788,935	2,786,548	2,789,090				2,786,844	2,789,233
Revolving and management funds:											
Public enterprise funds.....	18,050	26,852	5,773	10,753	508	4,758				468	14,172
Intragovernmental funds.....	2,021	10,175	1,215	8,737	-116	6,319				-1,838	4,909
Total, Treasury Department.....	2,852,142	2,926,880	2,809,214	2,894,339	2,787,869	2,876,532	8,618,926	8,540,001	50,694	2,786,235	2,889,490

<sup>1</sup> Excludes capital transfer in 1959 of \$15,274 thousand.



DISTRICT OF COLUMBIA  
ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

Account title	Balance, start of 1957		Balance, start of 1958		Balance, start of 1959		Fiscal year 1959			Balance, start of 1960	
	Unobli- gated	Total	Unobli- gated	Total	Unobli- gated	Total	New obli- gational author- ity	Estimated expend- itures from—		Unobli- gated	Total
								New obli- gational author- ity	Balances of prior author- ity		
<b>Current authorizations:</b>											
Federal payment to District of Columbia.....							\$27, 229	\$27, 229			
Loans to District of Columbia for capital outlay, highway fund.....	\$9, 357	\$9, 357	\$14, 757	\$14, 757	\$21, 238	\$21, 238	5, 500		\$2, 000	\$24, 738	\$24, 738
Loans to District of Columbia for capital outlay, water fund..	18, 780	18, 780	20, 180	20, 180	17, 577	17, 577	3, 100		7, 380	13, 297	13, 297
Loans to District of Columbia for capital outlay, sanitary sew- age works fund.....	2, 750	2, 750	2, 750	2, 750	1, 000	1, 000			1, 000		
Total, District of Columbia.....	30, 887	30, 887	37, 687	37, 687	39, 815	39, 815	35, 829	27, 229	10, 380	38, 035	38, 035
<b>RECAPITULATION</b>											
<b>Enacted or recommended in this document:</b>											
Appropriations.....	\$30, 887	\$30, 887	\$37, 687	\$37, 687	\$39, 815	\$39, 815	\$35, 829	\$27, 229	\$10, 380	\$38, 035	\$38, 035

# SUMMARY OF BALANCES AVAILABLE AT START OF YEAR

Based on existing and proposed legislation

[In millions]

Description	1957 actual		1958 estimate		1959 estimate		1960 estimate	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
<b>BALANCES OF AUTHORIZATIONS ENACTED OR RECOMMENDED IN THIS DOCUMENT</b>								
<b>Appropriations:</b>								
Legislative branch.....	\$38	\$6	\$38	\$18	\$37	\$4	\$22	(1)
The judiciary.....	2		3		2		3	
Executive Office of the President.....	1	(1)	1	(1)	1		1	
Funds appropriated to the President:								
Mutual security.....	3,380	338	3,109	764	2,531	29	862	
Other.....	10	24	13	17	14	22	14	(1)
Independent offices:								
Atomic Energy Commission.....	975	376	977	308	1,271	65	1,104	
Veterans Administration.....	90	130	90	175	116	109	131	\$67
Other.....	103	83	153	147	152	123	292	21
General Services Administration.....	408	412	257	223	208	89	216	1
Housing and Home Finance Agency.....	1	2	2	2	3		4	
Department of Agriculture.....	165	254	112	330	207	317	142	303
Department of Commerce.....	173	183	235	248	398	56	488	83
Department of Defense—Military Functions.....	25,164	12,341	24,137	10,862	23,626	7,797	23,294	6,130
Department of Defense—Civil Functions.....	147	104	146	117	165	109	233	28
Department of Health, Education, and Welfare.....	144	144	142	142	731	102	660	46
Department of the Interior.....	131	95	173	77	214	34	191	12
Department of Justice.....	14	(1)	13	1	15	(1)	16	(1)
Department of Labor.....	85	3	5	3	7		19	
Department of State.....	29	14	76	17	67	11	51	4
Treasury Department.....	55	12	70	16	75	1	90	1
District of Columbia.....		31		38		40		38
Total appropriations.....	31,415	14,552	30,232	13,505	29,840	8,908	27,833	6,734

<sup>1</sup>Less than one-half million dollars.

DEBT CEILING INCREASE

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## SUMMARY OF BALANCES AVAILABLE AT START OF YEAR—Continued

*Based on existing and proposed legislation—Continued*

[In millions]

Description	1957 actual		1958 estimate		1959 estimate		1960 estimate	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
<b>BALANCES OF AUTHORIZATIONS ENACTED OR RECOMMENDED IN THIS DOCUMENT—Continued</b>								
<b>Authorizations to expend from debt receipts:</b>								
Funds appropriated to the President:								
Mutual security.....	\$90	\$69	\$94	\$105	\$109	\$90	\$129	\$70
Other.....	694	263	335	471	265	171	104	59
Independent offices:								
Veterans Administration.....	27	153	49	203	67	41	19	54
Other.....	823	7,603	1,556	6,588	1,666	5,587	1,788	5,365
Housing and Home Finance Agency.....	1,209	3,610	1,788	4,182	2,536	4,816	2,677	4,179
Department of Agriculture.....	1,021	—108	1,587	934	1,438	2,457	1,348	1,853
Treasury Department.....	3	2,821	3	2,786	3	2,787	2	2,787
Total authorizations to expend from debt receipts.....	4,467	14,411	5,412	15,269	6,084	15,949	6,067	14,367
<b>Contract authorizations:</b>								
Legislative branch.....	10	129	—	111	15	89	52	38
General Services Administration.....	3	3	—	—	—	—	—	—
Housing and Home Finance Agency.....	87	497	105	639	306	789	498	548
Department of Agriculture.....	—	24	—	—	—	—	—	—
Department of Commerce.....	1,180	2,005	37	95	92	91	96	51
Department of Defense—Military Functions.....	—	39	—	—	—	—	—	—
Department of Health, Education, and Welfare.....	1	1	1	1	2	1	1	1
Department of the Interior.....	13	40	7	48	19	47	24	—
Total contract authorizations.....	1,304	2,738	150	894	434	1,017	671	638

<b>Revolving and management funds:</b>								
Legislative branch.....	-1	12	(1)	14	1	11	-2	12
Funds appropriated to the President:								
Mutual security.....			2		183	100	184	(1)
Other.....	14		35		35		35	
Independent offices:								
Atomic Energy Commission.....		(1)		(1)		(1)		1
Veterans Administration.....	26	16	33	18	37	29	42	37
Other.....	96	600	208	427	161	420	67	450
General Services Administration.....	11	45	-1	52	-4	57	-8	62
Housing and Home Finance Agency.....	107	27	138	49	118	60	133	62
Department of Agriculture.....	29	62	43	64	46	72	34	75
Department of Commerce.....	-6	42	(1)	18	3	28	2	31
Department of Defense—Military Functions.....	-303	2,978	-462	2,374	-292	2,221	-232	1,886
Department of Defense—Civil Functions.....	40	37	42	46	43	42	49	37
Department of Health, Education, and Welfare.....	(1)	1	1	1	2	1	2	1
Department of the Interior.....	4	29	11	35	10	22	10	18
Department of Justice.....	-6	10	-7	11	-7	11	-6	10
Department of Labor.....	1	1	1	(1)	1	(1)	1	1
Post Office Department.....	192	22	195	17	205	14	222	9
Department of State.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Treasury Department.....	17	20	13	7	11	(1)	10	-1
Total revolving and management funds.....	221	3,902	252	3,133	553	3,078	543	2,681
Total balances of authorizations enacted or recommended in this document.....	37,408	35,603	36,048	32,801	36,910	28,952	35,114	24,420
<b>BALANCES OF AUTHORIZATIONS PROPOSED FOR LATER TRANSMISSION</b>								
<b>Appropriations:</b>								
The Judiciary.....					1			
Funds appropriated to the President: Mutual security.....							1,661	226
Independent offices:								
Atomic Energy Commission.....							100	
Other.....					13	4	52	
General Services Administration.....					(1)			
Department of Agriculture.....					(1)		(1)	

<sup>1</sup> Less than one-half million dollars.

## SUMMARY OF BALANCES AVAILABLE AT START OF YEAR—Continued

Based on existing and proposed legislation—Continued

[In millions]

Description	1957 actual		1958 estimate		1959 estimate		1960 estimate	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
<b>BALANCES OF AUTHORIZATIONS PROPOSED FOR LATER TRANSMISSION—Continued</b>								
<b>Appropriations—Continued</b>								
Department of Commerce.....					(1)		\$10	\$1
Department of Defense—Military Functions.....					\$769	\$326	1,147	1,569
Department of Defense—Civil Functions.....					5			
Department of Health, Education, and Welfare.....					53		119	
Department of the Interior.....					1		(1)	
Department of Justice.....					(1)			
Department of State.....					(1)		1	
Allowance for contingencies.....					200		400	
<b>Total appropriations.....</b>					<b>1,042</b>	<b>330</b>	<b>3,490</b>	<b>1,796</b>
<b>Authorizations to expend from debt receipts:</b>								
Independent offices.....						2,000	246	1,866
Housing and Home Finance Agency.....							90	200
<b>Total authorizations to expend from debt receipts.....</b>						<b>2,000</b>	<b>336</b>	<b>2,066</b>
<b>Contract authorizations:</b>								
Housing and Home Finance Agency.....								200
<b>Revolving and management funds:</b>								
Department of Agriculture.....					—28		—198	
<b>Total balances of authorizations proposed for later transmission.....</b>					<b>1,014</b>	<b>2,330</b>	<b>3,628</b>	<b>4,063</b>
<b>Total balances available at start of year.....</b>	<b>\$37,408</b>	<b>\$35,603</b>	<b>\$36,048</b>	<b>\$32,801</b>	<b>37,924</b>	<b>31,282</b>	<b>38,742</b>	<b>28,482</b>

RECAPITULATION								
Appropriations.....	\$31,415	\$14,552	\$30,232	\$13,505	\$30,882	\$9,238	\$31,323	\$8,530
Authorizations to expend from debt receipts.....	4,467	14,411	5,412	15,269	6,084	17,949	6,403	16,433
Contract authorizations.....	1,304	2,738	150	894	434	1,017	671	838
Revolving and management funds.....	221	3,902	252	3,133	525	3,078	345	2,681
Total balances available at start of year.....	37,408	35,603	36,048	32,801	37,924	31,282	38,742	28,482

<sup>1</sup> Less than one-half million dollars.

Source: Budget document for fiscal year 1959.

Senator JENNER. Mr. Chairman, since this is a sort of a free-for-all, I would like to get my two bits in. I have just come from the Post Office Committee, and I know that in these considerations there has been some anticipation of increase of postal rates and also increase of postal employees' pay. And I personally think from the tenor of that committee, that both are going to be done. But the amount, I think, is probably another question. Whether you have a 5-cent first-class stamp or whether you have a 4-cent stamp, that is going to make a great deal of difference in the overall picture. But when we stop to consider what Senator Anderson of New Mexico has said, plus all the other statements, we realize that the second largest item of our budget is interest on our debt, and we are here considering increasing this debt \$5 billion.

You might also stop to consider it is awful to be broke and it is awful to be dead, but it is a hell of a note to be both dead and broke. And when you combine them with being both dead and broke, you are in an awful shape. And that is where we are heading. We could be both dead and broke.

Senator BENNETT. Mr. Chairman, may I try to enlighten the atmosphere?

Since the hearings began yesterday my mind has reverted to an old story, the story of the situation in which the barkeeper was at one end of the bar and the proprietor was at the other, and Bill Jones came in for a drink of beer, and the barkeeper yelled to the proprietor, "Is Jones good for a glass of beer?" and the proprietor says, "Has he had it?" The barkeeper says "Yes." The proprietor then replies, "Well, then, he is good for it." Well, we are working in the large sense on the glass of beer that has already been had. And it is too late, in a sense, for the proprietor to say, "No, Jones cannot have credit on the beer he has already drunk."

Senator JENNER. It is not too late to take a reappraisal of these things, the duplication and waste and the extravagance. When we are trying to support and take care of the whole world and we cannot really take care of ourselves, it is time we took a look at these things.

Senator ANDERSON. We are just talking about contracts in the missiles program that are far more expensive than any other things that we have developed. We have got three different types of antitank missiles. It is just possible we might not be using tanks at all.

Senator BENNETT. The control of that is behind the Secretary of the Treasury in his responsibility to manage the debt.

Senator ANDERSON. Yes, but if the debt limit is kept on, there may be some control on the military that we do not have now. It is going to be pretty hard to go against any of these military expenditures.

Senator MARTIN. Mr. Chairman, may I observe that it might ease the feelings of the distinguished Senator from New Mexico: It has always been that way. By the time we get the equipment of offense or defense completed, it is obsolete. It has always been that way in military affairs. Military things are the most wasteful matters that have ever been considered in worldwide affairs.

Senator MALONE. Mr. Chairman.

The CHAIRMAN. Senator Malone.

Senator MALONE. I waited too long yesterday to question Mr. Anderson, because I find that he had two speaking engagements in Missouri, and he came to my office after it was over and he asked,

"Would you let me off?" and what could I do? I did have something to say to Mr. Anderson.

So I am going to ask permission, Mr. Chairman, after we are finished with Mr. Brundage today, to sum up some of the things, that if I had had the opportunity, I would have asked Mr. Anderson, and maybe some of the answers from his predecessors might fit in.

In the meantime, to join this melee, I was going to ask if I could question Mr. Brundage just a minute.

The CHAIRMAN. Yes, sir.

Senator MALONE. Mr. Brundage, I am sorry I do not know your background. What is it?

Mr. BRUNDAGE. I was in public accounting all my life, Senator.

Senator MALONE. Well, I have read your statement, and I will not duplicate what the Senator from New Mexico has said. He is absolutely correct. There are probably three or four hundred places in the United States where the shift in population has made it impossible for local people to keep up with schools and expenses, therefore you have about as much chance of changing that as you have of flying to Europe without a pair of wings in about the next 10 minutes, I think.

Then I might mention to you something that I read here, that you are going to charge for all Government property. And you assume, of course, being in the accounting business, that all of the public lands belong to all of the people, and therefore should be sold in accordance with their present value. Well, I have some news for you. One way that the Congress has tried to develop public lands is to make them available to people who live on them and who will develop them, and that was the livestock enlargement of the Homestead Act, and the mining claims on locations.

So I see in your youth and innocence you have suggested all these things be charged for. Now, I think if you had consulted some of the leaders of the administration who deny that they want a mineral leasing act—you now are suggesting that the mining claims be charged for in accordance with whatever they may find on them, which means leasing, and could only mean one thing, in accordance with the values found.

Now, I can go on—I will not go too far here. There is just the Rural Electrification. You want that written off. You want the matter of the veterans' pensions—and I might review for you the action of this committee last fall. I doubt if you would read anything of the kind. It would be tedious to you. But it was proposed by the administration, and I think will be again, that a pension to a disabled veteran be figured on his disablement—loss of an arm or an eye, or he got a little gas or something—and there are methods by which the Veterans' Administration figure those things. And that handicaps this man in getting a job. So they have a veterans' preference. He probably gets a much poorer job than he would get if he did not have this disability.

So now you propose that when he does get a job and you charge him the same social security to go into the Government and be repaid then in benefits, that you deduct whatever he is drawing in a pension from the social security.

Now, this committee brought the bill back from the Senate floor and denied that business, because the disability is paid on account



of a disability of his ability to earn a living. And his social security pays in just like anybody else. There is absolutely no connection.

Now, you can go on to other things, but I think the Chairman has picked it up. But it reminds me of what an old timer once said: "There is no one who can talk quite so convincingly on the subject than somebody entirely unhampered by the facts." And I hate to put this against your record, but in reading this thing, it just seems to me like a 10-year-old school child had written it out without any consideration whatever of what has gone before for nearly 40 years in veterans legislation, social security (for a shorter time, but well established) and there is some attempt, the attempt of this Congress, to try to equalize the expense on a small community when suddenly the Government says that something must be done in that community.

Apparently you know nothing about those things except that it looks good on paper. So I hope when you come back that we get another opportunity to question you about some of the things that you have suggested here, and you can depend on it that we will; because I will not wait too late next time so that you have a speaking engagement some place.

Mr. BRUNDAGE. Well, I will be glad to answer. Senator, some of your comments—

Senator MALONE. Answer about the veterans. What do you think about that?

Mr. BRUNDAGE. Did you read the report of the Bradley Commission?

Senator MALONE. I have read everything on veterans for 40 years. I was in the First World War, and I am one of the ones that had an opportunity and did participate in building veterans' hospitals throughout the country and securing some kind of benefits for these veterans. When we came back from World War I in 1919, you could not get a veteran in a hospital with a shoehorn, because there was no place for him. Now you can get them in hospitals.

No one denies some of these things may be abused. That is a matter of administration, another part of your own administration now that your man is in there. It is not a matter of cutting these benefits out. It is a matter of administration.

Mr. BRUNDAGE. Well, the portion of the Bradley Commission's recommendations that related to disability of service-connected cases was dealt with by the Congress in the legislation last year. But they did not deal with, and the President did not submit, any recommendation with respect to the non-service-connected cases, and that is what we were talking about here.

Senator MALONE. Were you in one of these wars? I presume you were.

Mr. BRUNDAGE. World War I.

Senator MALONE. Yes. That was mine.

Well, I can tell you a little story. It may relate to non-service-connected cases. When a man is in the Army or in the armed services for 2 or 3 years and he caves in later, in my opinion he is entitled to eat and to have his kids go to school—not to live in luxury.

In France, where I presume you were in 1919, I had a battery of field artillery, and some of the privates or the enlisted men thought these officers should not be officers. So we had a pretty smart colonel, and he suggested we play a game of football, the officers against the

enlisted men. The dirt was about 6 inches deep. It was mud when it rained. And they had a 60-minute football game, and I think I was about 1 of 3 or 4 that played the 60 minutes. Nobody scored, because nobody paid any attention to the football. Whenever it was snapped, everybody just got somebody. So they carried them off one after the other. I attended a reunion of that regiment about 6 or 7 years ago, and I understand that 19 men are drawing compensation as a result of that football game. I am not one of them, however; but I could well have been.

So I think it is the *n*th degree of something, and it must be ignorance, that makes people believe that a man that does not have it on his service record did not get hurt in that war. And you fellows will continue to harp about that, no doubt, for the next 20 years until they are all dead, but I do not think you are going to get away with it. And that is something else I will question you about when you come back.

Mr. BRUNDAGE. All right.

The CHAIRMAN. What is the pleasure of the committee? How long will it take, Mr. Brundage, to get this information?

Mr. BRUNDAGE. I imagine a couple of days.

The CHAIRMAN. Then, together with that, it would be interesting for you to give a memorandum as to what authority you have to reduce expenditures in the various departments, say, through more economical administration, and so forth. You have such authority, I presume?

Mr. BRUNDAGE. You mean the Bureau of the Budget?

The CHAIRMAN. Through the Bureau of the Budget.

(The material referred to follows:)

#### ROLE OF THE BUREAU OF THE BUDGET IN REDUCING EXPENDITURES

*General.*—In general, to control and reduce future expenditures it is necessary to control and reduce the obligations which precede them. If obligations are not controlled or reduced, there exists only the possibility of delaying—not eliminating—expenditures. If obligational authority is reduced, it may not result in an equivalent reduction of spending in the same fiscal year since there is often a substantial timelag between the incurring of the obligations and the making of the expenditures to liquidate them.

Control over obligations and the resulting expenditures is exercised not only through the budget and appropriation process, but also through the legislative process. In addition, due regard for economy and efficiency in the manner in which the Government is organized, and in which it conducts its affairs, has an effect on expenditures in the long run.

*General position of the Bureau.*—By Reorganization Plan No. 1, effective July 1, 1939 (5 U. S. C. 133t note), the Bureau of the Budget was transferred to the Executive Office of the President. This change was made because, in the words of the President's message transmitting the reorganization plan to the Congress, "it is necessary for the President to have direct access to these managerial agencies in order that he may have the machinery to enable him to carry out his constitutional responsibility, and in order that he may be able to control expenditures, to increase efficiency, to eliminate overlapping and duplication of effort. \* \* \*"  
Under Executive Order 8248, dated September 8, 1939, issued pursuant to this reorganization plan, the Bureau was assigned certain functions as a coordinating staff agency for the President. Among the important functions assigned to the Bureau by this order are those of assisting the President by clearing and coordinating departmental advice on proposed legislation and by making recommendations as to Presidential action on legislative enactments; conducting research in the development of improved plans of administrative management, and advising the departments and agencies with respect to improved organization and practice; supervising and controlling the administration of the budget; and aiding the

President to bring about more efficient and economical conduct of Government service.

In carrying out the functions referred to in the preceding paragraph, the Bureau acts as a staff arm of the President. Through the legislative clearance process, it assists the President in making his recommendations on legislation which will ultimately play a large part in determining the size and character of the programs for which expenditures will be made. Similarly, in making organization and management studies, the Bureau assists the President to reduce expenditures by insuring that the Government's affairs are conducted in the most efficient and economical manner.

*Functions of the Bureau with respect to appropriations.*—The Bureau's functions with respect to appropriations have a bearing upon expenditures in two ways: First, in connection with the President's budgetary recommendations as to the total of expenditures in any particular fiscal year; and, second, in connection with the timing of expenditures in any particular fiscal year or from one fiscal year to another. With respect to the first, under the provisions of the Budget and Accounting Act, 1921, as amended (31 U. S. C. 16), the Bureau has authority "to assemble, correlate, revise, reduce, or increase the requests for appropriations of the several departments or establishments." The actions of the Bureau to reduce expenditures through the budget-preparation process are effected in its recommendations to the President and are reflected in the budget as approved and transmitted by him to the Congress. This authority is not, in fact, as broad as it might seem at first glance because so many of our programs—such as veterans' pensions, interest on the public debt, and many others—are not controllable through the budget process.

With respect to the second, the Director of the Bureau of the Budget is required by law to apportion funds for use by executive agencies, and he has a limited statutory authority to establish reserves (sec. 3679, Rev. Stat., as amended, 31 U. S. C. 665). Funds which are reserved pursuant to this authority are not available for use by the agencies.

In addition to the specific statutory authority to establish reserves, the Bureau—in its general role as a staff arm of the President—has been responsible for carrying out such instructions as might be issued from time to time by the President with respect to reductions in expenditures. Compliance with such instructions has resulted, of course, in some reductions in expenditures, but it is difficult to ascertain in any particular instance how much of a reduction is attributable to such instructions and how much to other program factors.

Senator MARTIN. Mr. Chairman, I would like to make just a little explanation.

I asked a question a while ago relative to locks and dams, whether it was the intention to charge tolls for their use. Mr. Chairman, that means a lot to us in Pennsylvania. But if we start a policy of that kind, and do it all over the United States, I would not object.

Now, Senator Gore, you have been over it in an airplane, and you know what it means to us. If we do those things all over the United States, I would not object. My community will object very seriously, and I will object very seriously unless it is done all over the country.

Senator MALONE. Mr. Chairman, I might say what I just neglected to say, that apparently with the \$4 billion this year we will have spent over \$70 billion in Europe and Asia now since World War II in things and doing things which you object to being done here. So apparently what you are trying to do is to carry on the principle started under the Roosevelt administration, carried through the Truman, and now through ours, to do everything for foreign nations, building their schools, their roads, their projects, and write it all off, but stop doing anything for the United States of America. And that is another place where we part company. I have not yet voted for any of the \$70 billion, and I am not about to. I think it is the craziest thing on earth, and I believe that if the people of the United States had seen these projects and know what you are building throughout the world as I and many other members of this committee have seen

them, I think the people would move on Washington. I do not think they would even wait for an election.

Now, that is what you are proposing. You have that in your budget.

Mr. BRUNDAGE. You have asked me—may I ask a question? What is a nonessential Federal expenditure?

Senator MALONE. I do not know of any that is going on right now, if they are being expended and administered properly. The nonessential here is an essential in, we will say, Iran. One hundred million dollars means nothing to you people. You write it off tomorrow. I see France is here now to get another \$300 million. They will get it without a doubt. To do what? Carry on their Socialist government. You do not ask them what they are going to do with it. What these people do, fight for leadership to get this money, so that the top people get it.

They have just had a little upset in Venezuela. They would not be fighting for this ownership so much if there was not so much American money.

I have been all over Venezuela. I went out on Maracaibo Lake, went up to Bolivar Mountain, where they are whittling off the iron from the top; out to the manganese deposits; I have been to every nation in the world, and I have seen these things you are doing. And I want to tell you they are an insult to human intelligence. But you want to substitute these programs all over the world for, say, keeping up our schools, where you send in this thing double and triple and make the population 10 times as much as it was before so that the local taxpayers cannot do it; you would take it away from them and put it in Guam or some other seaport, and you do not even know what they are doing with the money. You cannot know.

I do know what they are doing with it, because it took me 11 years to visit all these places, everyone of them. And they were not social calls.

Senator ANDERSON. Mr. Chairman, I had intended when we got down to questioning on these schools and Hill-Burton funds, and so forth, to call Mr. Brundage's attention to a story in the Washington Sunday Star of January 19: "Russia's Syrian Deal is Model of Efficiency." All these things that Russia is doing for Syria are the things that we want done in the United States for communities that are in real trouble. And I am just hopeful that our Government could do as well by our people as Russia is going to do by the Syrians.

It is pretty hard to talk about stopping the Hill-Burton funds to schools and other things in areas where this sudden impact of population has produced problems that the local community cannot solve. The mayor of the local community for Grants, N. Mex., has phoned my office time after time when I was in New Mexico this summer, saying, "We cannot get it done, you fellows are so smart in Washington, come out and tell us what we can do to keep these schools open."

There is no easy answer to it. They cannot build houses, because the uranium mills' proposal is to mill all this ore in 7 years. You cannot get an FHA loan and amortize it in 7 years. And they have had very difficult situations.

I believe the Bureau of the Budget should take those problems in mind and talk about these reductions and look for reductions in areas where I think there are very substantial reductions possible. As I say,

the order to build a type of shell for which there is no gun, the gun being in mothballs and probably never to be revived, is the type of waste I think we can well do without.

Senator MARTIN. Yes, there is much of that.

The CHAIRMAN. Mr. Brundage, now you understand what the committee wants? We want one column of the savings that you are making through more efficient administration etc. And in this respect, you, of course, recognize your responsibility. You are asking Congress to appropriate \$72.5 billion in new spending authority to be added to \$70 billion remaining unspent in old appropriations. But the actual spending of that money is in the executive branch of the Government, and there lies the responsibility for efficient and economical administration through which great savings that can be made independent of any legislation on the part of Congress.

We first want to know how much you have reduced this budget as compared to last year's budget by savings through efficiency and economy, which you have the power to require. And then, secondly, the savings that you recommend which require legislation. We want these savings itemized.

Mr. BRUNDAGE. Could I ask your interpretation—and I am doing this in all seriousness—as to what is a nonessential Federal expenditure?

The CHAIRMAN. I would say first it is an expenditure that is not incumbent upon the Federal Government.

Mr. BRUNDAGE. By law?

The CHAIRMAN. By law or otherwise.

While we are on this subject, let's take a moment to look at the governmental structure in this country. In addition to the Federal Government, there are 48 State governments, and some 3,000 local governments. Under our system, these State and local governments have definite responsibilities. And, with very limited exceptions, such as the emergency situation mentioned by Senator Anderson, for instance, Federal overlapping is nonessential.

When I came to the Senate, in the middle of the depression when we had all sorts of emergency agencies, there were 23 programs through which the Federal Government was paying \$1.8 billion a year to States and individuals. Now there are 85 of those programs, and through them the Federal Government is spending \$6.5 billion.

I ask you to consider this increase against the background of the colossal Federal debt with which we are wrestling, along with other aspects of the Federal fiscal situation.

When I came to the Senate the Federal debt was \$16 billion. Now it will be \$280 billion if this bill is passed. When I came to the Senate our Federal tax bill was \$4 billion. Now you are asking Federal tax collections totaling \$74.4 billion.

Senator JENNER. Well, Mr. Chairman, are you eliminating the foreign aid and economic aid in your statement to Mr. Brundage?

The CHAIRMAN. I regard foreign economic aid as an area where there are tremendous nonessential expenditures, but in view of conditions confronting us, we must make heavy military expenditures for the protection of these foreign nations as well as ourselves.

We have spent, as you know, \$62 billion on foreign aid, military and economic. I know much has been wasted in the most extravagant way. I went over to Denmark, and learned that we had given \$100

million to Denmark to pay on its public debt. Now, do you regard that as an essential expenditure?

Mr. BRUNDAGE. Well, I do not know the details.

The CHAIRMAN. That is a fact.

We gave to Denmark \$100 million to pay on its public debt, and we added it to our public debt. There is no question about it. I saw the records in Copenhagen.

Now, these are some examples in response to your question. And let me say, further, to you, sir, that there is inefficiency and extravagance and duplication of effort all through the Government. I think you will agree with me. There is a great deal of it, especially in the military branch.

Mr. BRUNDAGE. We have certainly been working to eliminate that.

The CHAIRMAN. We want a statement of what you have done in all areas. We want your action translated into dollars and cents so we can see what you have saved. The military is infiltrated with waste. It is naturally a wasteful operation, I understand that. And I am for a strong military defense, directed in the proper fashion. But we must put first things first, and that goes for the military. I do not think you will deny that there is great extravagance through all the branches of Government.

I do not say that it can be run like a private business. I have never argued that. But I think a lot of this waste can be cut out, and it is incumbent upon administrative officials to do it.

When we define nonessential Federal expenditures, we might properly include whole programs and projects, but the definition should not be limited to entire items. There may be considerations of degree.

I will illustrate with a personal example. Automobile transportation is essential to me for proper attention to my duties in Washington and my responsibilities and business in Virginia. But, Chevrolet transportation is completely adequate. I drive a Chevrolet. Cadillac transportation would be nonessential. I don't own a Cadillac. A Cadillac would cost three times as much initially, and then it would cost three times as much to maintain and operate. The difference in the cost of using a Chevrolet and using a Cadillac would be a non-essential expenditure.

There are a great many Chevrolet activities in the Federal Government riding around in chauffeured Cadillacs.

Now, if that answers your request for my interpretation of non-essential expenditures, I would like to return for a moment to the subject of foreign aid.

When the Marshall Plan was proposed, we were told that it was a 4-year operation limited to some \$15 billion. We had the assurances of those in authority that it would expire in 4 years. Here it is extended for years and years. It was started in 1946, was it not?

Mr. BRUNDAGE. Yes.

The CHAIRMAN. I think it was.

Senator ANDERSON. No; 1947.

The CHAIRMAN. 1947. Now it has gone 11 years, and apparently it is a permanent part of the budget of this country.

Senator MALONE. Mr. Chairman, right around that while you are on it.

The CHAIRMAN. I could elaborate further, but I think I made myself clear.

Senator Malone.

Senator MALONE. You are talking about Secretary Dulles sitting right there the last time \$4 billion went through and said, "This must be a permanent program."

I might also mention just one other thing. We have been keeping West Germany in the style to which they would like to become accustomed, and a year ago they loaned to the World Bank at 4 percent interest \$100 million in gold that we had given them already. I do not suppose you know anything about that. You would have no way of knowing. That is what I mentioned earlier in the game. But somebody must know something about it in the administration. I doubt if it is the fellow that is the head of ECA. I do not think he knows anything about it. They change them every 2 years.

Mr. BRUNDAGE. There is no aid going to West Germany now.

Senator JENNER. Maybe we can get something from them.

Senator MALONE. We gave them plenty of aid. So they loaned it back at 4-percent interest.

You see, you are a little late in catching up with it. This is a year ago. But you still have \$4 billion in this thing for aid, do you not? I think it is nearer \$70 billion that we put out to these nations.

Mr. BRUNDAGE. Nothing but military aid for Europe, I believe.

Senator MALONE. What is the \$300 million that France wants now? They just sent a good friend of mine over here. I met him when I was there in 1947—a Frenchman, and a smart one, smarter than any one we will get in government, I will guarantee. And he will get the \$300 million, I will guarantee. Why I cannot tell you.

Mr. BRUNDAGE. We have nothing in the budget for it.

The CHAIRMAN. Mr. Brundage, is it not true that about half of the Federal expenditures each year are paid out of balances in appropriations enacted in some prior year?

Mr. BRUNDAGE. Well, they use up the previous appropriation first before they go on the current.

The CHAIRMAN. I understand, but I mean to show that the control of the expenditure budget—

Mr. BRUNDAGE. Yes.

The CHAIRMAN. Has passed from Congress to the executive branch. Is it not true that up to half of the expenditures in fiscal year 1959 will be made from appropriations which are not before the appropriation committees and Congress this year?

Mr. BRUNDAGE. That is about the proportion.

The CHAIRMAN. So, therefore, the Congress has practically lost control of the annual rate of expenditure. And that makes it more incumbent upon the executive branch to cut the waste and inefficiency.

Senator JENNER. Mr. Chairman, has the Congress not lost control of the budget? The responsibility belongs on the Congress. That is one of the powers that we still have. We have not given it away. That is the control of the purchases. And it is up to us to exercise our authority and stop this foolishness. We cannot go on this way. There is no need to harangue the executive department of Government. They might click here, there and beyond, but we buy this stuff, and we have been buying it year after year. And it is our fault, and we can stop it and nobody else can.

But I do not want to see a bill like this. It do not know the details of this. I do not want to see a bill like this railroaded through this

committee and rushed onto the floor, as a great emergency. We have been living with panic buttons ever since I can remember; it is one emergency after another.

But I again reiterate my simple statement: It is awfully bad to be broke and awfully bad to be dead, but it is worse to be both.

The CHAIRMAN. Just one word about these unexpended balances. I think they constitute one of the greatest obstacles to a more efficient expenditure of the funds appropriated. This loss of annual expenditure control by Congress began in 1946; no, I suppose it was before that.

Senator KERR. That was when we lost control of Congress.

The CHAIRMAN. Previously we were appropriating mainly on a current and contract basis. For long-term projects we would make a contract. For instance we would contract for a battleship and we would appropriate the yearly payments on that battleship. Congress had a chance each year to go over it and see if they wanted to continue to build that battleship. This practice was replaced by the policy of appropriating in full in advance. I think the Congress did it. I do not think the administration had any responsibility for the change. It was done by the Congress and originated in the House, if I am correctly informed. There it was decided that it would be more economical to appropriate the full amount in advance for multi-year projects like airplanes and battleships, and so forth, even though they would not be constructed during the year in which the appropriation was made. That is the way it started. It has grown and grown until now we have approximately \$70 billion of unexpended balances, and we appropriate \$72.5 billion more, or would under this budget.

And that makes it more important, because it makes available for expenditures actually about some \$140 billion, so far as appropriations plus balances are concerned.

I am right about that; am I not? There would be total authorization for Federal agencies to spend \$140 billion, if it were physically possible to do it?

Mr. BRUNDAGE. Well, our proposals for 1959 indicate that \$49.7 billion will be out of new obligational authority requested, and \$24.3 billion out of balances for prior authorizations.

The CHAIRMAN. It is one-third.

Mr. BRUNDAGE. And let me say also that I have supported, as you know, bill number S. 8002 which would, I think, help to bring control of expenditures back.

The CHAIRMAN. I know you have. I would like to add to what Senator Anderson said that the Senate three times passed a single appropriation bill and provided in that bill for a limitation of expenditures so they would know exactly what they were authorizing to be expended annually, but the House has never agreed to it. We need a fundamental reform, it seems to me, of our whole budgetary system; you will agree with that?

Mr. BRUNDAGE. I should know. I have been working on that for a number of years and strongly believe in what Senator Martin says.

The CHAIRMAN. We should have one bill before us; then we could add up the totals; and we could put the expenditure total alongside an estimate of revenues in the bill so we would know what we were doing. As it is now, Congress does not know whether they are voting for a budget in balance or out of balance.

Mr. BRUNDAGE. I agree with that very strongly.



The CHAIRMAN. Appropriations bills come up at different times, and at no one time can they be consolidated to show the overall picture. In addition, they are in terms of appropriation, not annual expenditures.

Senator MALONE. Mr. Chairman, I have a letter here from Carl Hayden, enclosing a copy of a letter that he has written the chairman that has to do with the post office. If it is not a part of the record, I will ask that it be made a part of the record.

The CHAIRMAN. Without objection, it will be made a part of the record.

(The letter of January 24, 1958, from Senator Carl Hayden to Senator Byrd, is as follows:)

UNITED STATES SENATE,  
COMMITTEE ON APPROPRIATIONS,  
January 24, 1958.

HON. GEORGE W. MALONE,  
*United States Senator,  
Senate Office Building, Washington, D. C.*

DEAR GEORGE: I trust that you may agree that there is some merit in my letter to Senator Byrd, a copy of which is enclosed.

Yours very sincerely,

CARL HAYDEN.

UNITED STATES SENATE,  
COMMITTEE ON APPROPRIATIONS,  
January 24, 1958.

HON. HARRY F. BYRD,  
*Chairman, Committee on Finance,  
United States Senate, Washington, D. C.*

DEAR HARRY: The fact that your committee must give consideration to the bill, H. R. 9955, to increase the public-debt limit by \$5 billion, impels me to point out that nothing of that kind would have to be done if the operations of the Post Office Department had been financed on a break-even basis during the past 12 years. Instead, that Department has incurred the following deficits each year:

1946-----	\$129, 000, 000	1953-----	\$650, 000, 000
1947-----	206, 000, 000	1954-----	399, 000, 000
1948-----	277, 000, 000	1955-----	363, 000, 000
1949-----	577, 000, 000	1956-----	464, 000, 000
1950-----	545, 000, 000	1957-----	522, 000, 000
1951-----	565, 000, 000		
1952-----	720, 000, 000	Total-----	5, 400, 000, 000

I have listed these figures for two purposes:

1. To show that if these deficits had not been incurred your committee would not be required to recommend the enactment of H. R. 9955.

2. To express the hope that the members of your committee may join with other Senators to insure that hereafter the Post Office Department will be authorized to collect sufficient postage to pay its operation expenses.

Unless this is done, the indications are that, depending upon the cost of proposed pay increases, the deficit for the present fiscal year could be anywhere from \$700 million to \$900 million.

Yours very sincerely,

CARL HAYDEN.

Senator MALONE. Mr. Chairman, in the absence of a chance to question Mr. Anderson, I would like to have included as a part of the record the summary I made last year following my examination of former Treasury Secretary George Humphrey, which covers the field, and have it appear following the Secretary of Treasury's testimony.

The CHAIRMAN. Without objection, that will be done.

Senator MALONE. Now, Mr. Chairman, I will also ask permission to amend the record so that I can make a summary statement, if that is all right with the chairman.

The CHAIRMAN. That is satisfactory.

Senator MALONE. I am glad that the chairman is sending Mr. Brundage back to bring in something that may be at least real and beyond that which was in his speech this morning.

Now, everyone knows that we will be fighting the next war in the air and under the sea, with radar and with long-range planes. Right at this moment the American hemisphere can be defended from North America.

If they wanted to save that \$15 billion by just stopping nonessential expenditures and take \$5 billion of it and put it into long-range planes (such as the B-52) and into missile development, the missiles taking the place of the planes wherever and whenever General Twining and the others agree that they should, then you can save \$10 billion and not raise, but lower, the national debt and lower the taxes.

However, if the Congress votes this time for the \$4 billion or \$5 billion foreign aid on top of the other useless expenditures, extends a free import bill, makes money available to continue to finance organizations and individuals to go abroad and send this stuff back, then the Senators and Representatives, themselves, are contributing to the downfall of the United States of America.

There is no need to retain Mr. Brundage, as far as I am concerned, with his testimony. If we took all of his recommendations, it has all gone in the first bill that he would give foreign nations in the same recommendation; therefore, I think they are really unimportant.

(The remarks subsequently made by Senator Malone, as amended, are placed in the record following the interrogation of the Secretary of the Treasury, in accordance with permission granted by the chairman. See p. 94.)

The CHAIRMAN. The committee is adjourned subject to the call of the Chair.

(Whereupon, at 12:15 p. m., the committee adjourned.)



## DEBT CEILING INCREASE

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TUESDAY, FEBRUARY 4, 1958

UNITED STATES SENATE,  
COMMITTEE ON FINANCE,  
*Washington, D. C.*

The committee met, pursuant to recess, at 10:15 a. m., in room 312, Senate Office Building, Senator Henry Flood Byrd (chairman) presiding.

Present: Senators Byrd, Kerr, Frear, Anderson, Martin, Williams, Jenner, Malone, Gore, and Bennett.

Also present: Elizabeth K. Springer, chief clerk.

The CHAIRMAN. The committee will come to order.

The committee is continuing its consideration of a bill temporarily to increase the statutory Federal debt limit.

At the previous session, Mr. Brundage, you were requested by the committee to bring in an itemized list of reductions in expenditures and the increases in expenditures. Will you please proceed, sir, with your statement?

**STATEMENT OF HON. PERCIVAL F. BRUNDAGE, DIRECTOR, BUREAU OF THE BUDGET, ACCOMPANIED BY MAURICE H. STANS, DEPUTY DIRECTOR; WILLIAM F. McCANDLESS, ASSISTANT DIRECTOR FOR BUDGET REVIEW; AND SAMUEL M. COHN, CHIEF, FISCAL ANALYSIS**

Mr. BRUNDAGE. Mr. Chairman and members of the committee, in response to your request last Thursday, I am submitting a statement summarizing the changes in expenditures from the fiscal year 1958 to the fiscal year 1959, separating the decreases which require legislation and those which can be made without modification of existing legislation, except action by Congress on appropriations. The analysis shows, separately, both increases and decreases for the various agencies. It was compiled from the budget document. For all agencies except the Department of Defense, we analyzed the appropriation accounts with changes of more than \$500,000; that is, those which would round to more than \$1 million. For the Department of Defense, we analyzed cost categories which are more informative on types of procurement and give approximately the same result in total.

The analysis shows decreases in expenditures from 1958 to 1959 totaling \$3,709 million. The increases from 1958 to 1959 amount to \$4,858 million. Thus, net budget expenditures are estimated to increase \$1.1 billion, from \$72.8 billion to \$73.9 billion.

The total decreases from 1958 which this analysis shows is \$1,715 million greater than the tabulation of \$1,994 million which Secretary of the Treasury Anderson submitted to this committee, for 2 main

reasons. His list excluded major national-security programs, and it was taken by categories from the summary tables. Within these categories, our detailed analysis shows that there were both increases and decreases, which partly offset each other.

Decreases below 1958 requiring legislation are:

Postal-rate increase, which will reduce the postal deficit by \$700 million.

Proposed transfer of the financing of forest and public land highways, \$31 million.

School assistance in federally affected areas, \$7 million.

In addition, as a partial offset to the hundreds of millions we are spending on new airways facilities, legislative action will be required:

To retain in the general fund, rather than transfer it to the highway fund, trust the present tax on aviation gasoline, \$46 million.

To raise that tax to 3½ cents and levy a 3½-cent tax on jet fuel \$16 million.

If our recommendations for modifications in existing programs are not accepted, estimated expenditures for 1959 could be increased by \$175 million for the acreage reserve of the soil bank and \$35 million for school grants in federally affected areas.

All these together add up to approximately \$1 billion, which I referred to last week, in addition to our request for extension of present tax rates for another year.

The reductions below 1958 proposed by administrative actions, or where no legislation is required, are:

Decreased expenditures for defense support in mutual-security program, \$60 million.

Reduced purchases for strategic materials and civil-defense stockpiles, \$180 million.

Decrease in net loans by Export-Import Bank, \$343 million.

Veterans' Administration, direct-loan program ends, \$150 million.

Decline in eligibility of veterans for Korean war readjustment benefits, \$103 million.

Reduction in Agriculture, principally CCC, \$651 million.

Reductions in number of uniformed forces, Defense, \$328 million.

Reduced procurement of conventional weapons, Defense, \$615 million.

Other decreases—they are detailed on the attached statement—add up to \$541 million.

Senator ANDERSON. I would like to understand how they cut this \$651 million to the CCC. I thought they were going to spend more next year, not less.

Mr. BRUNDAGE. There is a little more detail which is attached to the table.

Senator ANDERSON. Will it show, state how the \$651 million is cut?

Mr. BRUNDAGE. That is explained. It is on page 4 of the tables.

The largest reduction, \$432 million is in CCC, reflecting decrease in expected purchases of commodities, and the soil-bank acreage reserve shows a decrease of \$117 million, reflecting decision to terminate the program at the end of the 1958 crop year, and the Farmers' Home Administration loan disbursements are decreased by \$55 million.

Senator ANDERSON. And would it be your understanding that a decrease in the termination of the program in 1958, so they wouldn't

have to pay out their money at the end of this year, would reduce the 1959 fiscal situation?

Mr. BRUNDAGE. Yes.

Senator ANDERSON. I thought it would become effective next fiscal year.

Mr. BRUNDAGE. Well, it will affect 1960 more than 1959, but it would affect 1959 by that amount.

Senator WILLIAMS. The cancellation is supposed to come into effect at the end of the calendar year, whereas the fiscal year runs over until June; is that where the difference is?

Senator ANDERSON. It is all fiscal 1959, is it not?

Mr. BRUNDAGE. But it runs until June of 1959.

Senator ANDERSON. You don't do it on a per month basis. Well, I didn't mean to interrupt the meeting.

Senator MARTIN. Are we going to ask questions. Mr. Chairman?

The CHAIRMAN. I would suggest this procedure to the committee; first, that, we would get a complete itemization of the \$3,709 million. Do I understand that you took as a basis the figures given by the Secretary of the Treasury?

Mr. BRUNDAGE. No; we made it up ourselves.

The CHAIRMAN. These figures which you have given here as itemized don't appear to total \$3,709 million.

Mr. BRUNDAGE. Oh, yes; they do.

The CHAIRMAN. Where is that shown?

Mr. BRUNDAGE. The table is attached.

Senator JENNER. Mr. Chairman, here is an item, for example, "Decrease in net loans by Export-Import Bank," \$343 million. Now, yesterday, I believe, the Committee on Banking and Currency reported out a bill proposing a \$2 billion increase in export loans by the Export-Import Bank; in other words, increasing the authorization from \$5 billion to \$7 billion. Naturally, you couldn't have taken that into consideration.

Mr. BRUNDAGE. Oh, yes, indeed. They figured that, by June 30, 1959, their authority would have been entirely committed. You see, the \$2 billion is an authorization. Now, they estimate that they are going to make loans and collect loans, and this \$343 million is a net figure. And they estimate that, in balance, they are going to collect as much in 1959 as they are going to loan. They expect to loan, I think, something like \$400 million or \$500 million, but they expect to collect on previous loans, you see.

Senator WILLIAMS. If they are going to collect as much as they are going to loan out, why do they need additional borrowing authority?

Senator JENNER. Yes; that is what I didn't understand.

Mr. BRUNDAGE. Well, they have to have authorization in order to make commitments; that is what Mr. Waugh told me. I raised the same question when he asked for it.

Senator WILLIAMS. Is this extension of old authority or additional authority?

Senator BENNETT. It is additional authority.

Mr. BRUNDAGE. It is additional authority. You see, they start negotiating the loans a good many months before they actually establish the credit and make any cash available.

Senator MALONE. What are most of these loans that they make; what kind of loans?

Mr. BRUNDAGE. They are all commercial loans.

Senator MALONE. To whom are they made, what type of people and for what purpose?

Mr. BRUNDAGE. Well, they will loan, we will say, to the Indian railroads to buy locomotives and rails in the United States. They are all dollar loans.

Senator MALONE. It sounds like a wonderful deal, but you go along and cut down for domestic purchases, and so on, so it doesn't make an awful lot of sense to me.

Mr. BRUNDAGE. They are required by law to be for domestic purchases; under Export-Import, they can't buy abroad.

Senator MALONE. Let me ask you this. Aren't they set up principally to loan money, or do they loan money to corporations and people that are going in business in these foreign nations.

Mr. BRUNDAGE. Yes.

Senator BENNETT. They also loan money to American producers who are selling their American products abroad.

Senator MALONE. And how do they sell their products abroad? Do they do it like the Department of Agriculture, for example?

Senator BENNETT. No. Their people are competing in the foreign markets with their products.

Senator MALONE. Let me continue with this question for a while, if you don't mind.

Senator BENNETT. Go ahead.

Senator MALONE. What I want to know from you, now, is what type of loans do they make to people, corporations and others, going in business in foreign countries?

Mr. BRUNDAGE. All kinds of commercial loans.

Senator MALONE. What for? So that they can go in business in these cheap-labor countries and produce not only for the market there but here as well? All the testimony of the Government officials, added up, is that it is going to be our market that they would sell in. They sell this same stuff back here, don't they, that they produce abroad?

Mr. BRUNDAGE. Well, they will buy machinery, all kinds of equipment, and consumer goods.

Senator MALONE. That is true. I know you are only on one side of it, and I am going to have to ask all these questions in order to get the information. For example, they loan money to people in this country to go into the textile business in Japan; is that true?

Mr. BRUNDAGE. Well, they would loan money against the bill of lading for shipments of machinery.

Senator MALONE. That is true. In other words, the best textile machinery; the Export-Import Bank loans to Americans, or anybody else, who take that machinery to Japan and use 17-cent-an-hour labor and ship the textiles back here. Now, is that true or not?

Mr. BRUNDAGE. It is quite possible.

Senator MALONE. So, it sounds very good to have the taxpayers of the United States loaning money to buy machinery in this country, but you stop there. No information ever comes out in this committee unless you take it out with a corkscrew.

What happens after that, when you go into these cheap-labor countries? They get the money; they borrow it from the taxpayers of the United States, American producers, largely, and put it into Japan,

South Africa, any place in the whole world, and use the labor with going wage there, and then, under our free-trade policy, send the stuff back here; is that true, or not?

Mr. BRUNDAGE. I think it is being done, but I think that is better than to buy the machinery in Japan or in England or in Russia——

Senator MALONE. I didn't ask you for your opinion at all. I asked you if that is true.

Mr. BRUNDAGE. Yes.

Senator MALONE. That is all I want to know.

Senator JENNER. What I don't understand is how we get a decrease of \$343 million, and yet the proposed bill that was reported out yesterday increases the authorization for \$5 billion to \$7 billion. I don't quite understand that.

Senator MARTIN. Would the Senator yield there? I think this is very important, because these are questions that we must answer on the floor.

I would like an explanation as to whether it is possible by certain administrative work that it may not all be used.

Isn't that what you are trying to get at?

Senator JENNER. Yes.

Mr. BRUNDAGE. Well, Mr. Waugh could probably give you a more technical answer. But my understanding of it is that Congress gave the Export-Import Bank a certain authorization to go ahead and make loans, and they have quite a lot of loans outstanding, as you know. And in preparing their budget submission to us, they said that, "We are going to run out of borrowing—of loaning authority," and they have to borrow from the Treasury in order to loan, "before we get very far into 1959, so we are going to need more authority." And I said, exactly as you said, "How does that gee up with your estimate that you expect to collect substantially all you are going to loan?"

And they said that, "During this year, that is, during 1958, we loaned more than we collected, because we had this big British loan where they drew down \$250 million, and several other large loans, but we have maturities coming in 1959, so we expect to collect substantially what we anticipate loaning. However, we can't go ahead with our negotiations, with our loan negotiations—and we have to do it from 6 months to a year or 18 months ahead, in order to send the representatives abroad and look into it—unless we have more authority."

Senator JENNER. I can understand the need for additional loaning authority, the \$2 billion, but what I don't understand is how we are going to have a decrease of \$343 million when they say they have to have an additional loaning authority to keep operating?

Mr. BRUNDAGE. This is merely a decrease between the amount of the net loan disbursements which they expect to make in fiscal 1958, and the amount that they expect to make in fiscal 1959.

Senator WILLIAMS. Do I understand that this is just a temporary affair, where they are going to be caught with this jam, and that repayments will come in a little later in the year, and they think they will be back on an even keel later?

Mr. BRUNDAGE. I don't know just how much is outstanding. You see, there is a \$3.2 billion outstanding (estimate for June 30, 1959) in loans on which the interest and repayments will be coming in.

Senator WILLIAMS. How much of a guaranty do you have with them without this last \$2 billion?



Senator FREAR. The present authority is \$5 billion.

The CHAIRMAN. They are going to increase it to \$7 billion.

Isn't that true, that this new authority would be an authorization to spend directly out of debt receipts for additional loans, and once this authorization is enacted, the expenditure is beyond the control of Congress?

Mr. BRUNDAGE. It is the authority to borrow from the Treasury and to make loans; yes, sir.

The CHAIRMAN. It is referred to as spending out of the debt. They can loan up to \$7 billion. Now, what is the total of the loans to date?

Mr. BRUNDAGE. They have, according to this estimate in the budget \$5 billion statutory authority, loans outstanding of \$3.2 billion, and the undisbursed loan commitments are \$1.7 billion, so that comes to \$4,952 million, you see.

The CHAIRMAN. Did the administration advocate the passage of the bill?

Mr. BRUNDAGE. Yes.

The CHAIRMAN. With the new authorization there would be a balance of \$3 billion that the Export-Import Bank could loan.

Senator ANDERSON. \$2 billion.

Mr. BRUNDAGE. \$2 billion.

Senator FREAR. But they have \$1 billion undisbursed.

Mr. BRUNDAGE. That is a commitment.

Senator FREAR. It is a commitment, but undisbursed?

Mr. BRUNDAGE. That is right. \$1.7 billion.

The CHAIRMAN. Let's see if we can get it straight as to whether or not there is any necessity for it. Assuming that your figures here are accurate, and it does not come back to Congress for further check by the Appropriations Committees, they could have outstanding at any one time loans up to \$7 billion if this bill is passed; isn't that right?

Mr. BRUNDAGE. That is right.

The CHAIRMAN. These loans would come out of our Federal debt, so to speak, no matter whether we have a deficit or a surplus, they can pay it out of the debt, is that correct?

Mr. BRUNDAGE. That is correct.

Senator ANDERSON. Could we have how much they had unused last year?

Mr. BRUNDAGE. In reply to Senator Anderson's inquiry, as of June 30, 1957, the end of the last fiscal year——

Senator ANDERSON. How much was committed?

Mr. BRUNDAGE. The authority was \$5 billion still, the loans outstanding were \$2.6 billion, undisbursed loan commitments were \$1.5 billion.

Senator ANDERSON. That is \$4.1 billion?

Mr. BRUNDAGE. So they had just under \$900 million unused authority.

Senator ANDERSON. \$4.1 billion against the ceiling of \$5 billion. What is the situation June 30, 1958?

Mr. BRUNDAGE. We estimate that the loans outstanding will be \$3.1 billion.

Senator ANDERSON. \$3.2 billion you gave a minute ago.

Mr. BRUNDAGE. That is at the end of 1959. \$3.1 billion is June 30, 1958. The undisbursed commitments are \$1.6 billion.

Senator ANDERSON. \$1.6 billion.

Mr. BRUNDAGE. And the unused authority will be \$300 million, and then at the end of 1959, if we don't get this additional authority, the loans will be \$3.2 billion, the commitments would be \$1.7 billion.

Senator ANDERSON. Now, looking at that picture, how do you anticipate a reduction in the debt?

Mr. BRUNDAGE. Well, the actual collections, as I say—

Senator ANDERSON. You and I are both familiar with figures. Your own figures show the debt is going to rise from \$2.6 billion to \$3.1 billion to \$3.2 billion, plus commitments that rise from \$1.5 billion to \$1.6 billion to \$1.7 billion.

If your debts keep increasing, and your commitments keep increasing, how do you make your saving?

Senator JENNER. Apparently they don't need this additional authorization, or they apparently intend to go ahead and spend some money.

Senator ANDERSON. They may need the authorization the way they are going, but when you are increasing your commitments steadily, how can you put in a budget reduction? You can't inflate and decrease at the same time in any books I ever read.

I say, Mr. Chairman, that the commitments go up \$500 million one year and \$100 million the next year in actual loans, and rising, upon their estimates, a hundred million a year each year.

Now, if it is rising steadily, how does it fall, simultaneously? It is like Joshua commanding the sun to stand still. But this commands the sun to stand still and to rise and set at the same instant.

Senator MALONE. Does the Senator from New Mexico remember Lord Keynes' remark, "The more you are—the more you are?"

Senator ANDERSON. I never could understand that.

Senator JENNER. Maybe in this figure representing anticipated collections' they are going to have more collections than loans.

Senator ANDERSON. If so, the level of loans drop.

Mr. BRUNDAGE. May I give you the figures, Senator?

The loan program, that is, for the advancing of loans in fiscal 1958, is \$900 million, and we anticipate collections of \$300 million, or an increase of \$600 million in outstanding loans and commitments, in case it will—

Senator ANDERSON. Those are the exact figures you give us. You said June 30, 1957, \$4.1 billion, and June 30, 1958, \$4.7 billion, so that is \$600 million, which balances with what you gave.

Mr. BRUNDAGE. That is right.

Senator ANDERSON. How does it reduce total expenditures?

Mr. BRUNDAGE. The 1959 figures, the loans are going up, are estimated to go up—of course, this is just a projection—\$766 million, and we are expecting to collect \$395 million, plus interest of \$109 million, and plus recovery of prior year obligations of \$131 million, or a total recovery of \$636 million as against \$766 million.

Senator ANDERSON. So, it would be \$130 million?

Mr. BRUNDAGE. \$130 million, as against the previous year of \$600 million and something.

So, our decrease of 300 is the difference between the net loans we made—we expect to make—in 1958, and the loans that we expect to make in 1959.

Senator WILLIAMS. If I understand you correctly, in answering one of Senator Anderson's questions in connection with the June 30, 1959,

figure, you said that these were estimates based on the assumption that Congress did not approve the extra \$2 billion.

Now, if we approve the extra \$2 billion, will your June 30, 1959, estimate change?

Mr. BRUNDAGE. No; we took that into consideration. Actually, they don't expect to use that up before June 30, 1959, but if they are going to stay in business, they have to make these exploratory commitments, you see.

Senator WILLIAMS. May I ask this question. As of this moment, how much of this \$5 billion did the Treasury put up?

Mr. BRUNDAGE. As of today, I would think that it would—I think that they have already made the payment on the British loan. I would say probably all but \$500 million, they probably put up \$4.5 billion, including undisbursed commitments which are charged against the \$5 billion authorization.

Senator WILLIAMS. They put up about \$4.5 billion, and you are going to have to put up the other \$500 million later, during the fiscal year?

Mr. BRUNDAGE. No; we only anticipate another \$200 million between now and June 30 in cash, but we anticipate that we will be committed, you see, by June 30—

Senator WILLIAMS. But in 1959, you will have to put up how much?

Mr. BRUNDAGE. We think that we will use up practically all of our uncommitted authorization.

Senator WILLIAMS. You will have to put up \$50 million between now and the end of 1959?

Mr. BRUNDAGE. If we are going to stay in business, we have to make commitments beyond that.

Senator WILLIAMS. That gets back to Senator Jenner's question, which I can't understand either. If from today until the end of fiscal 1959, you are going to have to put up additional \$500 million, how can you save \$343 million? I just can't understand it.

Senator MALONE. More debt.

Senator WILLIAMS. If you are going to have to put up an additional \$500 million in the next 15 months, how can you save \$343 million during the same period?

Mr. BRUNDAGE. Because we expect to have collections.

Senator WILLIAMS. Then you are going to have to put up the \$500 million in addition to the collections? I am speaking from a Treasury standpoint, not from the standpoint of the Export-Import Bank, from the Treasury Department standpoint, they are expecting to put up an additional \$500 million; is that correct?

Mr. BRUNDAGE. Yes; but they are getting collections.

Senator WILLIAMS. That is \$500 million in addition to collections; isn't it?

Mr. BRUNDAGE. They are collecting altogether on loans about \$400 million, and interest of \$100 million, and recovery of prior obligations of \$130 million, so altogether, they collect \$636 million, which will become available during fiscal 1959.

Senator WILLIAMS. Yes; but you are still going to have to put out additional money.

Senator ANDERSON. Mr. Williams, I know, is a very good businessman. You are an auditor, are you not, Mr. Brundage?

Mr. BRUNDAGE. Yes.

Senator ANDERSON. It is not fair to say that the terminology you used is completely incorrect when you say "decrease in net loans." I think I understand what your figure is. Ordinarily we increase \$500 million a year. This year, we are going to increase \$130 million, therefore, the investment of what we might ordinarily call venture capital is smaller this year than it was last.

Mr. BRUNDAGE. Yes.

Senator ANDERSON. It wasn't a decrease in net loans?

Mr. BRUNDAGE. It is a decrease in net loans made.

Senator ANDERSON. No; it is decrease in expansion of loans; is it not?

Senator WILLIAMS. It is decrease in comparison to what you have been doing in previous years.

Senator ANDERSON. Previously we have been jumping at the rate of about \$500 million a year, but next fiscal year, we are going to jump only \$132 million, so that is \$343 million less than the year before.

Mr. BRUNDAGE. I think that is correct.

Senator ANDERSON. But it isn't a decrease in loans.

Mr. BRUNDAGE. Loans made.

The CHAIRMAN. How much do you estimate the Export-Import Bank will draw from the Treasury?

Senator ANDERSON. It really is not a decrease in net loans.

Mr. BRUNDAGE. In new loans—no, that wouldn't—in net loans made would be better.

Senator MALONE. I would like to ask you, are these Mr. Waugh's figures which were submitted to you?

Mr. BRUNDAGE. Yes.

Senator MALONE. Is Mr. Waugh the same one that used to work for the State Department?

Mr. BRUNDAGE. He was Economic Assistant Secretary.

Senator MALONE. And he is the same one that they sent to Geneva to work on GATT and make reductions in the United States tariff so that we would further divide the American market with the foreign nations; isn't he?

Mr. BRUNDAGE. I don't know that. He was a banker in the Middle West before he came down here.

Senator MALONE. I don't know what he was before he came here, but he has never made any sense since he has been here, and I am trying to ask you if he is the same man that started with the State Department, and also gave the same kind of testimony that you are giving now, and then was sent to Geneva to work on multilateral trade agreements to further divide American markets with foreign nations on the theory that the less markets of our own we have the better off we are.

Mr. BRUNDAGE. I haven't kept track of what he did, but he was Assistant Secretary of State for Economic Affairs.

Senator MALONE. Then he is the one, and therefore, I am not surprised at the figures that they have given.

Now, this is the same thing. This intrigues me, the phrases that you folks cook up, "exploratory commitments".

Now, what do you mean by "exploratory commitments"?

Mr. BRUNDAGE. Well, if any bank is approached by customers for a loan, and he says, "I would like to borrow for a certain project,"

then the bank has to investigate it. When you make a loan in a small town in this country, all of the information is readily available. When it is dealing in business abroad, it is a lot more complicated and takes more time. But it is the same type of thing.

Senator MALONE. In other words, it takes more time for this bank to determine if you loan money to a corporation here to go in business abroad, it takes a little more time to figure out whether he can use that \$2 labor and produce the goods and send them back here cheaper than you can make the goods here. It takes a little time for that; doesn't it?

Mr. BRUNDAGE. Well, it takes time to explore the project and see if it is a good business risk.

Senator MALONE. I understand that. Now, then, the State Department has been in the habit of making commitments of loans and gifts to foreign nations, and then they come down to Congress with these loans and gifts already promised, and they just say, "Well, if the Congress doesn't support us, of course, our foreign relations would deteriorate." So, this is about the same thing. What we have to do is give them authority to go ahead on a \$7 billion basis instead of a \$5 billion basis.

Mr. BRUNDAGE. Well, it is a sound basic banking operation, as against a grant or soft loan.

Senator MALONE. Of course it is sound, because you say it is, and because the State Department says it is. But we have sat here for 12 years and watched the national debt almost double, and all of you are making money. Sometimes it is a little hard to figure out how you are making money and still come back for a debt limit raise about every 2 or 3 years—come back for more money. A bank that is making money pays dividends, they don't come back for more money.

Mr. BRUNDAGE. They are paying interest to the Treasury on their borrowing.

Senator MALONE. Yes, of course, but they don't pay any money back. It seems kind of odd.

Mr. BRUNDAGE. It is cash, but then it goes out in new loans, because business all over the world is expanding.

Senator MALONE. Of course. And of course you have to expand this business so that these American corporations can go to these nations where the labor is about 10 percent up to 30 percent of what it is here, and then with the low water transportation and the very low duties and tariffs now, they can ship the stuff back here and throw the American workingmen out of jobs and destroy the American investments. Doesn't it work that way, too?

Mr. BRUNDAGE. Well, that isn't the way I would describe it. We have the capital just now, just like England had the capital when we were a colonial country, and I suppose when they sent capital over here we competed with the people back in England.

Senator MALONE. I am glad you brought that up. We were a colonial nation, and they wouldn't allow us any manufacturing in 1776. We thought we broke away from that, but now we are back in the colonial deal again, and there is where the free ride and the funny business comes in, from London. I don't think Russia is the danger. I don't think the State Department goes home at night without calling London. So, you are loaning all this money to these

cheap-labor countries to make this stuff and bring it back here. And all you have to do is look at your figures, look at textiles and machine tools and minerals and **all** the rest of them. The only ones that are working are the ones where we are spending \$44 billion a year for national defense to keep up the economy. All you have to do is to read the New York Times and all the rest of them and they will say, "You must have this money to keep up your economy." But the further you go with that principle, the tougher it is for the working-man and the investor of America.

All I am trying to do is get you to say what you believe. You are a part of this outfit and what you believe you have a right to believe. And Mr. Waugh is a part of it. Lord Keynes was a part of it. And now we wake up with a \$300 billion debt, with all the private debt in the U. S. double, and we are richer than we have ever been. The only thing is that we don't realize our throats have been cut. We just haven't tried to turn our heads any lately. And one day we are going to take a nose-dive that will make that 1929 one look like a baby, with all of your money invested in foreign nations and the foreign nations have got our market which they now have, and your estimates for \$2 billion to expand that situation.

Now, you have three other organizations, you have a World Bank, International Bank, one of them organized by Harry Dexter White. Altogether there are four organizations.

We finance the Export-Import Bank entirely. The other 3 we finance 36 percent—you check this and see if I am right. But we put in the only real money. We put in the dollars, they put in that funny paper, overpriced in terms of the dollar. So, what we are doing is financing four organizations to destroy our own investments in the United States of America. And you are coming back here asking for \$2 billion more. And, of course, your explanation makes about the same amount of sense Mr. Waugh's used to make when he came down and said, "We ought to divide these markets further, because we will be richer."

And now, Mr. Waugh is at the top of this bank, isn't he?

Mr. BRUNDAGE. He is president of the bank.

Senator MALONE. I am glad to know where he is.

Senator MARTIN. If Senator Malone is through, there are some things that I think ought to be clarified.

On page 3, you say—

The CHAIRMAN. I would like to ask one more question.

Senator MARTIN. Yes, I am sorry.

The CHAIRMAN. Have you got a list of the loans of the Export-Import Bank?

Mr. BRUNDAGE. I don't have the detailed loans, no, sir.

The CHAIRMAN. Could you furnish the committee with a list of these loans?

Mr. BRUNDAGE. Outstanding as of last June or today, or what time?

The CHAIRMAN. As of today. And likewise, a list of the commitments.

(This information is incorporated in the data subsequently submitted by Mr. Brundage which appears on pp. 260-386.)

And then, I would like to ask a question about this last loan to Great Britain. That was made suddenly, was it not?

Mr. BRUNDAGE. Oh, the credit was granted a year ago, I think.

The CHAIRMAN. And the total credit was how much?

Mr. BRUNDAGE. It was \$500 million.

The CHAIRMAN. And what was the reason for that loan?

Mr. BRUNDAGE. Well, it was to support—they were having a run on sterling, as I recall it.

The CHAIRMAN. I understood it was an emergency. Because I happen to know that they called on us in December suddenly for the \$250 million, that is correct, isn't it?

Senator FREAR. You granted them it, the Export-Import Bank granted a \$500 million loan on which they have drawn \$250 million?

Mr. BRUNDAGE. That is correct.

The CHAIRMAN. And then, they called suddenly for the balance of it?

Mr. BRUNDAGE. No, they haven't called for it.

Senator WILLIAMS. They have called for half of it?

Mr. BRUNDAGE. They have only drawn half of it; yes, sir.

The CHAIRMAN. They have only drawn half of it. But didn't they want the total amount in December?

Mr. BRUNDAGE. No.

Senator BENNETT. That was the first drawing, Mr. Chairman.

Mr. BRUNDAGE. That was the only drawing that they have made.

The CHAIRMAN. I have got it very definitely that they desired the total amount at that time to help the sterling bloc, to maintain the value of the English pound. Now, do you think that is a proper—

Mr. BRUNDAGE. There was some discussion, but they only took half of it.

The CHAIRMAN. Do you think that is a good bankable loan?

Mr. BRUNDAGE. I do, from what I have heard of it.

The CHAIRMAN. To make loans to other countries in order to maintain their currency?

Mr. BRUNDAGE. Well, it is a loan against pledged British wealth.

The CHAIRMAN. Is that the type of loan that we have been making? Take France, where the franc has gone down so much, and other countries, are we loaning those countries money in order to stabilize their currency?

Mr. BRUNDAGE. Well, there is an outstanding French loan, but we haven't loaned France, I don't believe, anything last year, and are not proposing to loan them anything new.

(Mr. Brundage later supplied the following information:)

One loan commitment to France for \$46 million was made in the calendar year 1957, but no disbursements were made against it. This loan was to Air France; it was not made for the purpose of stabilizing the French currency.

The CHAIRMAN. Who finally passes upon these loans, the Export-Import Bank?

Mr. BRUNDAGE. There is a committee, and then it goes before the National Advisory Council, which is chaired by Treasury.

The CHAIRMAN. Who has the final approval?

Mr. BRUNDAGE. They have to be approved by the National Advisory Council, which, as I say—

The CHAIRMAN. What is the National Advisory Council?

Mr. BRUNDAGE. Well, it is an interdepartmental committee, it was chaired by the Treasury, it was represented by State.

(The material requested is as follows:)

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. secs. 286, 286b), approved July 31, 1945, which provides that "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 established in 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, the President of the Export-Import Bank of Washington, and during such period as the Foreign Operations Administration shall continue to exist, the Director of the Foreign Operations Administration."

Senator ANDERSON. Would it be possible to find out that the reason Britain only got half of it was because we only had half? You couldn't loan \$500 million on top of \$4.9 billion, could you?

Mr. BRUNDAGE. We have given the credit out of the \$5 billion authorization.

Senate BENNETT. May I comment to my colleague from New Mexico that the full \$500 million is calculated in the commitments which add up to the \$4.9 billion.

Senator ANDERSON. In the \$1.7 billion? So it is already in there.

Senator WILLIAMS. That is my understanding, and that leads up to the next question, which was on my mind before. The Treasury is committed to furnish this money if they call for it?

Mr. BRUNDAGE. That is right.

Senator WILLIAMS. And then, after they furnish it, it becomes a part of the national debt?

Mr. BRUNDAGE. That is right.

Senator WILLIAMS. Now, forget for the moment all about the question for the additional \$2 billion. How much more call can be made on the Treasury to meet this \$1.7 billion of commitments? Does that mean, assuming we stop as we are, that they are committed for the \$1.7 billion, that you would have \$1.7 billion to put up during the next 15 months?

Mr. BRUNDAGE. If it was all called, yes, we would; yes.

Senator WILLIAMS. You are operating on the assumption that it will be called—you said it was \$4.9 billion—it will be committed as of June 30, 1959?

Mr. BRUNDAGE. It will be committed, but I don't think it will be all called.

Senator WILLIAMS. You don't think it will be disbursed at one time?

Mr. BRUNDAGE. No.

Senator WILLIAMS. Do you think that a very great percentage of it will be disbursed?

Mr. BRUNDAGE. I might say it is a line of credit. Well, they estimate as closely as they can, based on the calculation for each individual credit line, just how it is going to be drawn down, and that is how we make up our statement.

Senator WILLIAMS. Based upon that estimate, do you think they need to build additional credit?

Mr. BRUNDAGE. I think it is a wise thing to give it to them, yes; I don't know whether they need to build \$2 billion or \$2.5 billion or



\$1.8 billion or anything like that, but I think it is a wise thing, if you think it is a good program, if you want to keep them in business, I think we ought to give them \$2 billion.

Senator WILLIAMS. Forgetting for the moment whether it is a good program or not, I am speaking about the needs of the program; based on the estimates of June 30, 1959, they wouldn't be using any of this additional \$2 billion—and that is based upon their own estimates—and if they won't be needing any of that 15 months from now, why give them an additional \$2 billion at this time?

Mr. BRUNDAGE. Because they can't negotiate any loans if they are at the end of their authority; they have to stop.

Senator WILLIAMS. They can negotiate on the basis that payments are coming in faster than they are paying out, can't they? A lot of people in business have to negotiate on the basis of incoming revenues.

Senator MALONE. But they couldn't make a definite commitment without us making it higher first. And I think that is what Mr. Waugh is after.

Mr. BRUNDAGE. They feel that they cannot negotiate unless they have more flexibility.

Senator WILLIAMS. When you furnish the chairman's list of loans, can you put on there the date the loans were made, and, where they are delinquent, the extent?

Mr. BRUNDAGE. Surely.

The CHAIRMAN. And, Mr. Brundage, will you also state the justification for the loan. Now, the justification for the British loan, as I understand, was to help stabilize if possible the British pound; is that correct?

Mr. BRUNDAGE. Yes.

(This information is incorporated in the date subsequently submitted by Mr. Brundage which appears on pp. 260-386.)

The CHAIRMAN. Is that a policy of the Export-Import Bank? You take in a great big territory when you start to stabilize the currency of the nations, especially nations that heretofore haven't paid their debts to us.

Senator JENNER. I didn't think, Mr. Chairman, the Export-Import Bank made loans to governments; I thought that came from the International Monetary Fund.

The CHAIRMAN. But it has made this loan to Great Britain.

Senator FREAR. I don't know whether this will throw any light on it or not. I agree with what you and the Senator from Indiana have said; I don't think it is the policy of the Export-Import Bank to loan under such circumstances, but I believe in this instance the loan was made to England at the request of the State Department to make this loan. And the only money that was available apparently at that time was in the Export-Import Bank, and they called upon the Export-Import Bank to make the loan, and for that loan there are British securities to secure the loan that are held in this country.

Senator JENNER. Following that same line of reasoning, why wouldn't it have been the proper loaning agency to go to the International Monetary Fund and have all the nations chip in and increase that fund and loan to the British—

Senator FREAR. I am not on the witness stand, I just wanted to throw a little light on this. And I wanted not to justify it, but to tell you that the Export-Import Bank didn't seek this loan, but they were requested to make the loan.

Senator MALONE. This will be the same thing as the \$3.75 billion that we gave England in 1946 and the \$4 billion or \$5 billion since. The whole record of Government for 25 years is, wherever there is any money approved by Congress, somebody like Waugh has control of it, and they commit it some place outside of this country, so the only chance Congress has is just not to go ahead and give you fellows a chance to spend it.

I know you are sold on an international Socialist deal, that the more they produce over there and bring in here and the more workingmen that are on the street and the more investors that lose their money, the better off we are. Your whole setup would prove that. And I am not through questioning you yet on some of the things that you have here. You wanted to cut down on American production and put it abroad. It has been the policy for 25 years, and Congress has voted for it. They cannot blame you or the President, they cannot blame any one of the three Presidents. If Congress does not vote for it he cannot do it. They cannot divide our domestic markets among all the nations of the world, they cannot divide the cash of the American taxpayers among all the nations of the world, unless Congress votes for it.

Mr. BRUNDAGE. We cannot expand our exports, if we don't either expand our imports or lend money.

Senator MALONE. Your exports, that is what we are paying for. Every hundred pounds of wheat you send to Cuba costs the taxpayers \$1.35, and you call it foreign trade. I could go on, but this is not the place for it. I hope you are back when this matter comes up.

Mr. BRUNDAGE. May I read this paragraph from page 131 of the budget; I think it may throw some light on this question:

From time to time the bank, that is, the Export-Import Bank, is called upon to provide financial assistance to meet emergency situations adversely affecting normal trade between the United States and another country. Such loans may take the form of credit to a foreign central bank or other bank or financial institution to provide dollar exchange for a wide range of United States exports, credits to fund commercial arrearages resulting from dollar-exchange difficulties, or credits to assist in financing purchases in the United States required for reconstruction abroad following a national disaster.

In 1957 a \$500 million credit was authorized to the United Kingdom, secured by collateral, to meet dollar requirements for goods and services to be obtained in the United States.

The CHAIRMAN. What interest is being paid on this?

Mr. BRUNDAGE. The estimate of emergency credit authorizations for 1958 is \$60 million. Emergency credits in 1959 will be financed out of the \$2 billion increase in authority proposed for later transmission.

The CHAIRMAN. Is that to England also?

Mr. BRUNDAGE. There isn't any country defined.

The CHAIRMAN. You said emergency credit estimated——

Mr. BRUNDAGE. No; that 60 isn't England.

The CHAIRMAN. What interest would England pay on this loan?

Mr. BRUNDAGE. I don't know what the rate is.

The CHAIRMAN. Can your staff give it to us?

Mr. BENNETT. Mr. Chairman, that was discussed at the committee yesterday. My memory is that it is 4 percent.

(Mr. Brundage supplied the following information for the record:)

The Export-Import Bank Loan of December 21, 1956, to the United Kingdom carries an interest rate of 4½ percent on the amounts disbursed.

Mr. ANDERSON. Could he submit, Mr. Chairman, the part of the charter of the Export-Import Bank that lets the bank make loans to stabilize foreign currencies?

The CHAIRMAN. I think that is very important.

(The material requested follows:)

In response to this inquiry, the President of the Export-Import Bank has provided the following information:

"We understand that you were asked what power the Export-Import Bank has under its statute to make loans in support of the currency of a foreign country, and that the question referred specifically to our \$500 million credit to the United Kingdom, authorized on December 21, 1956. This credit was made, to use the language of section 2 (a) of the Export-Import Bank Act of 1945, 'to aid in financing and to facilitate exports and imports and the exchange of commodities between the United States or any of its Territories or insular possession and any foreign country or the agencies or nationals thereof,' and this language was incorporated in the loan agreement with the United Kingdom. In other words, this loan was made to finance exports to the United Kingdom."

Mr. ANDERSON. Is that in the powers granted to them?

The CHAIRMAN. Have there been other instances where the Export-Import Bank has made loans to stabilize foreign currencies?

Mr. BRUNDAGE. Well, it was to pay for exports, it said here from this country. I think the French loans were the only ones, I recall; those were several years ago.

The CHAIRMAN. As I recall, the Export-Import Bank was not established to make loans to other countries.

Mr. BRUNDAGE. It was established to encourage exports.

The CHAIRMAN. Are a majority of the loans made to individual firms?

Mr. BRUNDAGE. Yes.

The CHAIRMAN. Mr. Brundage, will you be kind enough, then, to furnish that data as to the loans outstanding, as to the commitments, and, likewise, the losses that have occurred, and the rates of interest, and then add to it what Senator Anderson has just mentioned in regard to the bank's authority to make loans for stabilizing currencies?

(This information is incorporated in the data subsequently submitted by Mr. Brundage which appears on pp. 260-386.)

Senator WILLIAMS. Does the Export-Import Bank pay the Treasury Department any interest on this money that you put out?

Mr. BRUNDAGE. The Export-Import Bank has paid interest to the Treasury equivalent or greater than the interest that the Treasury is paid on its debt from the beginning. And they have a substantial surplus.

The CHAIRMAN. Would you add to that statement the other facilities that overlap, to some extent, the Export-Import Bank? Aren't there several others working in more or less the same field of international banking?

Mr. BRUNDAGE. I will try to cover that.

The CHAIRMAN. Would you be good enough to give the committee a list?

(This information is incorporated in the data subsequently submitted by Mr. Brundage which appears on pp. 260-386.)

Mr. McCANDLESS. The International Bank, the International Monetary Fund, I think, would bear some relation; the development loan fund of ICA is in the same field. And I don't think of anything else. Those are the ones I think of, Mr. Chairman.

The CHAIRMAN. Would you be in a position to furnish the same information for these other banks, Mr. Brundage?

Mr. BRUNDAGE. Could I take the latest available data? I think I probably have the compilation as of the end of December.

The CHAIRMAN. I think it is very important to get a complete and current picture. We are making a very large direct authorization, and we are making a lot of loans, and some of them are soft. We don't know whether they are going to be collected or not, and I think we ought to get a complete picture.

Mr. BRUNDAGE. What I could do is give you the details, as of December, with an account of any substantial changes since then.

The CHAIRMAN. And also the commitments—

Senator FREAR. Mr. Chairman, I think the interest rate which was talked about excludes \$1 billion, does it not? The Export-Import Bank pays to the Treasury the interest at what is the average rate of your 6- to 7-year obligations or 6- to 7-year period, less an interest on \$1 billion; they do not pay interest on the initial \$1 billion.

Mr. BRUNDAGE. That is the capital; yes.

Senator FREAR. The capital; that is right. But they do pay the interest, as you have figured it, on a 6- to 7-year term.

Senator BENNETT. And they do pay dividends on the capital.

Senator FREAR. They pay dividends on the \$1 billion, which is about 2½ percent.

Senator MALONE. Mr. Chairman, do I understand now that you are asking Mr. Brundage to give us the full information on the Export-Import Bank, the International Bank, the International Monetary Fund, and the International Finance Corporation, which are the four organizations that are set up especially to encourage American investments abroad, to manufacture the stuff there with the cheap labor and bring it back into this country? I am very much interested in knowing exactly what you are doing. It is awfully hard to get information.

And one other thing, Mr. Chairman. They all testify to making money, but they all come back for more money. And then they come back as soon as we give them this \$2 billion (and under the questioning of the Senator from Delaware, if they take this credit it is another \$2 billion that the debt limit must go up) and they come in through another man the Secretary of the Treasury, and ask for a bulge in the debt limit. If the Senators vote for this they have no choice—if they vote on the Senate floor to spend the money, as they have in the last 24 years; isn't it just a perfunctory matter to ask for a raise in the debt limit then?

Mr. BRUNDAGE. Well, it is one of the important factors, of course to be considered in the debt limit, but it is not directly related, it is, indirectly related.

Senator MALONE. When Congress says that you may have the money, then what would you do, sit around in this committee and just vote to hold your finger on the snout of the tea kettle while you are building up the fire.

That is the alternative; isn't it?

Mr. BRUNDAGE. You can make a line of credit with restrictions on the dates that you can draw down the loan.

Senator MALONE. That isn't what I asked you at all. If Congress votes for what you are asking for, and they vote for all the appropriations, for \$4 billion to go to Europe and Asia as gifts practically, they

vote to keep this \$15 billion you have been wasting a year in obsolete material for national defense, and then they come in here and show that in order to do what you have already voted for we need a raise in the debt limit. We can either vote for it or sit here and hold our finger on the snout of the teakettle and get it burned off; can't we?

Mr. BRUNDAGE. That is one way of looking at it.

Senator MALONE. In other words, it is just a matter of form that you fellows come in and say, "we want a raise in the debt limit, after we have already voted for the things that make it necessary."

The CHAIRMAN. You understand, Mr. Brundage, what the committee wants is all operations related to the Export-Import Bank, and as full a report as possible on the items.

Now, we have completed the discussion of the other reductions? Are there further questions?

(The material referred to follows:)

#### THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

The International Bank for Reconstruction and Development was established in 1947 in accordance with the Bretton Woods agreement. It is an international agency to make loans for reconstruction or economic development projects in member countries. Loans are made either to member governments or, with a government guaranty, to enterprises.

The bank has 64 members each of whom is represented on the Board of Governors which meets annually. Current decisions are made by the 16 executive directors representing major contributors, or groups of members.

The bank's capital is subscribed by members in general proportion to their economic strength. Two percent of member contributions are in gold or dollars freely available to the bank; 18 percent is in the members' own currencies which may be used only with the consent of the member; 80 percent of the subscription may be drawn by the bank only if needed to cover bank obligations. The bank may and does supplement subscriptions by public or private sale of its own bonds.

As of December 31, 1957, the bank had available for lending, paid in subscriptions of \$756 million in gold or United States dollars and \$564 million in other members' currencies, \$1,269 million proceeds of borrowings, and \$785 million in repayments, sale of loans and other proceeds of operations. Available funds totaled \$3,375 million, of which \$2,547 had been disbursed on loans.

Attached is a copy of a statement of IBRD loans as of December 31, 1957, received from the bank.

# Statement of Loans—December 31, 1957

EXPRESSED IN UNITED STATES CURRENCY

Borrower and guarantor	Loan number	Program or project	Date of loan agreement	Original maturity	Interest rate (including commission)	Original principal amount	Loans not yet effective	Cancellations and refundings	Principal repayments in kind	Effective loans sold or agreed to be sold	Effective loans held by bank	Principal amount disbursed	Unamortized balance of effective loans	
AUSTRALIA	29 AU	Equipment for development . . . . .	Aug. 22, 1950	1955-1975	4 3/4%	\$ 100,000,000	—	—	—	\$ 308,000	\$ 11,280,028	\$ 7,794,000	\$ 88,411,972	\$ 100,000,000
	66 AU	Equipment for development . . . . .	July 8, 1952	1957-1972	4 3/4%	50,000,000	—	—	—	1,000	6,996,000	2,146,000	43,003,000	50,000,000
	96 AU	Equipment for development . . . . .	Mar. 2, 1954	1957-1969	4 3/4%	54,000,000	—	—	—	—	9,118,000	3,352,000	44,882,000	54,000,000
	111 AU	Equipment for development . . . . .	Mar. 18, 1955	1958-1970	4 3/4%	54,800,000	—	—	—	—	10,400,000	—	44,400,000	54,800,000
	155 AU	Purchase of aircraft . . . . .	Nov. 15, 1956	1964-1966	4 3/4%	9,230,000	—	—	—	—	—	—	9,230,000	9,190,509
	156 AU	Equipment for development . . . . .	Dec. 3, 1956	1959-1972	4 3/4%	50,000,000	—	—	—	—	—	—	50,000,000	17,790,762
TOTAL						317,730,000	—	—	—	309,000	37,794,028	13,192,000	279,626,972	317,730,000
AUSTRIA (Guarantor)	102 AUA	Electric power development . . . . .	July 19, 1954	1959-1979	4 1/2%	12,000,000	—	—	—	—	—	—	12,000,000	10,845,771
	144 AUA	Electric power development . . . . .	Sept. 21, 1956	1959-1976	5%	10,000,000	—	—	—	—	182,000	—	9,818,000	6,881,717
	118 AUA	Electric power development . . . . .	June 14, 1955	1960-1979	4 1/2%	10,000,000	—	—	—	—	153,000	—	9,847,000	809,057
	179 AUA	Electric power development . . . . .	Oct. 10, 1957	1960-1979	5 1/2%	3,571,429	3,571,429	—	—	—	Note 1	—	—	—
	149 AUA	Electric power development . . . . .	Sept. 21, 1956	1960-1981	5%	21,000,000	—	—	—	—	—	—	20,733,000	20,621,005
TOTAL						56,571,429	3,571,429	—	—	602,000	—	52,398,000	47,239,436	5,760,564
BELGIUM	14 BE	Equipment for steel and power industries . . . . .	Mar. 1, 1949	1953-1969	4 1/2%	16,000,000	—	—	—	16,000,000	5,000,000	—	16,000,000	—
	48 BE	Belgian Congo Development Plan . . . . .	Sept. 13, 1951	1957-1976	4 1/2%	30,000,000	—	—	—	9,485,000	1,500,000	—	20,515,000	30,000,000
	107 BE	Waterways and port improvements . . . . .	Dec. 14, 1954	1965-1969	4 1/2%	20,000,000	—	—	—	—	—	—	20,000,000	—
	174 BE	Waterway improvement . . . . .	Sept. 10, 1957	1963-1972	5 1/2%	10,000,000	—	—	—	—	—	—	10,000,000	2,082,198
TOTAL						76,000,000	—	—	—	25,485,000	6,500,000	—	76,000,000	32,082,198
BELGIUM (Guarantor)	47 BE	Belgian Congo Development Plan . . . . .	Sept. 13, 1951	1957-1976	4 1/2%	40,000,000	—	—	178	7,050,234	1,999,822	32,949,588	40,000,000	—
	184 BE	Highway construction and improvement . . . . .	Nov. 27, 1957	1961-1976	6%	40,000,000	40,000,000	—	—	Note 1	—	—	—	—
	184 BE	Port and highway development . . . . .	June 26, 1957	1961-1977	5 1/2%	4,800,000	4,800,000	—	—	Note 1	—	—	—	—
	TOTAL					84,800,000	84,800,000	—	—	178	7,050,234	1,999,822	83,464,588	108,082,198
BRAZIL	65 BR	Railway rehabilitation . . . . .	June 27, 1952	1955-1967	4 1/2%	12,500,000	—	—	2,111,000	—	—	—	10,389,000	11,001,918
	73 BR	Highway maintenance and improvement . . . . .	Apr. 30, 1953	1954-1959	4 1/2%	3,000,000	—	18,946	2,100,000	—	—	—	881,054	2,981,054
	92 BR	Railway rehabilitation . . . . .	Dec. 18, 1953	1959-1969	4 1/2%	12,500,000	—	—	—	—	—	—	12,500,000	12,458,692
TOTAL						28,000,000	—	18,946	2,100,000	—	—	—	23,740,654	26,441,664
BRAZIL (Guarantor)	11 BR	Electric power & telephone . . . . .	Jan. 27, 1949	1953-1974	4 1/2%	75,000,000	—	—	3,273,473	4,028,411	3,271,243	67,698,116	75,000,000	—
	11 BR-S	Electric power development . . . . .	Jan. 18, 1951	1955-1976	4 1/2%	15,000,000	—	—	600,000	—	—	14,400,000	15,000,000	—
	93 BR	Electric power development . . . . .	Feb. 24, 1954	1955-1974	4 1/2%	18,790,000	—	—	2,900,000	—	—	16,290,000	18,790,000	—
	23 BR	Electric power development . . . . .	May 26, 1950	1954-1975	4 1/2%	15,000,000	—	—	1,725,680	—	—	13,274,320	15,000,000	—
	64 BR	Com. Estadual Energia Elétrica	June 27, 1952	1957-1977	4 1/2%	25,000,000	—	25,000,000	—	—	—	—	—	—
	76 BR	Electric power development . . . . .	July 17, 1953	1957-1973	5%	7,500,000	—	—	—	1,047,000	281,000	6,253,000	7,500,000	—
	93 BR	Electric power development . . . . .	Dec. 18, 1953	1959-1974	5%	10,000,000	—	—	—	—	—	—	10,000,000	8,953,339
	TOTAL					194,000,000	—	25,018,946	12,310,153	5,075,411	3,552,243	151,685,490	166,485,003	2,586,051
BURMA (Guarantor)	139 BA	Railway development . . . . .	May 4, 1956	1959-1971	4 1/2%	5,350,000	—	—	—	—	—	5,350,000	831,484	4,518,516
	140 BA	Port development . . . . .	May 4, 1956	1960-1976	4 1/2%	14,000,000	—	—	—	—	—	14,000,000	2,187,095	11,812,905
TOTAL						19,350,000	—	—	—	—	—	19,350,000	3,018,579	16,331,421
CEYLON	101 CE	Electric power development . . . . .	July 9, 1954	1959-1979	4 1/2%	19,110,000	—	1,737,750	—	—	—	17,372,250	9,646,933	7,725,317
CHINA (Guarantor)	3 CH	Electric power development . . . . .	Mar. 23, 1948	1953-1968	4 1/2%	13,500,000	—	—	3,397,429	513,000	168,000	9,589,571	13,500,000	—
	153 CH	Electric power development . . . . .	Nov. 1, 1956	1960-1976	5%	15,000,000	—	—	—	298,000	—	14,702,000	2,534,799	12,465,201
	6 CH	Agricultural development . . . . .	Mar. 25, 1948	1950-1955	3 1/2%	2,500,000	—	—	755,000	1,745,000	1,745,000	—	2,500,000	—
	49 CH	Exploration for and use of water . . . . .	Oct. 10, 1951	1955-1961	4 1/2%	1,300,000	—	445,544	80,000	633,000	429,000	—	854,456	—
	83 CH	Construction of paper and pulp mills . . . . .	Sept. 10, 1953	1958-1970	5%	20,000,000	—	—	—	—	—	20,000,000	15,802,409	4,197,591
	171 CH	Coal expansion & modernization . . . . .	July 24, 1957	1963-1972	5 1/2%	12,200,000	—	—	—	100,000	—	12,100,000	—	12,200,000
	172 CH	Coal expansion & modernization . . . . .	July 24, 1957	1962-1972	5 1/2%	9,600,000	—	—	—	100,000	—	9,500,000	—	9,600,000
	TOTAL					74,100,000	—	445,544	4,232,429	3,389,000	2,342,000	66,033,027	35,191,664	38,462,792
COLOMBIA	43 CO	Highway construction and rehabilitation . . . . .	Apr. 10, 1951	1954-1961	3 1/2%	16,500,000	—	—	6,897,000	800,000	800,000	8,803,000	16,500,000	—
	68 CO	National railways project . . . . .	Aug. 26, 1952	1957-1978	4 1/2%	25,000,000	—	—	353,000	—	—	24,647,000	18,326,431	6,673,569
	84 CO	Highway construction and rehabilitation . . . . .	Sept. 10, 1953	1956-1963	4 1/2%	14,550,000	—	—	3,099,000	—	—	11,251,000	14,550,000	—
	144 CO	Highway construction and rehabilitation . . . . .	June 6, 1956	1959-1971	4 1/2%	16,500,000	—	—	—	—	—	16,500,000	9,703,168	6,796,832

DEBT CEILING INCREASE

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## STATEMENT OF LOANS-DECEMBER 31, 1957 (continued)

EXPRESSED IN UNITED STATES CURRENCY

Borrower and guarantee	Line number	Program or project	Date of loan agreement	Original maturities (including commitments)	Interest rate	Original principal amount	Loans not yet effective	Conversions and refundings	Principal repayments to bank	Effective loans sold or agreed to be sold	Effective loans held by bank	Principal amount disbursed	Unamortized balance of effective loans
<b>COLOMBIA (Guarantor)</b>													
Caja de Credito	18 CO	Agricultural development	Aug. 19, 1949	1952-1956	3½%	\$ 5,000,000	—	\$ 74,559	\$ 2,925,441	\$ 2,000,000	\$ 2,000,000	\$ —	\$ 4,925,441
Caja de Credito	108 CO	Agricultural development	Dec. 29, 1954	1957-1961	4½%	5,000,000	—	—	3,000,000	1,000,000	2,000,000	—	5,000,000
CEDRAL	38 CO	Electric power development	Nov. 2, 1950	1954-1970	4%	3,530,000	—	—	482,000	148,000	148,000	2,900,000	3,530,000
CEDRAL	113 CO	Electric power development	Mar. 24, 1955	1959-1975	4½%	4,500,000	—	—	—	—	—	4,500,000	4,254,041
Caldas Hidro-Elec. Co.	39 CO	Electric power development	Dec. 28, 1950	1952-1971	4%	3,600,000	—	—	368,000	194,000	194,000	2,038,000	2,600,000
Hidroelectrica del Rio Lejuria	54 CO	Electric power development	Nov. 13, 1951	1954-1972	4½%	2,400,000	—	—	310,200	84,800	84,800	1,985,000	2,400,000
Ferrocarriles Nacionales	119 CO	National railways project	June 15, 1955	1958-1980	4½%	15,900,000	—	—	—	866,000	—	15,034,000	7,743,163
						111,280,000	—	74,559	14,454,641	7,092,800	4,226,800	89,658,000	21,873,197
<b>COSTA RICA (Guarantor)</b>													
Banco Central de Costa Rica	147 CR	Agricultural development and light industry	Sept. 18, 1956	1958-1963	4½%	3,000,000	—	—	—	366,000	—	2,634,000	1,819,092
						40,000,000	—	—	599,000	3,887,000	2,601,000	35,514,000	40,000,000
<b>DEMARCA</b>													
	3 DE	Post-war reconstruction	Aug. 22, 1947	1953-1972	4½%	—	—	—	—	—	—	—	—
<b>ECUADOR</b>													
	176 EC	Highway maintenance and construction	Sept. 20, 1957	1962-1977	5½%	14,500,000	14,500,000	—	—	Note 3	—	—	—
	181 EC	Railway improvements	Nov. 1, 1957	1959-1961	6%	600,000	600,000	—	—	Note 3	—	—	—
<b>ECUADOR (Guarantor)</b>													
Com. Ejec. Vialidad (Guayas)	94 EC	Highway construction	Feb. 10, 1954	1958-1964	4½%	8,500,000	—	—	—	—	—	8,500,000	5,431,888
Empresa Electrica Quito, S. A.	137 EC	Electric power development	Mar. 29, 1956	1959-1976	4½%	5,000,000	—	—	197,000	—	—	4,803,000	308,580
Empresa Electrica Quito, S. A.	177 EC	Electric power development	Sept. 20, 1957	1962-1977	5½%	—	—	—	—	—	—	—	—
						33,600,000	20,100,000	—	—	197,000	—	13,303,000	5,740,468
						—	—	—	—	250,000	—	10,850,000	8,512,019
<b>EL SALVADOR (Guarantor)</b>													
Comision del Rio Lempa	104 ES	Coastal highway project	Oct. 12, 1954	1959-1966	4½%	11,100,000	—	—	—	—	—	11,492,000	12,545,000
	22 ES	Electric power development	Dec. 14, 1949	1954-1975	4½%	12,545,000	—	—	53,000	1,000,000	867,000	11,492,000	12,545,000
						23,645,000	—	—	53,000	1,250,000	867,000	22,342,000	21,057,019
<b>ETHIOPIA</b>													
	31 ET	Highway rehabilitation	Sept. 13, 1950	1956-1971	4%	5,000,000	—	—	486,000	—	—	4,514,000	5,000,000
	32 ET	Foreign exchange for Development Bank	Sept. 13, 1950	1956-1971	4%	2,000,000	—	—	194,000	—	—	1,806,000	1,587,335
	42 ET	Telecommunications	Feb. 19, 1951	1956-1971	4%	1,500,000	—	—	145,000	—	—	1,355,000	1,500,000
	166 ET	Highway construction and improvement	June 26, 1957	1961-1977	5½%	15,000,000	—	—	—	1,491,000	—	13,509,000	15,000,000
						23,500,000	—	—	825,000	1,491,000	—	21,184,000	8,087,335
						—	—	—	—	—	—	—	2,102,131
<b>FINLAND</b>													
	21 FI	Equipment for timber production	Oct. 17, 1949	1950-1951	3%	2,300,000	—	197,869	2,102,131	—	—	—	—
<b>FINLAND (Guarantor)</b>													
Bank of Finland	16 FI	Power, wood processing and limestone	Aug. 1, 1949	1953-1964	4%	12,500,000	—	—	2,939,990	1,559,010	1,559,010	8,001,000	12,500,000
Bank of Finland	61 FI	Power, wood processing and agriculture	Apr. 30, 1952	1955-1970	4½%	20,000,000	—	—	3,494,000	—	—	16,506,000	20,000,000
Bank of Finland	70 FI	Wood processing	Nov. 13, 1952	1955-1970	4½%	3,479,464	—	1,415	422,306	—	—	3,055,743	3,478,049
Bank of Finland	112 FI	Power and wood processing	Mar. 24, 1955	1958-1970	4½%	12,000,000	—	—	—	2,288,000	—	9,712,000	10,743,041
Mortgage Bank of Finland Oy	142 FI	Electric power development	May 22, 1956	1959-1976	4½%	15,000,000	—	—	—	280,000	—	14,720,000	1,468,646
						65,279,464	—	199,284	8,958,427	4,127,010	1,559,010	51,994,743	52,291,867
<b>FRANCE (Guarantor)</b>													
Credit National	1 FR	Post-war reconstruction	May 9, 1947	1952-1977	4½%	250,000,000	—	—	38,000	30,342,000	16,892,000	219,630,000	250,000,000
Overseas Railways Administration	100 FR	Railway improvement	June 10, 1954	1956-1966	4½%	7,300,000	—	408,433	796,567	969,000	609,000	5,836,000	7,091,567
Electricite et Gaz d'Algerie	131 FR	Electric power development	Aug. 26, 1955	1957-1975	4½%	10,000,000	—	—	—	724,000	334,000	9,276,000	10,000,000
						267,300,000	—	408,433	334,567	31,975,000	17,835,000	234,782,000	267,091,567
<b>GUATEMALA</b>													
	124 GU	Highway construction and maintenance	July 29, 1955	1959-1970	4½%	18,200,000	—	—	—	576,000	—	17,624,000	12,775,325
	141 HA	Highway maintenance	May 7, 1956	1959-1967	4½%	2,600,000	—	—	—	413,000	—	2,187,000	134,344
<b>HONDURAS</b>													
	125 HO	Highway maintenance	Dec. 22, 1955	1957-1964	4½%	4,200,000	—	—	—	872,000	239,000	3,328,000	2,001,087
	46 IC	Electric power development	June 20, 1951	1956-1973	4½%	2,450,000	—	—	196,000	—	—	2,254,000	2,450,000
	53 IC	Agricultural development	Nov. 1, 1951	1956-1973	4½%	1,008,000	—	—	58,800	—	—	949,200	1,008,000
	69 IC	Fertilizer plant	Aug. 26, 1952	1954-1969	4½%	854,000	—	—	149,000	—	—	705,000	854,000
<b>IRELAND (Guarantor)</b>													
Ireland Bank of Development	79 IC	Agricultural development	Sept. 4, 1953	1958-1975	5%	1,350,000	—	—	—	—	—	1,350,000	1,350,000
Ireland Bank of Development	80 IC	Construction of radio transmitter building	Sept. 4, 1953	1954-1966	4½%	252,000	—	—	59,440	—	—	192,560	252,000
						5,914,000	—	—	463,440	—	—	5,450,560	5,914,000

## STATEMENT OF LOANS—DECEMBER 31, 1957 (continued)

EXPRESSED IN UNITED STATES CURRENCY

Borrower and guarantee <sup>a</sup>	Loan number	Program or project	Date of loan agreement	Original principal amount	Interest rate (including commission)	Original principal amount	Loans not yet effective	Concessions and refundings	Principal payments in kind	Effective loans added or agreed to be added	Effective loans added by bank	Principal amount disbursed	Unshared balance of effective loans <sup>b</sup>
INDIA	17 IN	Railway rehabilitation . . . . .	Aug. 18, 1949	1950-1964	4%	\$ 34,000,000	—	\$ 1,200,000	\$ 6,323,511	\$ 13,446,583	\$ 8,298,535	\$ 13,029,906	\$ 32,800,000
	19 IN	Agricultural development . . . . .	Sept. 29, 1949	1952-1956	3½%	10,000,000	—	2,796,187	2,263,000	4,940,813	4,940,813	7,203,813	—
	23 IN	Electric power development . . . . .	Apr. 18, 1950	1955-1970	4%	18,500,000	—	1,779,500	1,130,000	4,337,000	1,420,000	11,223,500	16,720,500
	72 IN	Damodar multi-purpose project . . . . .	Jan. 21, 1953	1956-1977	4½%	19,500,000	—	9,000,000	433,000	—	—	10,067,000	9,575,321
	167 IN	Railway improvements . . . . .	July 12, 1957	1961-1972	5½%	24,000,000	—	—	—	—	—	24,000,000	17,649,473
	168 IN	Railway improvements . . . . .	July 12, 1957	1961-1972	5½%	19,110,000	—	—	—	—	—	19,110,000	7,854,412
	169 IN	Railway improvements . . . . .	July 12, 1957	1961-1972	5½%	11,200,000	—	—	—	—	—	11,200,000	870,166
	170 IN	Railway improvements . . . . .	July 12, 1957	1961-1972	5½%	35,700,000	—	—	—	—	—	35,700,000	15,838,940
INDIA (Guarantee)	71 IN	Iron and steel expansion . . . . .	Dec. 18, 1952	1959-1967	4½%	31,500,000	—	1,480,000	—	700,000	—	29,320,000	19,828,925
	Indian Iron & Steel Company											5,330,370	14,649,430
	106 IN	Steel expansion . . . . .	Dec. 19, 1954	1960-1967	5%	20,000,000	—	—	1,032,000	—	—	18,968,000	3,826,983
	Tata Group of Hydro Companies								1,364,000	—	—	14,836,000	12,373,017
	164 IN	Electric power development . . . . .	May 29, 1957	1960-1975	5½%	9,800,000	—	—	—	—	—	9,800,000	1,881,783
	109 IN	Development of private industry . . . . .	Mar. 14, 1955	1960-1969	4½%	10,000,000	—	—	—	—	—	10,000,000	7,918,217
	The Tata Iron and Steel Co., Ltd.								2,355,000	—	—	10,000,000	10,000,000
	146 IN	Expansion of steel production facilities . . . . .	June 26, 1956	1959-1971	4½%	75,000,000	—	—	—	—	—	72,645,000	59,040,106
	Expansion of steel production facilities								32,500,000	—	—	—	15,959,894
	182 IN	Purchase of aircraft . . . . .	Nov. 30, 1957	1960-1971	6%	12,500,000	—	—	—	—	—	12,500,000	10,000,000
Air-India International Corp.											5,600,000	1,714,510	
161 IN	Purchase of aircraft . . . . .	Mar. 5, 1957	1965-1966	5½%	5,600,000	—	—	—	—	—	5,600,000	1,714,510	
					TOTAL	372,610,000	32,500,000	16,255,687	10,149,511	28,195,396	14,659,348	285,509,406	197,182,592
													126,671,721
IRAN	160 IRN	Short term financing for development plan . . . . .	Jan. 22, 1957	1959-1962	5%	75,000,000	—	—	5,000,000	—	70,000,000	50,000,000	19,000,000
IRAQ	26 IRQ	Construction of a flood control project . . . . .	June 15, 1950	1956-1965	3¾%	12,800,000	—	6,506,054	6,293,946	—	—	—	6,293,946
ITALY (Guarantee)	50 IT	Development Plan for Southern Italy . . . . .	Oct. 10, 1951	1956-1976	4½%	10,000,000	—	—	312,000	251,000	151,000	9,437,000	10,000,000
	88 IT	Development Plan for Southern Italy . . . . .	Oct. 6, 1953	1958-1978	5%	10,000,000	—	—	—	—	—	10,000,000	10,000,000
	117 IT	Power, irrigation and industrial projects . . . . .	June 1, 1955	1958-1975	4½%	70,000,000	—	1,600,000	—	6,000,000	—	62,400,000	46,031,536
	150 IT	Development Plan for Southern Italy . . . . .	Oct. 11, 1956	1959-1976	5%	74,628,000	4,103,000	—	—	1,000,000	—	69,525,000	33,626,670
						TOTAL	164,628,000	4,103,000	1,600,000	312,000	7,251,000	151,000	151,362,000
JAPAN (Guarantee)	89 JA	Electric power development . . . . .	Oct. 15, 1953	1957-1973	5%	21,500,000	—	830,000	—	3,244,288	828,000	17,425,712	20,576,348
	Japan Development Bank												91,657
	90 JA	Electric power development . . . . .	Oct. 15, 1953	1957-1973	5%	11,200,000	—	749,680	—	1,541,694	431,000	8,908,626	10,450,320
	Japan Development Bank												6,456,389
	91 JA	Electric power development . . . . .	Oct. 15, 1953	1957-1973	5%	7,500,000	—	1,043,611	—	1,071,000	289,000	5,385,389	6,456,389
	133 JA	Construction of steel plate mill . . . . .	Oct. 25, 1955	1958-1970	4½%	100,000	—	—	—	791,000	—	4,409,000	5,076,479
	Japan Development Bank												123,521
	136 JA	Industrial projects . . . . .	Feb. 21, 1956	1958-1971	4½%	8,100,000	—	213,000	—	1,076,000	—	6,811,000	6,735,554
	Japan Development Bank												1,592,446
	157 JA	Construction of steel strip mill . . . . .	Dec. 19, 1956	1960-1971	5%	20,000,000	—	—	1,252,000	—	—	18,748,000	1,710,061
Land Development Corporation												5,992,939	
158 JA	Land reclamation . . . . .	Aug. 9, 1956	1959-1971	4½%	4,000,000	—	—	—	721,000	—	4,280,000	2,589,991	
173 JA	Multi-purpose project . . . . .	Aug. 9, 1957	1961-1977	5½%	7,000,000	—	—	—	—	—	6,279,000	328,168	
					TOTAL	84,900,000	2,936,291	—	9,696,982	1,548,000	72,266,727	65,340,328	16,623,381
LIBANON (Guarantee)	129 LE	Electric power development; irrigation . . . . .	Aug. 25, 1955	1961-1980	4½%	27,000,000	—	—	—	—	—	27,000,000	367,328
	Litani River Authority												26,632,672
LUXEMBOURG	4 LU	Steel mill and railroads . . . . .	Aug. 28, 1947	1949-1972	4½%	12,000,000	—	238,017	1,386,983	2,904,000	2,403,000	7,471,000	11,761,983
MEXICO (Guarantee)	12 ME	Electric power development . . . . .	Jan. 6, 1949	1953-1973	4½%	24,100,000	—	—	2,244,700	3,968,300	2,013,300	17,887,000	24,100,000
	13 ME	Electric power development . . . . .	Jan. 6, 1949	1953-1973	4½%	10,000,000	—	10,000,000 (Refunding)	—	—	—	20,000,000	20,000,000
	56 ME	Electric power development . . . . .	Jan. 11, 1952	1955-1977	4½%	29,700,000	—	—	732,000	2,868,000	989,000	26,455,000	26,435,699
	24 ME	Electric power development . . . . .	Apr. 28, 1950	1953-1975	4½%	26,000,000	—	—	2,031,000	2,307,000	1,438,000	21,662,000	26,000,000
	33 ME	Development of small industrial projects . . . . .	Oct. 18, 1950	1952-1957	3½%	10,000,000	—	9,472,112	227,888	—	—	527,888	—
	103 ME	Railway rehabilitation . . . . .	Aug. 24, 1954	1959-1969	4½%	61,000,000	—	—	—	3,976,000	—	57,024,000	58,229,746
	Ferrocarril del Pacifico												2,670,254
					TOTAL	160,800,000	—	19,472,112	5,555,588	13,119,300	4,440,300	122,653,000	135,393,333
NETHERLANDS	2 NE	Post-war reconstruction . . . . .	Aug. 7, 1947	1954-1972	4½%	191,044,212	—	103,317,212	27,345,000	12,351,000	60,382,000	191,044,212	—
2a NE	Post-war reconstruction . . . . .	May 25, 1948	1953-1954	4½%	3,955,788	—	—	—	3,955,788	—	—	3,955,788	—
NETHERLANDS (Guarantee)	Stoomvaart Mij. "Nederland"												
	7, 7a NE	Purchase of S.S. Raki and S.S. Roebiah . . . . .	July 15, 1948	1949-1958	3-9/16%	4,000,000	—	—	—	4,000,000	4,000,000	—	4,000,000
	8 NE	Purchase of S.S. Almkert . . . . .	July 15, 1948	1949-1958	3-9/16%	2,000,000	—	—	—	2,000,000	2,000,000	—	2,000,000
	9 NE	Purchase of S.S. Alblasveld . . . . .	July 15, 1948	1949-1958	3-9/16%	2,000,000	—	—	—	2,000,000	2,000,000	—	2,000,000
	10, 10a NE	Purchase of S.S. Friedland and S.S. Drenthe . . . . .	July 15, 1948	1949-1958	3-9/16%	4,000,000	—	—	—	4,000,000	4,000,000	—	4,000,000
	Rotterdam-Schelde Lloyd												
	Hertzelbank												
15 NE	Post-war industrial reconstruction . . . . .	July 26, 1949	1952-1964	4%	15,000,000	—	7,548,015	863,589	3,609,411	3,534,411	2,978,983	7,455,983	
163 NE	Capital for industry, transport and commerce . . . . .	May 15, 1957	1959-1962	5½%	15,000,000	—	—	—	—	—	8,825,000	15,000,000	
KLM Royal Dutch Airlines	59 NE	Purchase of aircraft . . . . .	Mar. 30, 1952	1954-1958	4½%	7,000,000	—	—	—	3,900,000	3,900,000	7,000,000	—
					TOTAL	244,000,000	—	7,548,015	107,850,801	36,585,199	35,341,199	72,185,985	236,451,985

DEBT CEILING INCREASE

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## STATEMENT OF LOANS—DECEMBER 31, 1957 (continued)

EXPRESSED IN UNITED STATES CURRENCY

Debtors and guarantors	Loan number	Program or project	Date of last agreement	Original maturity	Interest rate (including commission)	Original principal amount	Loans not yet effective	Completions and refundings	Principal payments in cash	Effective loans not yet agreed to be sold	Effective loans held by Bank	Principal amount disbursed	Unfulfilled balance of effective loans
										Total sales	Parsons networth		
<b>NICARAGUA</b>													
	45 NI	Highway construction	June 7, 1951	1954-1961	4½%	\$ 3,500,000	—	—	\$ 1,444,000	\$ 29,000	\$ 20,000	\$ 2,027,000	\$ 3,500,000
	52 NI	Construction of grain storage facilities	Oct. 29, 1951	1954-1962	4½%	550,000	—	3,006	185,994	29,000	29,000	332,000	546,994
	81 NI	Highway construction	Sept. 4, 1953	1957-1963	4½%	3,500,000	—	—	433,000	—	—	3,067,000	2,541,333
	82 NI	Electric power development	Sept. 4, 1953	1955-1963	4½%	450,000	—	—	129,000	—	—	321,000	450,000
<b>NICARAGUA (Guarantor)</b>													
	44 NI	Agricultural development	June 7, 1951	1954-1958	4%	1,200,000	—	6,879	996,121	29,000	29,000	168,000	1,193,121
	121 NI	Electric power development	July 8, 1955	1958-1975	4½%	7,100,000	—	—	724,000	—	—	6,376,000	6,382,269
	154 NI	Emp. Nat. Luz y Fuerza	Nov. 15, 1956	1959-1971	4½%	1,600,000	—	—	—	—	—	1,499,000	8,548
	122 NI	Electric power development	July 8, 1955	1958-1975	4½%	400,000	—	—	—	—	—	400,000	154,663
	130 NI	Agricultural development	Aug. 26, 1955	1957-1967	4½%	1,300,000	—	—	735,000	99,000	765,000	701,175	798,825
	143 NI	Port construction and development	May 12, 1956	1959-1976	4½%	3,200,000	—	—	—	121,000	3,079,000	368,735	2,831,265
		TOTAL				23,000,000	—	9,885	3,188,115	1,768,000	186,000	18,034,000	15,846,838
<b>NORWAY</b>													
	97 NO	General development	Apr. 8, 1954	1957-1974	4½%	25,000,000	—	—	2,016,000	486,000	22,984,000	25,000,000	—
	115 NO	General development	Apr. 19, 1955	1960-1975	4½%	25,000,000	—	—	—	—	25,000,000	25,000,000	—
	118 NO	Electric power development	May 3, 1956	1961-1976	4½%	25,000,000	—	—	—	—	25,000,000	6,231,499	18,768,501
		TOTAL				75,000,000	—	—	2,016,000	486,000	72,984,000	56,231,499	18,768,501
<b>PAKISTAN</b>													
	40 PAK	Railway rehabilitation	Mar. 27, 1952	1954-1967	4½%	27,200,000	—	—	5,080,400	935,600	735,600	21,184,000	16,210,161
	63 PAK	Agricultural development	June 13, 1952	1954-1959	4½%	3,250,000	—	—	1,081,000	997,000	997,000	1,172,000	3,250,000
	180 PAK	Railway improvements	Oct. 18, 1957	1961-1973	6%	31,000,000	31,000,000	—	—	Note 1	—	—	—
<b>PAKISTAN (Guarantor)</b>													
	99 PAK	Natural gas pipeline	June 2, 1954	1956-1974	4½%	14,000,000	—	—	1,806,000	739,200	12,194,000	14,000,000	—
	120 PAK	Electric power development	June 20, 1955	1957-1970	4½%	13,800,000	—	—	1,000	2,049,600	392,000	11,749,400	13,994,617
	125 PAK	Construction of paper and pulp mill	Aug. 4, 1955	1956-1970	4½%	4,200,000	—	—	775,000	317,000	3,425,000	4,200,000	405,383
	126 PAK	Port construction and development	Aug. 4, 1955	1960-1980	4½%	14,800,000	—	—	216,842	—	—	14,583,158	3,925,243
	185 PAK	Financing of private industry	Dec. 17, 1957	1962-1972	5½%	4,200,000	4,200,000	—	—	—	—	—	10,874,757
		TOTAL				112,450,000	35,200,000	—	6,162,400	6,780,042	3,180,800	64,307,558	54,980,021
<b>PANAMA</b>													
	123 PAN	Highway rehabilitation	July 12, 1955	1959-1964	4½%	5,900,000	—	—	1,700,000	—	4,200,000	3,571,765	2,328,235
<b>PANAMA (Guarantor)</b>													
	86 PAN	Agricultural development	Sept. 25, 1953	1955-1960	4½%	1,200,000	—	542,574	338,000	—	—	319,426	657,426
	87 PAN	Construction of grain storage facilities	Sept. 25, 1953	1955-1961	4½%	290,000	—	—	111,000	—	—	179,000	290,000
		TOTAL				7,390,000	—	542,574	449,000	1,700,000	—	4,698,426	4,519,191
<b>PARAGUAY</b>													
	55 PA	Agricultural development	Dec. 7, 1951	1954-1960	4½%	5,000,000	—	507,809	1,021,191	100,000	100,000	3,371,000	4,378,820
<b>PERU</b>													
	57 PE	Port development	Jan. 23, 1952	1954-1967	4½%	2,300,000	—	89,472	255,528	805,000	410,000	1,350,000	2,410,528
	67 PE	Agricultural development	July 8, 1952	1954-1959	4½%	1,300,000	—	—	353,750	439,250	439,250	807,000	1,300,000
	98 PE	Agricultural development	Apr. 12, 1954	1956-1961	4½%	1,700,000	—	—	134,000	392,000	—	1,700,000	1,700,000
	114 PE	Irrigation project	Apr. 5, 1955	1959-1980	4½%	18,000,000	—	—	—	496,000	—	17,504,000	13,959,008
	127 PE	Highway maintenance	Aug. 5, 1955	1958-1964	4½%	5,000,000	—	—	—	683,000	—	4,317,000	3,407,509
<b>PERU (Guarantor)</b>													
	105 PE	Agricultural development	Nov. 12, 1954	1957-1963	4½%	5,000,000	—	229	748,000	370,000	4,251,771	4,999,771	—
	162 PE	Agricultural development	Mar. 13, 1957	1959-1965	5½%	5,000,000	—	—	1,101,000	—	3,899,000	1,338,235	3,861,765
	116 PE	Construction of cement plant	Apr. 19, 1955	1958-1970	4½%	2,500,000	—	—	310,000	—	2,190,000	2,457,827	42,173
		TOTAL				41,000,000	—	89,701	743,278	4,974,250	1,511,250	35,192,771	31,572,968
<b>PHILIPPINES (Guarantor)</b>													
	183 PH	Electric power development	Nov. 22, 1957	1960-1982	6%	21,000,000	21,000,000	—	—	Note 1	—	—	—
<b>SOUTH AFRICA</b>													
	40 SA	Expansion of transport facilities	Jan. 23, 1951	1956-1965	3½%	20,000,000	—	—	2,133,000	1,867,000	1,867,000	16,000,000	20,000,000
	77 SA	Expansion of transport facilities	Aug. 28, 1953	1955-1963	4½%	30,000,000	—	—	542,980	15,350,020	8,282,020	14,107,000	30,000,000
	134 SA	Expansion of transport facilities	Nov. 28, 1955	1958-1966	4½%	25,200,000	—	—	—	—	—	25,200,000	25,200,000
	178 SA	Railway improvements	Oct. 1, 1957	1960-1967	5½%	25,000,000	—	—	—	—	—	23,000,000	—
<b>SOUTH AFRICA (Guarantor)</b>													
	41 SA	Electric power development	Jan. 23, 1951	1954-1970	4%	30,000,000	—	—	134,020	6,796,560	5,226,560	23,069,420	30,000,000
	78 SA	Electric power development	Aug. 28, 1953	1955-1963	4½%	30,000,000	—	—	16,649,000	7,620,000	13,351,000	30,000,000	—
		TOTAL				160,200,000	—	—	2,810,000	42,662,580	22,995,580	114,727,420	135,200,000



## INTERNATIONAL FINANCE CORPORATION

The International Finance Corporation (IFC) was organized in July 1956 under the aegis of the International Bank for Reconstruction and Development to provide a more flexible means for encouraging private investment abroad in profitmaking enterprise. Its membership comprises 53 countries with an aggregate subscribed capital of approximately \$93 million. The total authorized capital is \$100 million. The Corporation's articles of agreement require all payments on account of subscribed capital to be made in United States dollars or gold. The purpose of the Corporation is to stimulate economic development in less-developed member countries and in dependent overseas territories of member countries, by investing, without Government guaranty, in productive private enterprises in association with private investors who can provide competent management.

The Corporation may not make equity investments, but it nevertheless has considerable latitude in choosing the types of investment most suitable for a particular operation. The pattern of its investments will normally be intermediate between loan capital on the one hand and share capital on the other, and will generally provide for a moderate fixed rate of interest plus some additional return depending upon profits, if any. Some investments will carry some rights to share in ownership which the Corporation can sell to private investors and thus realize appropriate gains. The Corporation will therefore endeavor to obtain convertible debentures, subscription warrants, or some other form of rights to obtain capital stock or shares. It will be the intention of the Corporation, within the limits of its charter, to keep its policies and procedures flexible, and to review and modify them as suggested by experience or changing conditions.

In its choice of various eligible investment proposals, the Corporation will be guided, among other criteria, by the extent to which it can promote the investment of additional private capital, by the expected profitability of the investment considering the risks involved, and by the degree to which the investment helps to diversify and increase the attractiveness of its portfolio to private investors.

# INTERNATIONAL FINANCE CORPORATION

Statement of operational investments approved, Dec. 31, 1957 (expressed in United States currency)

Country and obligor	Operational investment No.	Date of—	Terms	Purpose	Original amount	Funds not yet eligible for withdrawal by obligor	Held by IFC
Australia: Duncan's Holdings, Ltd.		Sept. 27, 1957 <sup>1</sup>	Fixed interest 7 percent per annum and contingent interest based on earnings; maturities 1961-67; option on shares equivalent to 100 percent of investment.	Modernization of lumber mills.	\$660,000	\$660,000	
Brazil: Siemens do Brazil Cia. de Electricidade.		June 20, 1957 <sup>2</sup>	Fixed interest 6 percent per annum; maturities 1968-72; option on shares equivalent to 100 percent of investment.	Manufacture of electrical equipment.	2,000,000	2,000,000	
Chile: Empresa Minera de Mantos Blancos, S. A.		Aug. 20, 1957 <sup>2</sup>	Fixed interest 7 percent per annum and conditional payments based on dividends; maturities 1964-68; option on shares equivalent to 50 percent of investment.	Industrial plant expansion.	2,200,000	2,200,000	
Mexico: Engranes y Productos Industriales, S. A.	1-ME	Aug. 12, 1957 <sup>1</sup> Sept. 27, 1957 <sup>2</sup>	Fixed interest 7 percent per annum and contingent interest based on earnings; maturities 1961-67, half in Mexican pesos and half in dollars; option on shares equivalent to 40 percent of investment.	do.	600,000		\$600,000
Bristol de Mexico, S. A.	2-ME	Sept. 10, 1957 <sup>1</sup> Nov. 6, 1957 <sup>2</sup>	Fixed interest 7 percent per annum and contingent interest based on earnings; maturities 1960-66, half in Mexican pesos, half in dollars; option on shares equivalent to 50 percent of investment.	Aircraft repair shop.	520,000		520,000

<sup>1</sup> Initial agreement.

<sup>2</sup> Final agreement.

DEBT CEILING INCREASE

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21297 O-58-18

## THE INTERNATIONAL MONETARY FUND

The International Monetary Fund is an international agency established in 1947 in accordance with the Bretton Woods Agreement. It operates as a pool of gold and currencies, contributed by its members, available for purchase by members to tide them over temporary balance of payments difficulties. The fund has 64 members who have subscribed \$1,674 million of gold, \$2,421 million of convertible currencies, and \$4,047 equivalent of nonconvertible currencies. The United States subscription is \$2,750 million of the total of \$9,016 million. Subscriptions are determined by the fund on the basis of the economic strength and foreign situation of the member country.

Fund policies are established by a Board of Governors on which each member is represented and has a vote generally proportional to its subscription and which meets annually. Operations are governed by the Board of 17 Executive Directors representing members with the major subscriptions or groups of members.

Exchange transactions with the fund take the form of a member's purchase from the fund of the currencies of other members for an equivalent amount of the member's own currency. Fund resources are available to eligible members on an essentially short term and revolving basis to provide members with temporary assistance to contribute to the solution of their payments problems. Members may also obtain standby arrangements that assure a member that drawings upon fund resources up to specified limits and within an agreed period may be made without reconsideration of the member's position at the time of the drawing. Drawings upon fund resources are not confined to meeting specific and defined types of payments problems. A member's entitlement to draw or to make a standby arrangement is determined after consideration of its circumstances, and its likely ability, with the help of fund resources, to overcome its problems within a short period. Fund purchases of a member's currency are expected, as a general rule, to be repurchased within a period not exceeding 3 to 5 years or reduced by the purchase of the member's currency by another member.

The following charges are made for transactions: A service charge of one-half of 1 percent for the purchase of a currency from the fund with the buying member's currency; and a charge payable on the fund's holdings of a currency that exceed 100 percent of the member's quota. The rate of charge rises in two dimensions; the larger the member's drawings relative to its quota, and the longer the period during which the fund holds the member's currency. Charges on transactions effected in 1954 or later are:

	Charges in percent per annum for each period in which holdings are in excess of quota by (percent)			Period of time	Average effective rates in percent per annum for holdings in excess of quota by (percent)		
	0 to 50	50 to 75	75 to 100		0 to 50	50 to 75	75 to 100
Service charge.....	0.5	0.5	0.5	3 months.....	2.00	2.00	2.00
0 to 3 months.....	0	0	0	6 months.....	2.00	2.00	2.00
3 to 6 months.....	2.0	2.0	2.0	1 year.....	2.00	2.00	2.25
$\frac{1}{2}$ to 1 year.....	2.0	2.0	2.5	1½ years.....	2.00	2.17	2.50
1 to 1½ years.....	2.0	2.5	3.0	2 years.....	2.12	2.38	2.75
1½ to 2 years.....	2.5	3.0	3.5	2½ years.....	2.30	2.60	3.00
2 to 2½ years.....	3.0	3.5	4.0	3 years.....	2.50	2.83	3.25
2½ to 3 years.....	3.5	4.0	4.5	3½ years.....	2.71	3.07	3.50
3 to 3½ years.....	4.0	4.5	5.0	4 years.....	2.94	3.31	-----
3½ to 4 years.....	4.5	5.0	-----	4½ years.....	3.17	-----	-----
4 to 4½ years.....	5.0	-----	-----	-----	-----	-----	-----

Compared to former charges, those now in effect are higher on transactions outstanding for short periods (except for periods of less than 3 months for which present charges are the same or lower). Charges are normally paid in gold, but when a member's reserves are below half its quota charges may be paid partly in the member's currency. A charge of one-fourth of 1 percent per annum is made for standby arrangements but, should the country make a purchase during the period of the standby arrangement, this charge is generally credited against the service charge for the transaction, up to a maximum of one-fourth of 1 percent of the transaction.

The fund's holdings of currencies are deposited with the central bank or other depository in each member country. For that part of the fund's holdings of a currency that exceeds what the fund considers to be a normal working balance,

members may substitute for deposit nonnegotiable noninterest bearing demand securities. The term "currency," as used in this note, includes both balances with depositories and these securities.

The following table shows fund transactions in 1956 and 1957 and the cumulative total of transactions with members since the establishment of the fund. The gross totals show the amounts of other member currencies purchased by members; the net totals show those purchases net of repayments in gold or dollars, i. e., member obligations to the fund outstanding on December 31, 1957.

## INTERNATIONAL MONETARY FUND

*Exchange transactions and standby arrangements (through Dec. 31, 1957, amounts expressed in millions of United States dollars)*

Member	1956	1957 <sup>1</sup>	Cumulative total to date		
			Gross	Net	
Member's drawings and their repayment by repurchases or by other countries' drawings:					
Argentina.....		75.0	75.0	75.0	
Australia.....			50.0	0	
Belgium.....	( <sup>2</sup> )	50.0	83.0	50.0	
Bolivia.....	<sup>2</sup> 3.0	<sup>2</sup> 1.0	6.5	<sup>2</sup> 6.5	
Brazil.....	-28.0	37.5	206.0	75.0	
Burma.....	15.0		15.0	15.0	
Chile.....	<sup>2</sup> - 2	18.7	52.3	<sup>2</sup> 31.0	
Colombia.....		( <sup>2</sup> )	25.0	<sup>2</sup> 25.0	
Costa Rica.....			1.2	0	
Cuba.....	<sup>2</sup> 12.5	12.5	47.5	25.0	
Czechoslovakia <sup>3</sup> .....	<sup>3</sup> - 7	<sup>3</sup> - 7	6.0	<sup>3</sup> 2.6	
Denmark.....		34.0	44.2	34.0	
Ecuador.....		5.0	5.0	5.0	
Egypt.....	15.0	15.0	33.0	30.0	
El Salvador.....	2.5	-2.5	2.5	0	
Ethiopia.....			.6	0	
Finland.....			9.5	0	
France.....	<sup>2</sup> - 45.0	262.5	387.5	262.5	
Haiti.....		1.0	1.0	1.0	
Honduras.....		3.8	6.3	<sup>2</sup> 3.8	
India.....	-12.5	200.0	300.0	200.0	
Indonesia.....	40.0		70.0	55.0	
Iran.....	7.8		46.0	25.3	
Israel.....		3.8	3.8	3.8	
Japan.....		125.0	249.0	125.0	
Mexico.....			45.0	0	
Netherlands.....		<sup>2</sup> 68.8	144.1	<sup>2</sup> 68.8	
Nicaragua.....	<sup>2</sup> 1.9	<sup>2</sup> 1.9	6.1	<sup>2</sup> 3.8	
Norway.....			9.6	0	
Paraguay.....	1.5	<sup>2</sup> 3.5	6.4	<sup>2</sup> 5.5	
Peru.....	( <sup>2</sup> )	( <sup>2</sup> )	0	<sup>2</sup> 0	
Philippines.....	5.0		15.0	15.0	
Turkey.....		6.5	48.5	21.5	
Union of South Africa.....			10.0	0	
United Kingdom.....	<sup>2</sup> 561.5	( <sup>2</sup> )	861.5	<sup>2</sup> 561.5	
Yugoslavia.....		-9.0	9.0	0	
Drawings.....	693.0	972.0	2,881.0	1,727.0	
Repurchases.....	-113	-59	<sup>3</sup> - 951		
Other countries' drawings.....			-203		
Net drawings.....	579	903	} <sup>4</sup> 1,727		
Drawings outstanding.....	814	1,717			
Standbys agreed.....	1,077	183		1,378	<sup>2</sup> 880
Drawn.....	21	416			465
Expired.....	1	4		33	
Amounts available.....	1,117	880		<sup>2</sup> 880	
Member's repurchases on subscription account: Total.....	-41.1	-9.1		-135.7	

<sup>1</sup> In addition, in January 1958, Turkey repurchased \$4 million of its currency with dollars, Yugoslavia purchased \$22.9 million and other currencies with dinars, and a standby arrangement was agreed with France permitting purchases of up to \$131,250,000 or other currencies with francs through January 1959.

<sup>2</sup> Standby in effect at end of period and not drawn or not fully drawn. See table on standby arrangements.

<sup>3</sup> Former member. Payments made on settlement of Czechoslovakia's debt to the fund are included as if there were a member's repurchase.

<sup>4</sup> Net member drawings plus outstanding debt of Czechoslovakia.

NOTE.—For this table repurchases (or other countries' drawings) of its currency by a member are considered first as repayments of drawings and reported in the top section of the table; only when repurchases (or other countries' drawings) equal to drawings have been completed are they considered as repayments on subscription account and reported in the bottom section of the table. The fund's official accounts make no such division of repurchases.

## INTERNATIONAL MONETARY FUND

*Standby arrangements (amounts expressed in millions of United States dollars; as of Nov. 30, 1957)*

Member	Date of agreement	Expiration date	Amount agreed	Amount available		
				Dec. 31, 1955	Dec. 31, 1956	Dec. 31, 1957
Agreements in effect:						
Bolivia .....	November 1956	December 1957	7.5		4.5	3.5
Chile .....	April 1956	March 1958	35.0		35.0	16.3
Colombia .....	June 1957	June 1958	25.0			25.0
Honduras .....	November 1957	May 1958	3.75			0
India .....	March 1957	March 1958	72.5			
Netherlands .....	September 1957	September 1958	68.75			68.8
Nicaragua .....	October 1957	April 1958	7.5			3.8
Paraguay .....	July 1957	July 1958	5.5			2.0
Peru .....	February 1954	February 1958	12.5	12.5	12.5	12.5
United Kingdom .....	December 1956	December 1958	738.53		738.5	738.5
Agreements expired:						
Belgium .....	June 1952	June 1957	50.0	50.0	50.0	
Cuba .....	December 1956	do	12.5		12.5	
Finland .....	do	June 1953	5.0			
France .....	October 1956	October 1957	262.5		262.5	
Iran .....	May 1956	November 1956	17.5			
Mexico .....	April 1954	October 1955	50.0			
Nicaragua .....	November 1956	May 1957	3.75		1.9	
Total .....			1,377.78	62.5	1,117.4	870.3

## EXPORT-IMPORT BANK OF WASHINGTON—STATEMENT OF LOANS AND AUTHORIZED CREDITS

## INDEX

## Terminated credits.

## Africa: ACTIVE CREDITS

Egypt.  
Ethiopia.  
Liberia.  
Portuguese East Africa.  
Portuguese West Africa.  
Union of South Africa.

## Asia:

Afghanistan.  
China.  
India.  
Indonesia.  
Iran.  
Iraq.  
Israel.  
Japan.  
Pakistan.  
Philippines.  
Saudi Arabia.  
Syria.  
Thailand.  
Turkey.

## Canada:

Canada.

## Europe:

Austria.  
Belgium.  
Denmark.  
Finland.  
France.  
Germany.  
Greece.  
Iceland.  
Italy.  
Netherlands.  
Norway.  
Poland.

## Europe—Continued

Portugal.  
Spain.  
Sweden.  
United Kingdom.  
Yugoslavia.

## Latin America:

Argentina.  
Bolivia.  
Brazil.  
Chile.  
Colombia.  
Costa Rica.  
Cuba.  
Ecuador.  
El Salvador.  
Guatemala.  
Haiti.  
Honduras.  
Mexico.  
Nicaragua.  
Panama.  
Paraguay.  
Peru.  
Uruguay.  
Venezuela.  
Miscellaneous Latin America.

## Oceania:

Australia.  
New Zealand.

## Miscellaneous-general:

Exporter credit lines—United States capital equipment.

## Summary:

Loans and authorized credits.  
Loans certified under Displaced Persons Act of 1950.  
Loans transferred from RFC.  
Insurance on exports.

## EXPORT-IMPORT BANK OF WASHINGTON

*Terminated credits, loans fully repaid, as of June 30, 1957*

Page 1

Country	Credits authorized	Cancellations and expirations	Disbursed and repaid		Interest
			By eximbank	By commercial banks at EIB risk	
AFRICA					
Egypt.....	\$210,000.00	\$210,000.00			
Ethiopia.....	3,500,000.00	277,759.39	\$2,722,240.61	\$500,000.00	\$214,815.57
Liberia.....	4,000,000.00		4,000,000.00		518,644.85
Morocco.....	70,596.82	40,000.00	30,596.82		731.40
Portuguese West Africa.....	1,167,000.00	1,102,000.00	65,000.00		12,704.67
Southern Rhodesia.....	40,000.00	40,000.00			
Total, Africa.....	8,987,596.82	1,669,759.39	6,817,837.43	500,000.00	746,896.49
ASIA					
China.....	171,943,329.99	4,550,357.86	157,074,015.08	10,318,957.05	21,089,647.38
India.....	16,270,000.00	16,270,000.00			
Indonesia.....	100,000,000.00	100,000,000.00			
Iran.....	27,514,000.00	27,051,570.61	222,398.75	240,030.64	13,928.26
Iraq.....	100,000.00	100,000.00			
Japan.....	255,158,121.05	15,379,939.56	87,185,698.38	152,592,483.11	3,659,968.73
Philippines.....	25,850,000.00	25,600,000.00	250,000.00		13,171.23
Saudi Arabia.....	9,000,000.00	9,000,000.00			
Thailand.....	1,286,000.00	1,286,000.00			
Turkey.....	43,435,360.00	15,415,504.03	28,019,855.97		2,975,123.77
Total, Asia.....	650,556,811.04	214,653,372.06	272,751,968.18	163,151,470.80	27,751,839.37
CANADA					
Canada.....	375,665,000.00	192,550,000.00	183,115,000.00		3,832,573.26
EUROPE					
Austria.....	20,255,000.00	1,903,820.09	18,351,179.91		1,602,566.52
Belgium.....	38,800,000.00		38,800,000.00		3,221,310.62
Czechoslovakia.....	23,728,931.61	950,781.01	5,384,692.62	17,393,457.98	569,709.01
Denmark.....	10,007,600.00	10,003,883.00	3,717.00		137.63
Finland.....	32,636,773.92	2,882.43	15,681,109.80	16,952,781.69	816,217.63
France.....	345,260,000.00	64,233,849.89	280,838,811.28	187,338.83	6,574,905.56
Germany.....	67,603,412.93	3,577,265.29	64,021,588.64	4,559.00	903,217.07
Greece.....	7,700,000.00	7,700,000.00			
Hungary.....	2,375,000.00	2,375,000.00			
Iceland.....	1,004,140.00	414,140.00		590,000.00	32,716.26
Italy.....	86,549,976.65	7,994,260.39	37,603,069.34	40,952,646.92	4,910,263.75
Latvia.....	1,903,000.00	1,892,217.97		10,782.03	56.99
Netherlands.....	109,878,142.50	4,593,596.70	104,498,146.60	786,399.20	12,690,781.07
Norway.....	11,000,000.00	10,552,000.21	221,387.79	226,612.00	20,895.09
Poland.....	12,906,742.52	9,359,330.94	3,511,233.85	36,177.73	1,372,437.24
Portugal.....	5,500,000.00	4,229,134.35	1,270,865.65		131,820.51
Rumania.....	50,000.00	50,000.00			
Spain.....	40,101,371.78	2,766,069.45	23,766,561.50	13,568,740.83	1,618,038.45
Sweden.....	17,181,500.00	10,915,500.00	2,155,000.00	4,111,000.00	179,973.81
United Kingdom.....	22,500,000.00	22,500,000.00			
Yugoslavia.....	517,667.00	517,667.00			
Miscellaneous, Europe.....	38,412,399.74	38,412,399.74			
Total, Europe.....	895,871,658.65	204,943,798.46	596,107,363.98	94,820,496.21	34,645,047.21
LATIN AMERICA					
Argentina.....	96,072,300.00	95,682,300.00	390,000.00		28,376.44
Bolivia.....	4,883,004.50	2,390,489.02	2,492,515.48		128,474.96
Brazil.....	244,415,243.26	158,803,337.55	49,393,495.47	36,218,410.24	9,370,736.02
Chile.....	61,178,988.10	8,913,824.74	26,576,055.52	25,689,107.84	5,029,564.74
Colombia.....	46,147,555.44	18,965,524.07	15,177,541.37	12,004,500.00	2,074,519.63
Costa Rica.....	1,787,000.00	1,512,392.71	50,878.62	223,728.67	4,954.06
Cuba.....	90,560,035.31	34,391,561.95	30,130,973.36	26,037,500.00	2,069,946.84
Dominican Republic.....	3,402,000.00	118,067.58	3,000,000.00	283,932.42	558,115.71
Ecuador.....	2,437,620.00	2,157,620.00	280,000.00		25,507.71
El Salvador.....	1,824,500.00	348,500.00	1,476,000.00		418,201.00
Guatemala.....	735,000.00	735,000.00			
Haiti.....	8,350,000.00	2,670,000.00	5,680,000.00		1,473,853.00
Honduras.....	2,766,000.00	1,766,000.00		1,000,000.00	82,772.11
Mexico.....	105,883,355.75	41,696,249.58	44,757,024.34	19,430,081.83	7,684,817.36
Nicaragua.....	5,593,800.00	943,800.00	4,000,000.00	650,000.00	1,025,575.84
Panama.....	7,000,000.00	2,012,296.12	4,987,703.88		642,080.21
Paraguay.....	4,800,000.00	1,600,000.00	3,000,000.00	200,000.00	876,016.78
Peru.....	40,991,950.00	38,898,587.76	2,093,362.24		264,411.09



## EXPORT-IMPORT BANK OF WASHINGTON

*Terminated credits, loans fully repaid, as of June 30, 1957—Continued*

Page 1

Country	Credits authorized	Cancellations and expirations	Disbursed and repaid		Interest
			By eximbank	By commercial banks at EIB risk	
LATIN AMERICA—con.					
Uruguay.....	\$17,149,140.00	\$14,322,935.00	\$2,826,205.00	-----	\$238,812.65
Venezuela.....	53,760,300.00	42,702,554.11	8,359,567.54	\$2,698,178.35	1,334,773.63
Miscellaneous Latin America.....	123,838,693.92	97,370,933.75	20,078,226.31	6,389,533.86	3,820,174.35
Total, Latin America.....	923,576,496.28	568,001,973.94	224,749,549.13	130,824,973.21	37,151,684.92
OCEANIA					
Australia.....	1,750,000.00	1,750,000.00	-----	-----	-----
OTHER COUNTRIES					
Jamaica.....	25,000.00	25,000.00	-----	-----	-----
Puerto Rico.....	450,000.00	-----	450,000.00	-----	60,536.42
Virgin Islands.....	250,000.00	250,000.00	-----	-----	-----
Total, other countries.....	725,000.00	275,000.00	450,000.00	-----	60,536.42
VARIOUS COUNTRIES					
Various countries.....	7,500,000.00	7,500,000.00	-----	-----	-----
MISCELLANEOUS					
Special exporter-importer credits.....	4,932,098.73	1,000,000.00	29,916.56	3,902,182.17	40,848.42
Total, terminated credits.....	2,869,564,661.52	1,192,343,903.85	1,284,021,635.28	393,199,122.39	104,229,426.09
Terminated exporter credit lines.....	24,380,000.00	930,500.00	-----	-----	-----

EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

2.

COUNTRY AND ORIGIN (Government or particular)	Credit No.	U. S. PRODUCTS AND SERVICES Financed (Expenditure in particular)	CURRENCY AUTHORITY		CANCELLATIONS AND EXPIRATIONS	UNRECOVERED BALANCE		STATUS OF LOAN			INTEREST AND COMMISSIONS Collected	UNRECOVERED BALANCE of Guaranteed L.O.	REMARKS: Default Liquidation
			Date	Amount 1/ 2/		Amount	Expiry Date	Due by Schedule	Due by Order at 218 Rate	Report	Outstanding		
<b>AFRICA</b>													
<b>Egypt:</b>													
Fertilizer and Chemical Industries of Egypt	429	Equipment for fertilizer plant	7-16-47	\$ 7,250,000.00	\$	\$		\$ 7,250,000.00		\$ 7,250,000.00	\$	\$ 1,728,712.64	\$
United Spinning & Weaving Co., S.A.E.	688	Textile equipment (Whitin Machine Works)	6-9-55	10,000.00	653.55			28,346.45		3,689.78	25,656.67	1,330.64	
Total				7,260,000.00	653.55			7,278,346.45		7,253,689.78	25,656.67	1,730,044.28	
<b>Ethiopia:</b>													
Imperial Ethiopian Government	742	Aircraft and aviation facilities	9-19-55	24,000,000.00		20,700,000.00	6-30-58	3,300,000.00		752,500.00	2,547,500.00	75,164.38	
<b>Liberia:</b>													
Republic of Liberia	489	Highway construction	1-11-51	5,000,000.00		400,000.00	6-30-58	4,600,000.00		504,750.00	4,095,250.00	249,500.38	
Do	497	Water supply and sewerage system	6-14-51	1,350,000.00				1,350,000.00		102,100.00	1,047,900.00	190,871.03	
Do	596	Highway construction projects	1-20-55	15,000,000.00		12,400,000.00	6-30-58	2,600,000.00			2,600,000.00	24,270.55	
Total				21,350,000.00		12,800,000.00		8,550,000.00		806,850.00	7,743,150.00	464,641.86	
<b>Portuguese East Africa</b>													
Republic of Portugal	531	Railway construction and equipment	8-28-52	17,000,000.00	4,547,792.38			12,452,207.62			12,452,207.62	1,687,910.06	
<b>Portuguese West Africa</b>													
Casa Americana Comercial, S.A.R.L. (San. Morsos Overseas Corp.)	651	Marine diesel engines	4-27-56	112,108.72		19,646.86	6-30-58	92,461.86		12,108.72	80,353.14	2,260.01	100,000.00
<b>Union of South Africa:</b>													
Various mining companies-- Unaffiliated 3/	408	Mining equipment, materials, and services	6-28-51	2,051,588.93	2,051,588.93								
West Rand Consolidated Mines, Ltd.	408-A	do	1-10-52	3,326,165.52				3,326,165.52		1,126,438.42	2,199,727.10	520,805.46	
Do	408-A	do		1,154,148.60				1,154,148.60		356,851.82	797,296.78	87,311.65	
Degefontein Mines, Ltd.	408-B	do	1-10-52	7,851,614.85				7,851,614.85		2,777,054.00	5,074,560.85	1,167,381.73	
Do	408-B	do		728,053.86				728,053.86		214,753.51	513,300.35	58,171.32	
Wynmooluiticht Gold Mining Co., Ltd.	408-C	do	1-10-52	6,819,017.49				6,819,017.49		3,411,832.47	3,407,185.02	927,813.35	
Do	408-C	do		767,529.33				767,529.33		226,397.63	541,131.70	69,612.78	
Western Reefs Exploration and Development Co., Ltd.	408-D	do	1-10-52	9,289,004.01				9,289,004.01		3,285,447.16	6,003,556.85	1,348,901.05	
Do	408-B	do		1,011,310.56				1,011,310.56		298,105.53	713,205.04	81,700.79	
Stillfontein Gold Mining Co., Ltd.	408-E	do	1-10-52	6,661,882.39				6,661,882.39		1,723,095.53	4,938,786.86	981,466.21	
Do	408-E	do		1,236,798.57				1,236,798.57		338,412.32	998,386.25	74,523.58	

See footnotes on page 30.

DEBT CEILING INCREASE

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EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

December 31, 1957.

Country and Obligor (Give name in parentheses)	Client No.	U. S. Products and Services Provided (Reference to paragraph)	Credits Authorized		Collateral and Explanations	Unrepaid Balance		Status of Loans			Interest and Commissions Collected	Unpaid Balance of Guaranteed L/C (Enter zero)	Revolving Credit Limitation
			Date	Amount / 2/		Amount	Expiry Date	Due to Maturity	Due by Others at 60 Day	Repaid			
AFRICA - continued													
Union of South Africa - continued													
Randfontein Estates Gold Mining Co., Witwatersrand, Ltd.	498-F	Mining equipment, materials, and services	9-25-52	\$ 11,687,767.36			\$ 11,687,767.36		\$ 3,038,832.04	\$ 8,648,935.32	\$ 1,482,992.98		
Do	498-F	do		1,151,118.01			1,151,118.01		221,896.12	929,221.89	73,625.22		
Virginia Orange Free State Gold Mining Co., Ltd.	498-G	do	10-30-52	11,536,976.12			11,536,976.12		1,885,118.69	9,651,857.43	1,275,270.50		
Do	498-G	do	9-28-56	1,285,676.73			1,285,676.73		60,148.15	1,225,528.58	52,508.51		
Vogelstruisbult Gold Mining Areas, Ltd.	498-H	do	10-30-52	2,388,379.41			2,388,379.41		620,981.20	1,767,398.21	285,947.17		
Do	498-H	do		1,873,861.59			1,873,861.59		361,000.64	1,512,860.95	110,293.86		
Luipaards Vlei Estate & Gold Mining Co., Ltd.	498-I	do	11-13-52	4,751,372.63			4,751,372.63		1,021,468.54	3,729,904.09	587,470.51		
Do	498-I	do		651,421.05			651,421.05		91,393.28	560,027.77	27,356.07		
Welkom Gold Mining Co., Ltd.	498-J	do	5-27-53	5,830,688.06			5,830,688.06		990,712.96	4,839,975.10	728,906.27		
Do	498-J	do		1,478,108.76			1,478,108.76		139,670.94	1,338,437.82	53,027.11		
President Steyn Gold Mining Co., Ltd.	498-K	do	6-24-53	5,828,568.75			5,828,568.75		990,352.90	4,838,215.85	725,414.10		
Do	498-K	do		1,537,810.21			1,537,810.21		150,981.85	1,446,828.36	57,264.46		
Ellison Gold Mining Co., Ltd.	498-L	do	8-5-53	880,662.84			880,662.84		228,973.24	651,689.60	108,251.07		
Do	498-L	do		108,690.79			108,690.79		19,795.24	82,895.55	6,570.45		
Babrosc Mines (Proprietary) Ltd.	498-M	do	8-5-53	46,533.61			46,533.61		12,098.82	34,434.79	5,251.40		
Do	498-M	do		11,400.20			11,400.20		2,197.53	9,202.67	719.71		
The Afrikaner Lease, Ltd.	498-N	do	8-5-53	130,903.61			130,903.61		34,035.08	96,868.53	15,512.85		
New Kleckdorp Gold Estates, Ltd.	498-O	do	8-5-53	116,041.16			116,041.16		30,170.76	85,870.40	12,381.53		
Do	498-O	do		21,194.94			21,194.94		4,085.66	17,109.28	1,125.06		
Marany Gold Mining Co., Ltd.	498-P	do	8-13-53	5,842,211.63			5,842,211.63		1,253,246.33	4,588,965.60	620,793.83		
Do	498-P	do		1,296,258.52			1,296,258.52		185,556.29	1,110,702.23	69,076.10		
East Champ d'Or Gold Mining Co., Ltd.	498-Q	do	10-8-53	416,380.31			416,380.31		238,212.79	178,167.52	41,119.34		
Government Gold Mining Areas (Modderfontein) Consolidated, Ltd.	498-R	do	1-25-54	638,200.05			638,200.05		180,661.99	457,538.06	62,414.96		
Dominion Reefs (Klerksdorp) Ltd.	498-S	do	3-4-54	3,601,062.29			3,601,062.29		859,219.99	2,741,842.30	333,591.56		
Do	498-S	do		223,386.81			223,386.81		30,771.95	192,614.86	3,691.85		
West Britfontein Gold Mining Co., Ltd.	498-T	do	4-8-54	3,301,546.79			3,301,546.79		416,875.29	2,884,671.50	189,754.74		
Do	498-T	do		1,218,270.11			1,218,270.11		57,713.52	1,160,556.59	46,038.72		
Doornfontein Gold Mining Co., Ltd.	498-U	do	5-6-54	287,509.46			287,509.46		37,685.75	249,823.71	19,536.95		
Do	498-U	do		283,624.92			283,624.92		13,449.98	270,174.94	10,138.07		
Veal Reefs Exploration and Mining Co., Ltd.	498-V	do	11-4-54	4,309,942.55			4,309,942.55		358,979.21	3,950,963.34	327,846.11		
Stillfontein Gold Mining Co., Ltd.	498-W	do	12-23-54	1,414,683.95			1,414,683.95		240,373.94	1,174,310.01	97,344.81		
Do	498-W	do	7-5-56	167,195.90			167,195.90		15,798.85	151,397.05	4,789.54		

See footnotes on page 30.

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DEBT CEILING INCREASE

EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

December 31, 1957

Country and Obligor (Government or person)	Credit No.	U. S. Purpose and Services Financed (Exposure in particular)	CREDIT AUTHORIZED		COMPLETION AND EXTENSION	THUNDERBOLT BALANCE		STATUS OF LOANS			PAID BY AND COMMITMENT COLLECTED	UNPAID BALANCE OF COMMITMENT L.C. (OUTSTANDING)	APPROX. CREDIT LIMITATION
			Date	Amount 1/ 2/		Amount	Expiry Date	Debt by Expiry Date	Debt by Expiry at E.I.B. Risk	Repay			
AFRICA - continued													
Union of South Africa - continued													
Welkom Gold Mining Co., Ltd.	498-X	Mining equipment, materials, and services	1-27-55	\$ 384,701.95	\$	\$		\$ 384,701.95		\$ 65,366.13	\$ 319,335.83	\$	30,579.86
Do	498-X	do		32,841.95				32,841.95		3,103.35	29,738.60		975.34
Blyvooruitzicht Gold Mining Co., Ltd.	498-Y	do	2- 3-55	1,409,087.93				1,409,087.93		117,364.27	1,291,723.66		54,525.51
Merriespruit (Orange Free State) Gold Mining Co., Ltd.	498-Z	do	3-10-55	752,946.15				752,946.15		15,448.55	737,497.60		21,312.87
Do	498-Z	do	7- 2-57	126,584.82				126,584.82			126,584.82		2,458.19
Hartebeestfontein Gold Mining Co., Ltd.	498-1	do	9-29-55	5,004,719.96				5,004,719.96		416,847.85	4,587,872.11		248,727.68
Do	498-1	do	10-12-57	305,615.04				305,615.04			305,615.04		32.73
Buffelsfontein Gold Mining Co., Ltd.	498-1	do	10-25-56	5,267,270.71				5,267,270.71		217,207.20	5,050,063.51		145,452.90
Do	498-1	do	7- 9-57	2,016,010.43		1,448,180.00	12-31-58	567,830.43			567,830.43		10,080.43
Do	498-1	do	7- 9-57	919,197.83		342,850.00	12-31-58	567,347.83			567,347.83		9,597.83
Electricity Supply Commission	530	Power facilities for produc- tion of strategic materials	7-10-52	19,600,000.00				19,600,000.00		1,991,307.42	17,608,692.58	2,281,124.40	
Total				151,078,540.01	2,051,588.93	1,791,030.00		147,235,921.08		29,336,693.37	117,899,227.71	15,645,227.05	
Total Africa				220,820,648.73	6,600,634.86	35,210,678.86		178,999,937.01		38,161,341.87	140,748,595.14	19,605,247.62	

See footnotes on page 30.

DEBT CEILING INCREASE

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EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

December 31, 1957.

Country and Office (Guarantor or participant)		Credit No.	U. S. Projects and Services Financed (Beneficiary or participants)	CURRENCY AUTHORIZED		Cancellations and Excesses	UNREPAID BALANCE		STATUS OF LOANS			INTEREST AND COMMISSIONS COLLECTED	UNREPAID BALANCE OF GUARANTEED CREDIT (Guaranteed)	RECOVERING CREDIT LIMITATION
				Date	Amount 1/ 2/		Amount	Expiry Date	Due by Expiry Date	Due by Others at EIB Risk	Repaid			
ASIA														
Afghanistan:														
Royal Government of Afghanistan	470	Construction of dam and canal Helmand River Valley	11-23-49	\$ 21,000,000.00	\$	\$	\$ 21,000,000.00		\$	\$ 21,000,000.00	\$ 4,112,246.98	\$		
Do	558		4-29-54	18,500,000.00		1,200,000.00	12-31-58	17,300,000.00			17,300,000.00	1,024,015.04		
Total				39,500,000.00		1,200,000.00		38,300,000.00			38,300,000.00	5,136,262.02		
China:														
Tungli Chemical Indus. Ltd. (Bank of China and Republic of China)	350	Construction of chemical plant	3-21-45	16,000,000.00	14,565,745.91			1,434,254.09		1,216,000.00	218,254.09	375,419.41		
Republic of China	395	Cargo vessels	2-20-46	4,243,750.00				4,243,750.00		2,322,690.00	1,871,060.00	610,613.65		
Do	396	do	2-20-46	2,600,000.00	59,052.45			2,540,947.55			2,540,947.55	190,048.96		
Do	397	Generating equipment and engineering services	2-20-46	8,800,000.00	517,780.83			8,282,219.17			8,282,219.17	281,871.12		
Do	398	Railway repair materials	2-20-46	16,650,000.00				16,650,000.00			16,650,000.00	839,020.23		
Do	399	Equipment, materials, and supplies for coal mining	3-13-46	1,500,000.00				1,500,000.00			1,500,000.00	61,376.99		
Total				49,793,750.00	15,142,579.19			34,651,170.81		3,588,690.00	31,062,480.81	2,378,250.86		
India:														
National Rayon Corporation, Ltd. (Bank of Baroda)	349	For rayon tire cord plant (Rayon Consultants Inc.)	10- 4-57	1,800,000.00		1,800,000.00	10-31-59	Extension pending						
Sundatta Cotton-Seed Utilization, Ltd. (Eastern Bank Ltd., Bombay, India)	294-1	Solvent extraction equipment (The French Oil Mill Machinery Co.)	3-29-57	60,000.00		60,000.00	12-31-57							
Total				1,860,000.00		1,860,000.00								
Indonesia:														
Republic of Indonesia - Unallocated	472	Development projects	2- 8-50	1,055,366.99		1,055,366.99								
Republic of Indonesia	472-A	Transportation program	2-27-50	32,100,000.00		320,000.00	3-31-58	31,180,000.00		4,004,808.00	27,175,192.00	4,287,185.27		
Do	472-B	Telecommunications development	9-21-50	260,000.00				260,000.00			226,592.00	42,933.31		
Do	472-C	Dredging equipment, harbor construction	10-19-50	6,700,000.00		181,000.00	8-31-58	6,317,000.00		806,208.00	5,510,792.00	896,465.15		
Do	472-D	Railroad rehabilitation program	11- 3-50	17,100,000.00		1,741,775.18	8-31-58	15,358,224.82		1,960,200.00	13,398,024.82	1,936,676.94	448,678.48	
Do	472-E	Aircraft and equipment	11-30-50	6,021,000.00				6,021,000.00		773,592.00	5,240,408.00	1,028,058.90		
Do	472-F	Electrification program	1-25-51	3,585,700.00		3,700.00	3-31-58	3,582,000.00		458,832.00	3,123,168.00	395,558.91		
Do	472-G	Forest development program	7-26-51	978,933.01				978,933.01		125,688.00	853,245.01	104,204.71		
Do	472-H	Marine engines	3- 6-52	1,820,000.00				1,820,000.00		233,784.00	1,586,216.00	207,251.17		
Do	472-I	Cement plant	6-24-53	14,700,000.00		2,887,132.44	3-31-58	11,812,867.56		1,203,480.00	10,609,387.56	551,990.65	128,855.58	
Do	472-J	Aircraft and equipment	5-17-56	7,500,000.00		7,500,000.00	3-31-58							

See footnotes on page 30.

EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

6.

December 31, 1957.

Country and Character (Country in parenthesis)	Credit No.	U. S. Purpose and Services (Purpose in parenthesis)	CREDIT AUTHORIZED		CANCELLATIONS AND EXPIRATIONS	UNDISBURSED BALANCE		STATUS OF LOANS				INTEREST AND COMMISSIONS COLLECTED	UNPAID BALANCE OF GUARANTEED L.O. (Guarantee)	REMARKS (CAUSE CANCELLATION)
			Date	Amount	1/ 2/	Amount	Expiry Date	Paid by Borrower	Paid by Others at EIS Rate	Request	Outstanding			
ASIA - Indonesia - continued														
Republic of Indonesia	472-K	Telecommunications equipment	11- 1-56	\$ 1,700,000.00		\$ 1,700,000.00	9-10-58							
Do	472-L	Diesel locomotive equipment	11-16-56	6,477,000.00		6,477,000.00	9-10-58							
Republic of Indonesia (Bank of Indonesia)	964	Aircraft and spare parts (Conveyor Division of General Dynamics Corp.)	11-22-57	1,781,000.00			6-10-58							
Total				101,781,000.00		24,448,973.61		77,332,026.39		9,600,000.00	67,732,026.39	10,150,625.01	627,534.06	
Iran:														
Government of Iran - Unallotted	577	Economic development	11- 4-54	24,000,000.00		24,000,000.00	12-31-58							
Government of Iran	572-A	Diesel locomotives, parts, equipment, and tools	8-11-55	14,000,000.00		860,091.01	6- 1-58	13,139,908.99			13,139,908.99	592,981.47	857,155.88	
Do	572-B	Highway equipment	7-25-56	5,000,000.00		2,545,711.26	12-31-58	2,454,288.74			1,242.47	1,261,734.10		
Do	577-C	Diesel locomotives and sloped generators	7- 9-57	10,000,000.00		10,000,000.00	11- 1-59							
Iran Techno Corp. (Bank Mellat)	884	Agricultural equipment (Allis-Chalmers Mfg. Co.)	1-29-57	180,000.00		180,000.00	1-31-58							
The Millard Company, Ltd. (Hossein Mirzaei, et al)	742-2	Truck chassis (Mack Trucks, Inc.)	5-18-56	270,000.00		6,056.92		261,943.08		98,339.82	165,603.26	15,718.58		
Do	742-3	Diesel engines (Mack Trucks, Inc.)	7-19-56	21,000.00		55.44		20,944.56		6,981.55	13,963.01	1,204.89		
Do	742-6	Truck chassis and equipment (Mack Trucks, Inc.)	4- 4-57	304,000.00				250,257.51			250,257.51			
Diesel White Co., Ltd. (Bank Pars, Tabriz, Iran)	663-3	Diesel engines (Cummins Diesel Exp. Corp.)	9-13-56	36,000.00		11,000.00		25,000.00						36,000.00
Do	643-1	Motor truck chassis (The White Motor Co.)	12-31-57	81,000.00		81,000.00	7-31-58							
Total				53,892,000.00		6,112.36	37,731,944.76	16,154,342.88		105,321.37	16,049,021.51	611,247.41	2,118,889.98	
Iraq:														
Abraham J. Saad & Fils (Sleil J. Saad, et al)	588-A	Earth moving equipment (LeTourneau-Westinghouse Co.)	5-18-56	160,000.00		5,039.74		154,960.26		46,689.16	108,271.10	7,351.74		
Do	588-B	do	12-20-56	50,000.00		2,244.34		47,755.66		7,959.31	39,796.35	1,341.09		
Do	588-C	Earth moving equipment (The Shovel Co.)	5-18-56	50,000.00			4- 1-58	39,914.95			39,914.95			50,000.00
Do	588-1	Material handling equipment (Loss Manufacturing Co.)	4-30-57	230,000.00		140,387.00	4-10-58	89,613.00			89,613.00			
Total				490,000.00		7,284.08	150,472.05	332,253.87		54,648.47	277,595.40	8,692.83		
Israel:														
State of Israel	458-A	Agricultural production	1-19-49	70,000,000.00				70,000,000.00		14,374,068.88	55,625,931.12	14,089,288.08		
Do	458-B	Transportation	3- 9-49	9,535,243.00		544.52		9,534,698.48		2,086,753.78	7,447,944.70	2,061,662.09		
Do	458-C	Housing materials	3-16-49	25,000,000.00				25,000,000.00		5,056,554.90	19,943,445.10	5,132,620.64		
Do	458-D	Telecommunications equipment	3-23-49	5,000,000.00		1,256.10		4,998,743.90		1,234,937.97	3,763,805.93	1,016,110.03		
Do	458-E	Port development	3- 7-49	5,464,757.00				5,464,757.00		1,095,560.89	4,369,196.11	968,342.87		
Do	458-F	Industrial development	10-26-49	20,000,000.00				20,000,000.00		3,817,297.73	16,182,702.27	3,608,374.83		
Total				135,000,000.00		1,800.62		144,998,199.38		27,665,175.15	107,333,023.23	26,816,398.54		

See footnotes on page 30.

DEBT CEILING INCREASE

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EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

7.

December 31, 1957.

December 31, 1957												
Country and Obligor (Country of residence)	Export No.	U. S. Products and Services (Export or purchase)	Credits Authorized		Cancellation and Expiry Dates	Undisbursed Balance		Status of Loans			Unsettled Balance of Guaranteed ETC Contract	Revolving Credit Limitation
			Date	Amount / %		Amount	Expiry Date	Disb. by Estimate	Disb. by Others at 218 Row	Repaid		
ASIA - continued												
Japan:												
Bank of Japan	712	Cotton	7-21-55	\$ 55,600,000.00	\$ 104,979.39		\$ 55,495,020.61	\$	\$ 55,495,020.61	\$	\$ 1,704,375.22	
Do	712-A	do		4,400,000.00	17,454.04			4,382,545.96	4,382,545.96		27,419.64	
Do	815	do	8-23-56	58,300,000.00	77,611.34		58,222,388.66		21,082,548.86	37,139,839.80	766,311.69	
Do	815-A	do	8-23-56	1,700,000.00	4,293.93			1,695,706.07	102,261.11	1,593,444.96	640.85	
Do	928-A	Agricultural commodities	7- 2-57	3,600,000.00		1,488,496.43	2-31-58		2,111,503.57		2,111,503.57	
Do	928-B	do		111,400,000.00		48,968,137.45	3-31-58	62,431,862.55			62,431,862.55	
Do	947	Cotton	9-12-57	60,000,000.00		60,000,000.00	7-31-58					
Kansai Electric Power Company (Japan Development Bank)	775	Turbo generating unit (Westinghouse Elec.Int'l. Co.)	3- 8-56	11,000,000.00	2,000,000.00	8,647,034.36	1-15-59	352,965.64		352,965.64	1,946.98	7,320,730.36
Do	903	do	3-21-57	4,250,000.00		4,250,000.00	3-15-60					3,909,272.60
Tokyo Electric Power Company (Japan Development Bank)	785	Turbo generating unit (International Gen. Elec.Co.)	4- 5-56	10,000,000.00	2,000,000.00	5,897,146.48	1-15-59	2,102,853.52			2,102,853.52	6,260.71
Do	944	do	9-12-57	4,800,000.00		4,800,000.00	12-31-58					
Chubu Electric Power Company (Japan Development Bank)	797	do	6-14-56	9,000,000.00	500,000.00	5,103,879.35	1-15-59	3,396,120.65			3,396,120.65	5,103,879.35
Do	970	do	12-13-57	6,700,000.00		6,700,000.00	1-15-60					
Kyushu Electric Power Company (Japan Development Bank)	821	Turbo generating unit (Westinghouse Elec.Int'l. Co.)	9- 6-56	8,500,000.00		8,118,158.53	5-15-59	381,841.47			381,841.47	16.83
Do	962	do	11-14-57	5,000,000.00		5,000,000.00	12-31-59					
Tohoku Electric Power Company (Japan Development Bank)	932	Turbo generating unit (International Gen. Elec.Co.)	7-23-57	7,300,000.00		7,300,000.00	12-31-59					6,315,427.30
Fuji Iron & Steel Co., Ltd. (Industrial Bank of Japan)	935	Expansion of steel mill	8- 1-57	10,300,000.00		10,300,000.00	3-31-59					
Japan Air Lines Company, Ltd. (Japan Development Bank)	863	Aircraft and spare parts (Douglas Aircraft Co., Inc.)	11-21-56	7,700,000.00		7,700,000.00	6-30-58					
Do	864	do	12- 3-56	16,500,000.00		16,500,000.00	6-30-61					
Yamato Iron & Steel Co., Ltd. (Industrial Bank of Japan)	969	Expansion of steel mill	12-13-57	26,000,000.00		26,000,000.00	12-31-60					
Mitsubishi Nippon Heavy Industries Ltd. (The Mitsubishi Bank, Ltd.)	663-B	Diesel engines (Cummins Diesel Export Corp.)	6-23-55	900,000.00	32,828.83				867,171.17	578,114.19	289,056.98	41,098.66
Do	663-A	do	11-21-56	1,017,000.00	1,309.80			1,015,690.20		169,281.70	846,408.50	22,728.78
Total				423,267,000.00	4,738,477.33	226,272,852.60		183,398,743.30	9,056,326.77	81,809,772.43	110,645,897.64	2,570,791.16
Pakistan:												
Pakistan International Airlines (Ministry of Finance of the Government of Pakistan)	953	Aircraft and spare parts (Lockheed Aircraft Corp.)	10- 9-57	2,828,000.00		2,828,000.00	7-31-58					
Do	954	Aircraft and spare parts (Curtiss-Wright Corp.)	10- 9-57	556,500.00		556,500.00	7-31-58					
Total				3,284,500.00		3,284,500.00						

See footnotes on page 30.

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DEBT CEILING INCREASE

EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

8.

December 31, 1957

COUNTRY AND CHARACTER (Exemptions in parentheses)		CLIENT No.	U. S. PROJECTS AND SERVICES (Exemptions in parentheses)	CREDITS AUTHORIZED		GUARANTIES AND EXPIRATIONS	UNDERSUBSCRIBED BALANCES		STATUS OF LOANS			INTEREST AND COMMISSIONS COLLECTED	UNPAID BALANCES OF GUARANTIES, IF OUTSTANDING	REVOLVING CREDIT LIMITATION
Date	Amount			Approved	Expiry Date		Due by Earliest	Due by Contract at EIB Rate	Repaid	Outstanding				
ASIA - continued														
Philippines:														
National Power Corp. (Republic of the Philippines)	515	Development of hydroelectric power	1-31-52	\$ 20,000,000.00	\$ 1,921.62	\$	\$ 19,998,078.37	\$	2,214,473.85	\$ 17,783,604.52	\$ 2,416,595.69	\$		
Litton Spinning & Weaving Mills, Inc.	669	Textile machinery (Draper Corp.)	4-28-55	1,048,000.00		364,606.94	4-30-58	683,393.06		54,763.85	628,629.21	34,348.06	293,806.86	(Participation in 1st 2 install. to ext. of \$180,000). Purchased from EIB by a Commercial Bank for its own account and risk.
Goodrich International Rubber Company	727	Construction of tire and tube factory	8-18-55	1,800,000.00				1,800,000.00		202,500.00	1,597,500.00	125,806.90		
China Banking Corporation - Unallotted	538-A	Machinery, equipment, materials, and services	7- 1-54	112,000.00		112,000.00	6-30-58							
Approved transactions:														
La Perla, Inc.	538-A	Bakery equipment	2-15-56	99,000.00		750.00	6-30-58	98,260.00		63,000.00	35,260.00	2,633.44		
Philippine Thread Mills, Inc.	538-A	Equipment for production of cotton yarn	9-14-56	90,000.00		462.56	6-30-58	89,537.34			89,537.34	1,954.47		
Latex Products Co., Inc.	538-A	Equipment for production of rubber goods	1-14-57	23,000.00		1,136.48	6-30-58	21,863.52			21,863.52	407.68		
Continental Manufacturing Corp.	538-A	Equipment for production of thread	2-27-57	34,000.00		164.96	6-30-58	33,835.04			33,835.04	80.04		
Transport Contractors, Inc.	538-A	Equipment for ship loading	10-30-57	83,000.00		82,038.83	6-30-58	965.17			965.17		81,366.18	
Yamsei Steel Manufacturing Co.	538-A	Equipment for production of refrigeration appliances	11-14-57	68,000.00		68,000.00	6-30-58						67,645.00	
Kaw Sek & Co.	538-A	Equipment for mayonnaise plant	11-26-57	19,000.00		19,000.00	6-30-58						18,628.00	
Central Macaroni Co., Inc.	538-A	Equipment for manufacture of peanut butter	12- 4-57	22,000.00		22,000.00	6-30-58						22,000.00	
Philippine Bank of Communications - Unallotted	538-B	Machinery, equipment, materials, and services	7- 1-54	31,000.00		31,000.00	6-30-58							
Approved transactions:														
Luis Martinez & Co.	538-B	Equipment to enlarge bakery	3- 2-55	81,000.00		269.39	6-30-58	80,730.61		25,000.00	55,730.61	5,678.39		
Atlas Textile Development Corp.	538-B	Equipment for expansion of textile mills	5-26-55	60,000.00		165.92	6-30-58	59,834.08		18,000.00	41,834.08	4,145.41		
Universal Textile Mills, Inc.	538-B	Power equipment for textile mill	11-28-55	205,000.00		534.25	6-30-58	204,465.75		23,000.00	181,465.75	6,212.83	406.25	
Insular Yabana Tobacco Corp.	538-B	Equipment for production of cigarettes and cigars	10-18-57	88,000.00		88,000.00	6-30-58						87,434.24	
Mahogany Products (Phil) Inc.	538-B	Equipment for veneer plant	11-25-57	35,000.00		35,000.00	6-30-58						34,535.00	
Equitable Banking Corporation - Unallotted	538-C	Machinery, equipment, materials, and services	7- 1-54											
Approved transaction:														
Paramount Textile Mills	538-C	Equipment for textile mill	12- 6-57	500,000.00		500,000.00	6-30-58							
Prudential Bank & Trust Company - Unallotted	538-D	Machinery, equipment, materials, and services	7- 1-54	22,000.00		22,000.00	6-30-58							
Approved transactions:														
Litton Knitting Mills	538-D	Equipment for knitting mill	10-27-55	214,000.00		9,278.53	6-30-58	204,721.47		16,167.00	188,554.47	3,001.26	1,821.72	
H. G. Meneses & Sons	538-D	Equipment for production of carbon paper and typewriter ribbons	1-11-56	30,000.00			6-30-58	30,000.00		10,000.00	20,000.00	1,784.32		
Plywood Industries, Inc.	538-D	Equipment for production of plywood	4-27-56	98,000.00		5,187.46	6-30-58	92,812.51		9,166.66	83,645.85	2,287.45	947.00	
United Laboratories, Inc.	538-D	Equipment for processing and packaging medicines	4- 4-57	95,000.00		11,431.91	6-30-58	83,568.09			83,568.09	545.58	10,536.30	
Grown Textiles Corp.	538-D	Equipment for production of twine	11-18-57	41,000.00		41,000.00	6-30-58						32,481.30	

See footnotes on page 30.

DEBT CEILING INCREASE

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EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

9.

December 31, 1957

Country and Enterprise (Name of enterprise)	Credit No.	U. S. Products and Services Exported (Nature of purchases)	Credits Authorized		Cancellation and Expiry Date	Unamortized Balance		Status of Loans				Interest and Commission Collected	Unpaid Balance of Guaranteed E.C. Commitment	Revolving Credit Limitation
			Date	Amount 1/ 2/		Amount	Expiry Date	Due by Expiry Date	Due by Expiry at 210 Day	Repaid	Outstanding			
ASIA - Philippines - continued														
Rehabilitation Finance Corporation														
Unallotted	538-A	Machinery, equipment, materials, and services	7-1-54	\$ 2,000,000.00		\$ 2,000,000.00	6-30-58	\$		\$		\$		
Philippine Bank of Commerce -														
Unallotted	538-F	do	11-26-54	69,000.00		69,000.00	6-30-58							
Approved transactions:														
Orinco Sugar Co., Inc.	538-F	Equipment for expansion of sugar refinery	11-22-57	70,000.00		70,000.00	6-30-58						69,246.15	
Paramount Textile Mills, Inc.	538-F	Equipment for textile mill	12-6-57	250,000.00		250,000.00	6-30-58							
Eastern Textile Mills, Inc.	538-F	do	12-12-57	111,000.00		111,000.00	6-30-58							
Security Bank and Trust Company -														
Unallotted	538-C	Machinery, equipment, materials, and services	2-28-56	219,000.00		219,000.00	6-30-58							
Approved transactions:														
Synthetic Textile Manufacturers	538-G													
Co., Inc.	538-G	Air conditioning equipment	9-17-56	42,000.00				42,000.00		42,000.00			744.11	
Sanitex, Inc.	538-G	Machinery, equipment, and materials	2-25-57	91,000.00		445.06	6-30-58	90,554.94			90,554.94			
American Wire & Cable Co.	538-G	Machinery and equipment for wire drawing	2-27-57	98,000.00		24,851.58	6-30-58	73,148.42		8,511.32	64,637.10	216.65	24,851.58	
Republic of the Philippines -														
Philippine Banks - Unallotted	777	Economic development through Philippine banks	3-8-56	3,500,000.00		3,500,000.00	12-31-57							
Central Bank of the Philippines -														
Unallotted	777-A	do	8-3-56	4,230,813.84		4,230,813.84	12-31-57							
Approved transactions:														
International Textile Mills, Inc.	777-A	Capital goods and services	10-9-57	788,427.44		788,427.44	12-31-58							
P. Florio & Sons, Inc.	777-A	Equipment for a yarn mill	11-18-57	1,199,474.39		1,199,474.39	12-31-58							
Luxon Stevedoring Company, Inc.	777-A	Equipment and services	11-22-57	1,124,140.00		1,124,140.00	12-31-58							
Vicayan Electric Co.	777-A	do	12-9-57	1,170,410.00		1,170,410.00	12-31-58							
Manila Bay Spinning Mills, Inc.	777-A	do	12-11-57	256,544.57		256,544.57	12-31-58							
Superior Gas & Equipment Company	777-A	Machinery, equipment, con- struction materials, & serv.	12-20-57	141,645.00		141,645.00	12-31-58							
Marikina Electric Light Company	777-A	do	12-20-57	26,590.21		26,590.21	12-31-58							
Cotabato Light & Power Company	777-A	do	12-20-57	29,000.00		29,000.00	12-31-58							
Pacific Pearl Button Craft	777-A	do	12-20-57	48,350.00		48,350.00	12-31-58							
Marcelo Rubber & Latex Co.	777-A	do	12-20-57	31,843.00		31,843.00	12-31-58							
General Textiles	777-A	Equipment and construction steel	12-31-57	852,761.55		852,761.55	12-31-58							
The First National City Bank of New York, Port Area Branch, Manila -														
Unallotted	777-B	Economic development	8-9-56	375,275.64		375,275.64	6-30-58							
Approved transactions:														
Philippine Manufacturing Company	777-B	Equipment for processing vegetable oils	10-29-57	124,724.36				124,724.36			124,724.36			
Commercial Bank and Trust Company, Manila - Unallotted	777-B	Economic development through Philippine banks	10-12-56	500,000.00		500,000.00	6-30-58							
Peoples Bank and Trust Company, Manila - Unallotted	777-B	do	10-12-56	500,000.00		500,000.00	6-30-58							

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DEBT CEILING INCREASE

EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

10.

December 31, 1957

October 31, 1957													
COUNTRY AND ORIGIN (Countries in parentheses)	Credit No.	U. S. PURPOSE AND SERVICES FINANCED (Expenditure in parentheses)	CREDITS AUTHORIZED		CANCELLATIONS AND EXPIRATIONS	UNDISBURSED BALANCE		STATUS OF LOANS			INTEREST AND COMMISSIONS COLLECTED	LOANS BEING GUARANTEED BY U.S. COMMERCE	RECOVERING CREDIT LIMITS
			Date	Amount 1/ 2/		Amount	Expiry Date	Due by Savannah	Due by Others at 618 Risk	Repaid			
ASIA - Philippines - continued													
Republic of the Philippines - Public and Private Entities - Unallocated	777	Economic development	3- 8-56	\$ 42,500,000.00	\$	\$ 42,500,000.00	6-30-58	\$	\$	\$	\$	\$	
Firestone Tire & Rubber Company, Philippines	777-E	Construction of rubber tire and tube factory	11-21-56	2,000,000.00		2,000,000.00	3-31-58						
Philippines Long Distance Telephone Company	777-F	Construction program	11-23-56	5,500,000.00		5,500,000.00	3-31-60						
Total				92,840,000.00	1,921.63	69,033,585.64		23,812,492.73		2,686,582.68	21,125,910.05	2,606,461.28	797,773.58
Saudi Arabia:													
Kingdom of Saudi Arabia	386	Raw materials and equipment	1- 3-56	25,000,000.00	15,000,000.00			10,000,000.00		10,000,000.00		2,000,000.00	
Do	482	Public works and development projects	7-20-50	15,000,000.00	10,232,483.60			4,767,516.40		1,364,000.00	3,403,516.40	997,991.72	
Total				40,000,000.00	25,232,483.60			14,767,516.40		11,364,000.00	3,403,516.40	2,997,991.72	
Syria:													
Ayoub & Co.	583-1	Water well drilling rigs (Ayv. Manufacturing Co.)	2-10-56	105,000.00	2,628.38			102,370.62		78,750.00	23,620.62	4,126.38	(\$52,500 purchased from EIB by a (Commercial) Bank for its own (account and risk)
Thailand:													
Kingdom of Thailand	504	Cargo vessels	8-16-51	1,071,340.00	31,510.00			1,039,830.00		375,120.00	661,710.00	176,564.76	
Siam Cement Company, Ltd.	646	Steam and diesel generating units and related services	4- 7-55	1,250,000.00				1,250,000.00		125,000.00	1,125,000.00	50,539.84	
S. R. Motors Company, Ltd.	609-4	Diesel tractors & equipment (Massey-Harris-Ferguson, Inc.)	2-28-57	87,500.00	87,500.00								
Total				2,408,840.00	119,010.00			2,289,830.00		503,120.00	1,786,710.00	227,104.60	
Turkey:													
Republic of Turkey	407-A	State seaports and harbors	5-25-49	4,750,000.00		1,012,641.81	9-1-58	3,737,358.17		1,937,500.00	1,799,858.17	357,936.96	578,003.75
Do	526	Grain storage and handling equip. (Colombian Steel Tank Co.)	11- 4-54	4,235,000.00				4,235,000.00		1,270,500.00	2,964,500.00	233,702.35	
Etibank (Republic of Turkey)	528	Coal washing plant (McMurry, Pittsburg Mfg. Corp.)	3-17-55	896,182.00		896,182.00	11-15-58						
Total				9,881,182.00		1,908,823.81		7,972,358.17		3,208,000.00	4,764,358.17	591,638.31	578,003.75
Total Asia				954,811,272.00	45,252,298.19	366,390,752.49		534,111,294.55	9,056,926.77	140,664,059.10	402,504,162.22	54,110,285.13	40,738,579.79
CANADA													
General Petroleum of Canada, Ltd.	849	Deep well drilling rig	10-18-56	50,000.00	5,120.00			44,880.00		14,960.00	29,920.00	2,462.81	
Do	873	Pump, engines, converters, and equipment	12-20-56	23,000.00	1,443.89			21,556.11		5,796.11	15,860.00	980.22	
Total Canada				73,000.00	6,563.89			66,436.11		20,656.11	45,770.00	3,443.03	

See footnotes on page 30.

DEBT CEILING INCREASE

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EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

11.

December 31, 1959

December 31, 1957														
COUNTRY AND ORIGIN (Continued in parentheses)	Credit No.	U. S. PRODUCTS AND SERVICES (Specimen in parentheses)	CREDITS AUTHORIZED		CANCELLATIONS AND EXTINCTIONS	UNREPAID BALANCE		STATUS OF LOANS				PAYMENTS AND COMMISSIONS COLLECTED	UNPAID BALANCE OF COMMISSIONS U.S. (Continued in U.S.)	REVENUE CREDIT LIMITATION
			Date	Amount 17/ 27		Amount	Expiry Date	Deb. by Borrowers	Deb. by Others at EIB Risk	Repaid	Outstanding			
EUROPE														
Austria:														
Creditanstalt-Bankverein (Republic of Austria)	647	Cotton	4-7-55	\$ 6,000,000.00	\$ 34,031.50									
		Less: Advances by participant		2,525,644.38										
	647-448			3,574,355.62	34,031.50			2,895,200.75	645,123.37	1,886,475.89	1,653,848.23	67,780.60		
Bruder Teich (Oesterreichisches Credit-Institut, A. G.)	778	Equipment for aluminum foil plant	3-15-56	1,000,000.00		826,220.00	4-15-58	173,780.00			173,780.00	3,308.96	727,890.00	
Creditanstalt-Bankverein, Oesterreichische Laenderbank, A.G. and Credit-Institut, A.G.	895	Cotton	2-21-57	8,000,000.00		3,440,344.16	4-30-58	4,550,655.84		133,187.32	4,417,268.52			
		Less: Advances by participants		500,000.00		255,227.06		244,772.55		15,080.42	229,692.13			
				7,500,000.00		3,184,116.70		4,305,883.30		118,306.90	4,187,576.50			
Oesterreichisch-Alpine Montangesellschaft (Republic of Austria)	913	Steel-mill equipment	4-25-57	20,000,000.00		20,000,000.00	7-15-62							
Do	913	do	10-31-57	8,150,000.00		8,150,000.00	7-15-62							
Leibacher Flachspinnerei (Bank fuer Oesterreich und Salzburg)	956	Textile machinery	10-24-57	16,500.00		16,500.00	5-31-58							
Total				40,240,855.62	34,031.50	32,186,836.70		7,374,864.05	645,123.37	2,004,782.79	6,015,204.63	71,569.83	721,890.00	
Belgium:														
Kingdom of Belgium	383	U. S. products (lend-lease termination)	9-11-45	55,000,000.00				55,000,000.00		22,000,026.00	32,999,974.00	12,372,782.95		
Do	384	U. S. goods and services (war reconstruction)	9-11-45	45,000,000.00				45,000,000.00		19,500,000.00	25,500,000.00	12,725,513.70		
Van Thuyne's N.V. (Kredietbank, S. A.)	885-1	Concrete block machine and attachments (Besser Company)	11-29-57	38,000.00		38,000.00	1-31-58							
Total				100,038,000.00		38,000.00		100,000,000.00		41,500,026.00	58,499,974.00	25,098,296.65		
Denmark:														
Kingdom of Denmark	370	U. S. goods and services (war reconstruction)	7-13-45	20,000,000.00				20,000,000.00		8,666,666.72	11,333,333.28	4,343,141.63		
Georg E. Mathiesen, Aktieselskabst	744-3	Automatic steam generators (Clayton Manufacturing Co.)	7-24-56	4,500.00	886.50			3,613.50		3,613.50		151.47		
Do	744-4	do	9-13-56	4,300.00	97.00			4,203.00		4,203.00		170.41		
Do	744-5	do	11-16-56	7,800.00	57.75			7,742.25		7,742.25		302.68		
Do	744-6	do	5-10-57	6,300.00	81.00			6,219.00		3,109.50	3,109.50	143.89		
Do	744-7	do	6-14-57	4,000.00	44.50			3,955.50		1,977.75	1,977.75	94.21		
Do	744-8	do	8-1-57	3,350.00	37.00			3,313.00			3,313.00			
Do	744-9	Steam generators, heaters, & dynamometers (Clayton Mfg. Co.)	8-22-57	20,000.00		3,656.00	9-30-58	16,344.00			16,344.00			20,000.00
Total				20,050,250.00	1,203.75	3,656.00		20,045,390.25		8,687,312.72	11,358,077.53	4,344,003.69		
Finland:														
Finnish American Trading Corp. (Bank of Finland)	421	Expansion of industries Reconstruction and development projects	2-19-47	2,500,000.00				2,500,000.00		1,980,000.00	520,000.00	618,997.07		
Republic of Finland	453		11-1-48	100,000,000.00	7,526,783.99			92,403,216.01		19,403,216.01	73,000,000.00	31,814,624.20		
Total				102,500,000.00	7,536,783.99			94,903,216.01		21,383,216.01	73,520,000.00	32,433,621.27		

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DEBT CEILING INCREASE

EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

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COUNTRY AND OUTSIDE CURRENCY (in parentheses)	CREDIT No.	U. S. PRODUCTS AND SERVICES FINANCED (Expenditure in parentheses)	CREDITS AUTHORIZED		CANCELLATIONS AND EXPIRATION	UNRECOVERED BALANCE		STATUS OF LOANS				INTEREST AND COMMISSIONS COLLECTED	UNITED STATES OF AMERICA'S LOST CREDITORS	REMARKS, CREDIT LIMITATION
			Date	Amount 1/ 2/		Amount	Expiry Date	Due by Expiry Date	Due by Others or P/R Plan	Repaid	Outstanding			
EUROPE - continued														
France:														
Republic of France	382	U. S. products (lend-lease termination)	9-11-45	\$ 550,000,000.00	\$	\$		\$ 550,000,000.00	\$	\$ 206,937,500.00	\$ 343,562,500.00	\$ 112,067,723.75		
Do	404	U. S. goods and services (war reconstruction)	6-12-46	650,000,000.00				650,000,000.00		156,380,000.00	493,610,000.00	184,486,406.24		
Societe Industrielle de Mecanique et Carrosserie Automobile (SIMCA)	822	Equipment for automobile plant	9-6-56	20,000,000.00		8,381,212.19	6-30-58	11,618,787.81			11,618,787.81	6,393.05		
Less:		Advance by participants		6,000,000.00		2,514,363.68		3,485,636.32			3,485,636.32	1,266.76		
				14,000,000.00		5,866,848.51		8,133,151.49			8,133,151.49	5,028.29		
Compagnie Nationale Air France (Republic of France)	945	Jet aircraft, spare engines & parts (Boeing and United Aircraft)	9-12-57	46,000,000.00		46,000,000.00	6-30-61							
Total				1,260,000,000.00		51,866,848.51		1,208,133,151.49		362,827,500.00	845,305,651.49	101,559,156.28		
Germany:														
Hubschrauber-Vertriebs G.m.b.H. (Commerce-Und Dispositio-Bank, A.G.)	759	Helicopters and spare parts (Bell Aircraft Corp.)	12-8-55	124,000.00	404.11			123,595.89		61,798.14	61,797.75	7,826.51		
August Thyssen-Huette, A. G. (Kreditanstalt für Wiederaufbau)	800	Steel-mill equipment	6-28-56	10,000,000.00		8,024,476.00	6-30-59	1,975,524.00			1,975,524.00	5,332.49		
Haninex, Handelsgesellschaft für Import und Export, M.B.H.	882	Agricultural products	1-18-57	4,000,000.00	4,000,000.00									
Total				14,124,000.00	4,000,404.11	8,024,476.00		2,099,119.89		61,798.14	2,037,321.75	13,158.00		
Greece:														
Kingdom of Greece	390	U. S. products and services	1-9-46	25,000,000.00	10,436,687.39			14,563,312.61		2,839,843.78	11,723,468.83	3,911,008.11		
Piraki-Patrakli Industrie de Colon, S. A.	589	Textile machinery (Draper Corp. et al.)	12-16-54	625,000.00	37.12				624,962.88	312,481.44	312,481.44	19,678.44		
C. Pavlou & Company (National Bank of Greece & Athens)	855	Gun naval stores plant (Applied Engineering Co.)	11-8-56	115,000.00		5,327.50	11-30-57	109,672.50			109,672.50			
Total				25,740,000.00	10,436,724.51	5,327.50		14,672,985.11		624,962.88	12,145,622.77	3,930,686.55		
Iceland:														
Rafnagssveita Reykjaví (Municipality of Reykjavik)	579-4	Steam boiler (Combustion Engineering, Inc.)	11-5-57	115,000.00		115,000.00	2-15-59							
Italy:														
Istituto Mobiliare Italiano (Government of Italy)	417-2	Shipyards-Ansaldo	10-1-47	1,150,000.00	42,660.55			1,107,339.45		2,520,000.00	587,339.45	618,877.64		
Do	417-3	Shipyards-Odero-Terni-Orlando	10-1-47	800,000.00	73.22			799,926.78		640,000.00	159,926.78	149,076.36		
Do	417-4	Shipyards-Cantieri Riuniti	10-1-47	2,000,000.00				2,000,000.00		1,600,000.00	400,000.00	355,635.88		
Do	417-5	Shipyards-Navalmecanica	10-1-47	500,000.00				500,000.00		400,000.00	100,000.00	101,335.33		
Do	417-6	Steel mills-Ilva-Alti Forni	10-23-47	9,000,000.00				9,000,000.00		7,200,000.00	1,800,000.00	1,909,339.17		
Do	417-7	Steel mills-Terni	10-23-47	3,634,661.04				3,634,661.04		2,910,661.04	724,000.00	755,095.13		
Do	417-8	Steel mills-Balmaine	10-23-47	1,350,000.00				1,350,000.00		1,080,000.00	270,000.00	272,545.84		
Do	417-9	Steel mills-Cornigliano	10-23-47	1,300,000.00				1,300,000.00		1,040,000.00	260,000.00	261,847.21		
Do	417-10	Steel mills-Lombarde Falck	10-23-47	1,000,000.00				1,000,000.00		2,400,000.00	600,000.00	586,326.26		

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DEBT CEILING INCREASE

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Country and District (Continue in previous)		Credit No.	U. S. Products and Services (Specify in particular) (Report in particular)	Credit Anniversary		Cancellation and Exemption	Undistributed Balance		Status of Loans				Interest and Commissions (Collectible)	Unpaid Balance of Guaranteed U.S. Commodity	Revolving Credit Limitation
Date	Amount U. S.			Amount	Expiry Date		Due by Borrower	Due by Others at EIB Risk	Repaid	Outstanding					
EUROPE - Italy - continued															
Instituto Mobiliare Italiano (Government of Italy)	417-K	Medium metallurgical industry	10-15-47	\$ 23,381,781.19	\$	\$	\$ 23,381,781.19		\$ 18,713,581.19	\$ 4,678,200.00	\$ 4,401,761.36				
Do	417-L	Small metallurgical industry	10-23-47	584,906.33			584,906.33		467,946.33	116,960.00	119,732.86				
Do	417-M	Miscellaneous materials and equipment	1- 5-49	15,919,872.70			15,919,872.70		12,736,072.70	3,183,800.00	2,625,168.57				
Do	528	Aircraft and spare parts	6-12-52	4,720,500.00											
		Advances by participants		1,180,125.00											
				3,540,375.00	2,577.46		3,537,837.54		2,478,262.50	1,059,435.04	309,502.48				
Do	662-A	Machinery and special manufacturing equipment	4-21-55	6,000,000.00			6,000,000.00		4,200,000.00	1,800,000.00	260,168.03				
Do	662-B	Italian industrial firms machinery & related services	5-26-55	2,555,000.00		607,934.04	6-30-58	1,947,065.96		766,500.00	1,180,565.96	49,045.56			
Do	662-C	Machinery and equipment	6-30-55	2,000,000.00		13,721.34	7-31-57	1,986,278.66		375,000.00	1,611,278.66	78,109.67			
Do	662-D	do	6-30-55	5,000,000.00				5,000,000.00		937,500.00	4,062,500.00	133,599.82			
Do	662-E	Machinery and equipment for chemical plant	8-11-55	1,945,000.00		377,507.67	1-31-58	1,567,492.33		364,720.00	1,202,772.33	47,470.89			
Do	662-F	Machine tools and equipment	5-18-56	2,500,000.00		936,720.77	6-30-58	1,563,279.23			1,563,279.23	41,592.35			
Instituto Mobiliare Italiano	872	Machine tool and steel mill equip. - Innocenti, S.p.A.	12-18-56	1,500,000.00		1,500,000.00	6-30-58								
Alitalia - Linee Aeree Italiane Societa per Azioni	755	Aircraft and spare parts (Douglas Aircraft Co.)	11-10-55	6,355,000.00		4,740,555.75	6-30-58	1,605,444.25			1,605,444.25	32,108.89			
Instituto Mobiliare Italiano															
Linee Aeree Italiane, S.p.A. (Instituto Mobiliare Italiano)	806	Aircraft and spare parts (Lockheed Aircraft Corp.)	7-12-56	6,200,000.00	6,200,000.00										
FIAT, S.p.A. (Instituto Mobiliare Italiano)	827	Equipment for automobile and steel plant	9-13-56	10,000,000.00	2,609,037.39			7,390,962.61			7,390,962.61	82,465.79			
		Less: Advance by participants		1,000,000.00	260,304.31			739,695.69			739,695.69				
				9,000,000.00	2,348,733.08		6-30-58	6,651,266.92			6,651,266.92	82,465.79			
Do	931	Equipment for automobile production	7-23-57	5,000,000.00	5,000,000.00		3-15-59								
Total				116,226,596.26	6,245,411.23	15,533,572.65		98,447,612.38		58,430,243.76	36,017,368.62	12,991,801.15			
Netherlands:															
Kingdom of Netherlands	380	U. S. products (lend-lease termination)	9-11-45	50,000,000.00				50,000,000.00		19,732,661.00	30,267,339.00	11,206,671.49			
Do	381	U. S. goods and services (war reconstruction)	9-11-45	50,000,000.00				50,000,000.00		21,331,331.38	28,668,668.62	14,758,212.39			
Total				100,000,000.00				100,000,000.00		41,063,992.38	58,936,007.62	25,964,883.88			
Norway:															
Kingdom of Norway	369	U. S. goods and services (war reconstruction)	7-13-45	50,000,000.00				50,000,000.00		24,999,999.98	25,000,000.02	10,824,232.89			
S. Hammer A/S (Den Norske Creditbank)	848	Thermoplastic extruding mach. (Modern Plastic Mach. Corp.)	10-18-56	4,200.00	49.05			4,150.95		518.87	3,632.08	207.64			
Total				50,004,200.00	49.05			50,004,150.95		25,000,518.85	25,003,632.10	10,824,440.53			
Poland:															
Republic of Poland	402	Coal cars and locomotives	4-24-46	40,000,000.00				40,000,000.00		9,624,000.00	30,376,000.00	10,865,751.99			

See footnotes on page 30.

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STATEMENT OF LOANS AND AUTHORIZED CREDITS

14.

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COUNTRY AND CREDITOR (Government or possession)	CREDIT No.	U. S. PRODUCTS AND SERVICES Financed (Specify in parentheses)	CREDIT AUTHORIZED		CANCELLATIONS AND EXPIRATIONS	UNRECOVERED BALANCE		STATUS OF LOANS			INTEREST AND COMMISSIONS COLLECTED	UNRECOVERED BALANCE OF GUARANTEED LOANS (OVERLAPPING)	REMARKS (Credit Limitation)
			Date	Amount 1/ 3/		Amount	Expiry Date	Paid by Borrowers	Paid by Others at EIB Risk	Repaid	Outstanding		
EUROPE - continued													
Portugal: Transportes Aereos Portugueses, S.A.B.L.	563	Aircraft and spare parts (Lockheed Aircraft Corp.)	6-3-54	\$ 1,931,000.00	\$ 242.00			\$ 1,930,758.00		\$ 1,139,686.00	\$ 791,072.00	\$ 163,206.59	
Spain:													
Compania Electrica de Lengreo	568	Thermal power unit (Westing- house Elec. Intl. et al)	7-15-54	1,250,000.00	218,891.89			1,031,108.11		48,965.24	982,142.87	224.42	
S. A. Hidroelectrica Espanola	705	Thermal power units (Intl. Gen. Elec. Co.)	7-7-55	8,500,000.00									
		Less: Advances by participants		1,469,386.32									
				7,030,613.75	12,120.00			7,018,523.75			7,018,523.75	368,187.01	
Manufacturas Metalicas Madrilenas S. A. (Spanish Banks)	574	Steel mill equipment (West- inghouse Elec. Intl. et al)	10-14-54	1,200,000.00									
		Less: Advances by participants		360,000.00		149,624.00	1-31-58		90,376.00	31,631.60	58,744.40	2,746.85	
				240,000.00									
Junta de Energia Nuclear	844	Atomic research reactor	10-11-56	385,000.00		43,475.59	8-21-58	341,524.41			341,524.41	4,240.32	43,475.59
Red Nacional de los Ferrocarriles Espanoles (RENFE) (Government of Spain)	965	Diesel locomotives, tools, and equipment	10-17-57	8,000,000.00		8,000,000.00	10-1-59						
Instituto Nacional de Industria	579-1	Steam boilers and equipment (Combustion Engineering Inc.)	9-15-55	888,000.00	429.00			887,571.00		126,801.00	750,770.00	38,864.15	
Empresa Nacional Calvo Sotelo de Combustibles Liquidos y Lubricantes	579-2	Boiler unit and equipment (Combustion Engineering Inc.)	11-17-55	582,500.00	141.65			582,358.35		41,527.01	540,761.32	26,461.35	
Total				18,376,143.75	231,582.54	8,193,099.59		9,861,085.62	90,376.00	248,994.87	9,702,466.75	440,224.09	43,475.59
Sweden:													
Anglo-Nordic Traktor A/B	580-2	Tournepull (LeTourneau-Westinghouse Co.)	8-1-57	10,000.00	10,000.00								
United Kingdom:													
Government of the United Kingdom	874	Solar requirements for materials and equipment	12-21-56	500,000,000.00		250,000,000.00	2-28-58	250,000,000.00			250,000,000.00		
Yugoslavia:													
Government of Yugoslavia	484	Materials and equipment	8-10-50	55,000,000.00				55,000,000.00		9,750,000.00	45,250,000.00	12,237,293.75	
Total Europe				2,444,366,045.63	28,556,532.68	365,266,816.95		2,048,472,333.75	1,360,462.25	586,876,468.74	1,462,935,327.26	440,438,095.25	765,365.59

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DEBT CEILING INCREASE

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COUNTRY AND ORIGIN (Excludes in parentheses)		CREDIT NO.	U. S. PRODUCTS AND SERVICES (Excludes in parentheses)	CREDITS AUTHORIZED		CANCELLATIONS AND EXTRACTIONS	UNRECOVERED BALANCE		STATUS OF LOAN			INTEREST AND COMMISSIONS COLLECTED	UNRECOVERED BALANCE OF GUARANTEED U.S. CREDITS	RECOVERING CREDIT LIMITATION
				Date	Amount / \$		Amount	Expiry Date	Due by Expiry Date	Due by Others at 6 1/2 %	Report			
LATIN AMERICA														
Argentina:														
Agencia de Transportes Moore-McCormack, S.A. (Moore-McCormack, Inc.)	408	Harbor barges	9-18-46	\$ 210,000.00	\$ 5,214.80			\$ 204,785.20		\$ 194,545.94	\$ 10,239.26	\$ 42,242.85		
Consortium of Argentine banks	477	Refinance purchase of equip. mfg. in U. S.	5-17-50	125,000,000.00	28,530,126.87			96,469,873.13		38,587,949.28	57,881,923.85	20,409,584.33		
Sociedad Minera Argentina, S. A. (Central Bank of Argentina)	495	Equipment for production of tungsten and sulphur	4-26-51	5,000,000.00				5,000,000.00		3,125,000.00	1,875,000.00	679,090.73		
Sociedad Mixta Siderurgica Argentina	626	Steel mill equipment	3-10-55	60,000,000.00		55,723,372.14	12-31-60	3,276,627.86		3,276,627.86	4,585.51	17,727,075.33		
Government of Argentina	826-A	Transportation equipment	11- 5-56	85,000,000.00		80,372,275.00	6-30-58	4,627,725.00		4,627,725.00		26,348,355.00		
Government of Argentina	826-B	Equipment and services	9-10-56	8,500,000.00		8,500,000.00								
Private Sector - Unallocated	826-B	Equipment for pulp and paper-making facilities	12-20-57	6,500,000.00		6,500,000.00	12-31-59							
Celulosa Argentina, S. A. (Banco Industrial de la Republica Argentina)														
Total				290,210,000.00	28,535,341.67	152,095,647.14		109,579,011.19		41,907,495.22	67,671,515.97	21,135,603.42	44,075,430.33	
Bolivia:														
Corp. Boliviana de Fomento (Republic of Bolivia)	315	Equipment for petroleum development	3- 6-42	8,500,000.00				8,500,000.00		3,928,900.00	4,571,100.00	2,570,622.48		
Do	315	Highway construction	3- 6-42	10,320,000.00				10,320,000.00		1,212,411.80	9,000,588.20	3,864,114.80		
Do	467	do	10-28-49	18,400,000.00				18,400,000.00		2,364,213.10	16,035,786.90	3,339,240.03		
Do	645	Cochabamba-Santa Cruz-Montero Highway construction	3-31-55	4,700,000.00		25,891.39	2-28-58	4,674,108.61		4,674,108.61	300,541.48			
Republic of Bolivia	718	Trucks (Studebaker-Packard Corp.)	7-28-55	36,000.00	805.31			35,194.69		23,463.13	11,731.56	2,326.76		
Do	732	Trucks and trailers (Mack Trucks, Inc.)	9- 1-55	192,000.00	425.50			191,574.60		95,787.30	95,787.30	11,296.13		
Total				42,148,000.00	1,230.71	25,891.39		42,120,877.90		7,732,275.13	34,388,602.57	10,088,141.68		
Brazil:														
Cia. Siderurgica Nacional-Banco do Brasil (Republic of Brazil)	269	Steel mill equipment	6-19-40	31,092,558.18				31,092,558.18		8,991,855.06	22,100,703.12	5,571,491.04		
Do	269	do	6-19-40	13,907,441.82				13,907,441.82		12,879,502.14	1,027,939.68	8,056,011.72		
Do	461	do	7-20-50	25,000,000.00				25,000,000.00		2,062,311.25	22,937,688.75	4,024,585.90		
Do	770	do	2- 1-56	35,000,000.00		32,292,257.95	6-30-59	2,707,742.05		2,707,742.05		9,860,135.98		
Cia. Vale do Rio Doce, S. A. (Republic of Brazil)	358	Railway equipment	1-27-45	5,000,000.00				5,000,000.00		1,431,527.27	3,568,472.73	2,157,473.43		
Cia. Vale do Rio Doce, S. A. (Met. Treasury of Brazil)	418	Railway and mining materials and services	2-19-47	7,500,000.00	123.68			7,499,876.32		3,250,000.00	4,249,876.32	1,725,530.16		
Cia. Vale do Rio Doce, S. A. (Banco Rec. do Bras. Econ.)	624	Expansion of mining and shipping facilities	6-16-55	3,320,000.00		1,401,834.21	12-31-57	2,518,165.79		435,555.68	2,082,610.11	133,723.36		
Cia. Brasil de Energia Elétrica (Brazilian Electric Power Co.)	456-A	Electric power development	12-22-48	2,336,000.00	124,464.18			2,211,535.82		1,782,368.00	429,167.82	528,632.66		
Cia. Central Brasileira de Força Elétrica (B.E.F. Co.)	456-B	do	12-22-48	121,839.00	3,084.73			118,754.27		92,963.16	25,791.11	24,984.77		
Cia. Força e Luz de Minas Gerais (B.E.F. Co.)	456-B	do	12-22-48	158,149.00				158,149.00		120,667.69	37,481.31	36,313.35		
Cia. Força e Luz Nordeste do Brasil (B.E.F. Co.)	456-B	do	12-22-48	147,000.00	35,287.78			111,712.22		111,712.22		21,246.26		
Cia. Energia Elétrica Rio Grandense (B.E.F. Co.)	456-1	do	12-22-48	1,013,012.00	626,382.74			386,629.26		309,286.63	77,342.63	80,464.97		

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DEBT CEILING INCREASE

EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

December 31, 1957

Country and Obligor (Country in parentheses)	Credit No.	U. S. Products and Services Financed (Report in particular)	Credits Authorized		Cancellation and Expiration	Unrepaid Balance		Status of Loans				Interest and Commissions Collected	Unpaid Balance of Guaranteed L.C. Outstanding	Repayment Guarantee Expiration
			Date	Amount		Amount	Expiry Date	Due by Installment	Due by Other at EIS Rate	Repaid	Outstanding			
LATIN AMERICA - Brazil - continued														
Cia. Paulista de Força e Luz (S.E.P. Co.)	456-L	Electric power development	12-22-48	\$ 3,179,000.00	\$ 152,476.21	\$		\$ 3,026,523.79	\$	\$ 2,425,577.00	\$ 600,946.79	\$ 726,207.22	\$	
do	523-A	do	6- 5-52	29,938,000.00		930,000.00	3-31-58	29,008,000.00		1,409,550.00	27,598,450.00	3,891,705.01		
Cia. Força e Luz do Paraná (S.E.P. Co.)	523-B	do	6- 5-52	4,357,000.00		161,000.00	3-31-58	4,196,000.00		182,850.00	4,013,150.00	450,096.24		
Cia. Brasileira de Energia Elétrica (S.E.P. Co.)	523-C	do	6- 5-52	3,137,000.00		159,000.00	3-31-58	2,978,000.00		138,250.00	2,839,750.00	300,247.56		
Cia. Força e Luz de Minas Gerais (S.E.P. Co.)	523-D	do	6- 5-52	1,593,000.00		314,000.00	3-31-58	1,279,000.00		59,000.00	1,220,000.00	141,936.05		
Cia. Força e Luz de Nordeste do Brasil (S.E.P. Co.)	523-E	do	6- 5-52	504,000.00		100,000.00	3-31-58	404,000.00		20,200.00	383,800.00	72,897.89		
Cia. Energia Elétrica de Bahia (S.E.P. Co.)	523-F	do	6- 5-52	855,000.00		228,000.00	3-31-58	627,000.00		25,850.00	601,050.00	71,451.43		
Cia. Central Brasileira de Força Elétrica (S.E.P. Co.)	523-G	do	6- 5-52	756,000.00		108,000.00	3-31-58	648,000.00		31,250.00	616,750.00	72,304.83		
Cia. Paulista de Estradas de Ferro	524	Railway equipment	6- 5-52	7,000,000.00	267.40			6,999,732.60		1,000,792.24	5,998,940.36	1,305,760.55		
do	902	Diesel locomotives, and railroad equipment	3-21-57	12,800,000.00		8,364,392.64	12-15-58	4,435,607.36			4,435,607.36		8,357,203.55	
American-Brazilian Corp., N. Y.	233	Import of tropical products	6-12-39	1,117,049.28				1,117,049.28		989,069.09	127,980.19	5,474.48		
Moore-McCormack (Navegacao) S. A. (M.M.C. Lines, Inc.)	409	Harbor barges	9-18-46	115,000.00				115,000.00				27,440.99		
Empresa Int'l. de Transportes Ltda. (Mineração Geral, do Brasil) Ltda.	466	Ferries and converted LST vessels (Higgins, Inc.)	10-26-49	3,806,200.00				3,806,200.00		3,401,150.23	405,049.77	633,741.02		
Cimento Aratu, S. A. (Cia. Mac. de Cimento Portland, S. A.)	478	Equipment for cement plant (Allis-Chalmers Mfg. Co.)	5-24-50	3,142,500.00	86,656.50			3,055,843.50		3,055,843.50		457,911.07		
Indústria e Comércio de Minérios S. A.	533	Production of manganese ore	9- 4-52	71,340,795.01	16,000,000.00			55,340,795.01		2,078,548.78	48,262,246.23	5,901,689.51		
Less:		Credit certified by D.M.P.A.		16,280,287.60				16,280,287.60			16,280,287.60	1,280,263.22		
				55,059,507.41	16,000,000.00			39,059,507.41		2,078,548.78	31,981,558.63	3,521,426.29		
Cia. Metalurgica Barbara (Banco Nac. do Desenvolvimento Econ. et al.)	536-B	Cast iron pipe plant	10-10-52	2,185,000.00	3,847.32			2,181,152.68		1,255,943.38	925,209.30	211,949.06		
Banco Nacional do Desenvolvimento Economico-Unalotted	811	Equipment for port improvements	7-19-56	17,786,000.00		17,786,000.00	6-30-60							
Banco Nacional do Desenvolvimento Economico	811-A	do	4-11-57	4,875,000.00		4,875,000.00	6-30-60							
Companhia Docas de Santos (Banco Nac. do Des. Econ.)	811-B	do	4-15-57	875,000.00		875,000.00	6-30-60							
Administracao do Porto Rio de Janeiro (Banco Nac. do Des. Econ.)	811-C	do	4-15-57	1,464,000.00		1,464,000.00	6-30-60							
Banco Nacional do Desenvolvimento Econ. (Nat'l. Treasury of Brazil)	525	Railway equipment	6- 5-52	8,600,000.00	1,241.47			8,598,758.53		614,295.00	7,984,463.53	904,808.02		
do	527	Agricultural equipment	10-10-52	18,000,000.00	36,358.44			17,963,641.56		15,430,000.00	2,533,641.56	1,306,858.52		
Estado de Minas Gerais (Nat'l. Treasury of Brazil)	539	Agricultural equipment, materials, and services	7- 3-52	5,000,000.00		16,530.98		4,983,469.02		1,000,000.00	3,983,469.02	147,216.93	16,293.67	
Banco do Brasil, S. A.	541	Refinance purchase of equip- ment mfg. in U. S.	2-21-53	300,000,000.00				300,000,000.00		140,824,832.07	159,175,167.93	37,945,578.85		
do	606	do	2- 9-55	75,000,000.00	30,000,000.00			45,000,000.00			45,000,000.00	4,694,784.52		
Lloyd Brasileiro (Banco do Brasil)	376	Cargo steamers	9-11-45	38,000,000.00				38,000,000.00		30,122,501.52	7,877,498.48	8,661,790.99		
S. A. Empresa de Viacao Rio Grande (Banco do Brasil)	551	Aircraft and spare parts (Lockheed Aircraft Corp.)	10-30-53	3,110,000.00	781.25			3,109,218.75		2,202,363.26	906,855.49	238,959.93		
S. A. Empresa de Viacao Rio Grande (Banco Nac. do Des.Econ.)	818	do	8-10-56	3,950,000.00	45,500.00	1,460,062.50	6-30-58	2,444,437.50		23,437.50	2,421,000.00	10,218.15		
Estrada de Ferro Santos a Jundiá	560	Railway equipment (General Railway Signal Co.)	5-20-54	320,000.00		320,000.00	12-31-58							
do	764	Equipment for railroad improvement	1- 5-56	19,635,000.00		4,457,283.29	5-15-58	15,167,716.71			15,167,716.71	574,950.17		
Less:		Advances by participants		470,675.58		470,675.58								
				19,164,324.42		3,986,607.71		15,167,716.71			15,167,716.71	574,950.17	3,218,094.54	
Serviços Aéreos Cruzeiro do Sul Ltd. (Banco do Brasil)	561	Aircraft and spare parts (General Dynamics Corp.)	5-25-54	1,945,000.00	1,293.31				1,943,706.69	1,350,594.71	593,111.98	82,739.79		

See footnotes on page 30.

DEBT CEILING INCREASE

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EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

17.

December 31, 1957

Country and Obligor (Country in parentheses)	Credit No.	U. S. Products and Services Financed (Specify in parentheses)	Credits Authorized		Cancellations and Expirations	Unliquidated Balance		Status of Loans			Outstanding	Interest and Commissions Collected	Unpaid Balance of Guaranteed Loans Outstanding	Revised Credit Limitation
			Date	Amount 1/ 2/		Amount	Expiry Date	Due by Earthquake	Due by Failure at 210 Rate	Reported				
LATIN AMERICA - Brazil - continued														
Cia. Brasileira de Estireno (Industria Pneumatica Firestone, S. A. et al)	544	Styrene (basic plastic materials) plant	6- 3-53	2,500,000.00	\$	\$ 754,000.00	3-31-59	\$ 1,746,000.00	\$	\$	\$ 1,746,000.00	\$ 173,869.83	\$	
Fonagra Produtos Quimicos, S. A.	586	Equipment and materials	11-26-54	300,000.00		392.63		299,607.37			299,607.37		14,541.47	
Siderurgica Belo-Mineira, S. A.	597	Steel mill machinery & equip. (R.W. Hebard & Associates, Inc.)	1-27-55	730,440.00		39,169.83			691,270.17	322,588.00	368,682.17		20,818.91	
Do	784	Wire drawing machines (R.W. Hebard & Associates, Inc.)	4- 5-56	129,000.00		287.33		128,712.67		21,452.10	107,260.57		7,519.13	
Cia. Brasileira de Usinas Metalur- gicas (Mim-Comercio e Ind., S.A.)	615	Sintering plant (John E. Greenwalt)	2-24-55	400,000.00			40,000.00	1-31-58			360,000.00		10,089.86	
Prefeitura Municipal do Porto Alegre (Banco do Rio Grande do Sul)	646	Motor buses (Evans & Edell, Inc.)	3-17-55	1,222,000.00		422.57		1,221,577.43		287,429.92	934,147.51		83,986.49	
Cia. de Armazens Gerais do Estado de Pernambuco (Banco Nac. do Des. Econ.)	776	Grain storage elevators (Black, Sivalla & Bryson Intern. Corp.)	3- 8-56	1,157,000.00		1,157,000.00	3-31-58							
Do	926	Tractors (Allis-Chalmers Mfg. Co.)	8- 6-57	69,600.00		69,600.00	12-31-57							
Bimetal, S. A. (Banco Sul Americano do Brazil)	781	Plant for production of automotive bearings	3-22-56	1,250,000.00				1,250,000.00			1,250,000.00		15,417.10	
Centrais Electricas de Minas Gerais, S. A. (Banco Nac. do Des. Econ.)	807	Construction of hydroelectric power facilities	7-13-56	11,400,000.00		6,613,262.16	1-31-60	4,786,037.84			4,786,037.84		45,587.80	2,883,721.31
Government of Brazil	810	Railroad improvements	7-19-56	100,000,000.00		100,000,000.00	12-31-60							
Cia. Hidro-Eletrica do Sao Francisco, S. A. (Banco Nac. do Des. Econ.)	812	Expansion of power facilities	7-19-56	15,000,000.00		14,300,000.00	3-31-61	500,000.00			500,000.00			
Fabrica Nacional de Vagoes, S. A. (Banco Nac. do Des. Econ.)	814	Manufacture of trucks and road rollers	7-10-56	2,403,000.00		556,933.18	6-30-58	1,746,066.82			1,746,066.82		5,494.72	604,328.55
Cia. Nac. de Navegacao Costeira (United States of Brazil)	856	Reactivation of merchant vessels	11- 8-56	2,750,000.00		2,140,540.43	3-31-58	609,459.57		343,750.00	265,700.57		6,068.44	
Parair do Brasil, S. A. (Banco de America, S. A. et al)	857	Aircraft and spare parts (Douglas Aircraft Co.)	11-15-56	6,900,000.00		326,558.25	6-10-58	6,523,441.75		921,895.11	5,701,556.64		160,707.67	
Fosforita Oitinda, S. A. (Banco Nac. do Des. Econ.)	912	Semi-trailers (Martin Machine Company)	4-19-57	23,500.00		23,500.00								
Cia. Urbanizadora de Nova Capital do Brasil (Nat'l. Treas. of Brazil)	914	Equipment for construction of Brazil	4-26-57	10,000,000.00		10,000,000.00	12-31-59						2,199,710.00	
Loides Aereo Nacional, S. A. (Banco Nac. do Des. Econ.)	921	Aircraft and spare parts (Douglas Aircraft Co., Inc.)	5-31-57	3,754,000.00		3,754,000.00	6-30-59							
Do	922	Spare engines and parts (United Aircraft Export Corp.)	5-31-57	541,000.00		541,000.00	6-30-59							
Acos Villares, S. A. (Banco Nacional do Desenvolvimento)	940	For expansion of steel foundry	8-22-57	2,320,000.00		2,320,000.00	12-31-58							
Soc. Tecnica de Fundicoes Gerais, S. A. (Banco Nac. do Des. Econ.)	943	For expansion of iron foundry	9- 5-57	2,558,000.00		2,558,000.00	11-15-59							
Cia. Brasileira de Maquinaria (Banco Nac. do Des. Econ.)	951	Agricultural equipment (Allis-Chalmers Mfg. Co.)	10- 9-57	66,300.00		66,300.00	2-28-58							
Do	952	Diesel crane tractors (Thompson Machinery Co., Inc.)	10- 9-57	32,100.00		32,100.00	3-31-58							
Cia. Distribuidora Agro-Industrial (Banco do Comercio e Industria de Sao Paulo, S. A.)	965	Diesel cane tractor (Thompson Machinery Co., Inc.)	11-29-57	2,400.00		2,400.00	5-31-58							
Servicos Aereos Cruzeiro do Sul, S. A. (Banco Nac. do Des. Econ.)	971	Convair aircraft and spare parts (General Dynamics- Convair)	12-31-57	2,105,525.00		2,105,525.00	12-31-58							
Cia. Brasileira de Material Ferro- viario (COBRASMA) (Banco Nac. do Des. Econ.)	972	Equipment for manufacture of axles and parts	12-31-57	1,620,000.00		1,620,000.00	1-15-59							
Cobrasma-Rockwell Elxos S. A. (Banco Nac. do Des. Econ.)	973	do	12-31-57	5,320,000.00		5,320,000.00	1-15-60							
Calubagao Industrial e Comercio, S. A. (Banco Nac. do Des. Econ.)	A-2	Bagasse paper pulp plant (Noble & Wood Machine Co.)	12-23-55	540,000.00		89,027.00	9-30-58	450,973.00			450,973.00		1,746.21	
Companhia Electrica Celule (Banco Brasileiro de Descontos)	611-2	Generator sets (General Motors Corp.)	7-13-56	184,000.00		184,000.00								

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DEBT CEILING INCREASE

EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

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December 31, 1957.

COUNTRY AND CREDIT GUARANTEE OR PARTICIPATION	CREDIT NO.	U. S. PRIVATE AND SERVICES FINANCIAL INSTITUTION (Lender or participant)	CREDITS AUTHORIZED		CALCULATION AND EXTENSIONS	UNDISBURSED BALANCE		STATUS OF LOANS				INTEREST AND COMMISSIONS COLLECTED	UNRECOVERED BALANCE OF GUARANTEED LOANS (OUTSTANDING)	REVENUE CREDIT LIMITATION
			Date	Amount U / \$		Amount	Expiry Date	Days to Expiration	Days to Expiration at 10% Rate	Repaid	Outstanding			
LATIN AMERICA - Brazil - continued														
Posforita Dinda, S. A. (Banco Nac. do Des. Econ.)	531-11	Dump trailers (Atbey Products Corp.)	4-19-57	\$ 170,000.00	\$ 170,000.00									
do	737-7	Motor graders and tractors (Caterpillar Tractor Co.)	4-19-57	220,800.00	220,800.00									
Figueiras, S. A. (Banco da Provincia do Rio Grande do Sul, S. A.)	737-10	Diesel tractors (Caterpillar Tractor Co.)	8-5-57	64,000.00		64,000.00	3-31-58							
Lion, S. A., Engenharia e Importacao (Banco do Comercio e Industria de Sao Paulo, S. A.)	737-11	Tractors and subsoilers (Caterpillar Tractor Co.)	11-5-57	93,000.00		93,000.00	1-31-58							
Estabelecimentos James Frederick Clark, S. A. (Banco Nac. do Des. Econ.)	737-12	Diesel tractor (Caterpillar Tractor Co.)	11-5-57	6,300.00		6,300.00	2-28-58							
Sotrea, S. A. de Tratores e Equipamentos (Banco Moreira Salles, S. A.)	737-13	Diesel tractors (Caterpillar Tractor Co.)	11-15-57	89,000.00		89,000.00	2-28-58							
Importadora de Ferragens, S. A. (Banco Nac. do Des. Econ.)	737-14	Diesel tractors & attachments (Caterpillar Tractor Co.)	11-22-57	14,800.00		14,800.00	2-28-58							
Martin, Representacoes e Comercio, S. A. (Banco Nac. do Des. Econ.)	737-15	do	11-29-57	22,100.00		22,100.00	3-31-58							
Oscar Amorim, Comercio S. A. (Banco Nac. do Des. Econ.)	737-16	Diesel tractors & attachments (Caterpillar Tractor Co.)	12-5-57	29,900.00		29,900.00	3-31-58							
Parana Equipamentos, S. A. (Banco Nac. do Des. Econ.)	737-17	do	12-13-57	38,000.00		38,000.00	4-30-58							
Venag S/A, Veiculos e Maquinas Agricolas (Banco Finaficial Novo Mundo S. A.)	509-5	Tractors and graders (Massey-Harris-Ferguson, Inc.)	9-5-57	56,000.00		56,000.00	Extension pending 11-30-57							
Lion, S. A., Engenharia e Importacao (Banco do Comercio e Industria de Sao Paulo, S. A.)	958-1	Disk plowing harrows (Rome Plow Company)	11-5-57	36,000.00		36,000.00	1-31-58							
Estabelecimentos James Frederick Clark, S. A. (Banco Nac. do Des. Econ.)	958-2	Disk plowing harrow (Rome Plow Company)	11-5-57	550.00		550.00	2-28-58							
Figueiras, S. A. (Banco da Provincia do Rio Grande do Sul, S. A.)	958-3	Disk plowing harrows (Rome Plow Company)	11-15-57	30,000.00		30,000.00	1-31-58							
Sotrea, S. A. de Tratores e Equipamentos (Banco Moreira Salles, S. A.)	958-4	do	11-15-57	15,300.00		15,300.00	2-28-58							
Importadora de Ferragens, S. A. (Banco Nac. do Des. Econ.)	958-5	do	11-22-57	1,200.00		1,200.00	2-28-58							
Martin, Representacoes e Comercio, S. A. (Banco Nac. do Des. Econ.)	958-6	do	11-29-57	4,400.00		4,400.00	3-31-58							
Oscar Amorim, Comercio S. A. (Banco Nac. do Des. Econ.)	958-7	Disk plowing harrows (Rome Plow Company)	12-5-57	13,800.00		13,800.00	3-31-58							
Parana Equipamentos, S. A. (Banco Nac. do Des. Econ.)	958-8	do	12-13-57	24,000.00		24,000.00	4-30-58							
Cia. Distribuidora Agro-Industrial (Banco do Comercio e Industria de Sao Paulo, S. A.)	961-1	Diesel tractors & attachments (Allis-Chalmers Mfg. Co.)	11-29-57	18,900.00		18,900.00	5-31-58							
Alaggio, S. A. (Banco de Credito Real de Minas Gerais, S. A.)	587-5	Tractors and harvester combines (Minneapolis-Moline Co.)	12-10-57	75,000.00		75,000.00	2-28-58							
Total				929,120,795.13	47,756,337.37	239,130,890.01		634,631,149.07	16,542,418.68	246,031,852.51	405,141,715.24	89,766,201.75	27,139,055.60	

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EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

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STATEMENT OF LOANS AND AUTHORIZED CREDITS													December 31, 1957
COUNTRY AND CREDITOR (Government or institution)	Credit No.	U. S. PRODUCTS AND SERVICES (specify in parentheses)	CREDITS AUTHORIZED		CANCELLATIONS AND EXTINCTIONS	Unexpended Balance		STATUS OF LOANS			Interest and Commissions Collected	Unpaid Balance of Obligations Outstanding	Revolving Credit Limitation
			Date	Amount 1/ 2/		Amount	Expiry Date	Due by Contract	Due by Status at 12th Mo.	Repaid			
LATIN AMERICA - continued													
Chile:													
Corporacion de Fomento de la Produccion (Republic of Chile)	411	Industrial equipment	10-15-46	\$ 6,700,000.00	\$		\$ 6,700,000.00		\$ 5,610,000.00	\$ 1,090,000.00	\$ 1,080,050.64	\$	
Do	464	Refinance purchase of equip- ment mfg. in U. S.	10- 5-49	25,000,000.00	1,083,000.00		23,917,000.00		17,220,240.00	6,696,760.00	4,960,479.66		
Do	465	Railway and construction equipment	10-26-49	2,750,000.00			2,750,000.00		460,000.00	2,290,000.00	497,430.91		
Do	502	Steel-mill equipment	8- 9-51	98,000,000.00			98,000,000.00		13,228,991.20	44,771,008.80	16,690,757.63		
Do	503	Equipment for ferro- manganese plant	8- 9-51	1,150,000.00		150,000.00	3-31-58	1,000,000.00		500,000.00		73,177.87	
Cia. de Acero del Pacifico (CAP)	771	Hot strip mill equipment	2- 2-56	3,550,000.00		1,550,000.00	6-30-58	2,000,000.00		1,138,720.80	661,279.20	43,794.59	
Anglo-Lautaro Nitrate Corporation	808	Equipment for nitrate production	7-19-56	16,000,000.00		12,250,000.00	6-30-58	3,750,000.00		3,750,000.00		22,075.34	
Antofagasta Cia. de Acero del Pacifico, S. A. (CAP) (Republic of Chile)	809	do	7-19-56	11,851,000.00		10,322,409.16	6-30-58	918,590.84			918,590.84	265,000.00	
	898	Strip rolling equipment, and open hearth facilities	2-28-57	16,000,000.00		16,000,000.00	6-30-60						
Banco Central de Chile	937	Capital goods	7-18-57	12,500,000.00				12,500,000.00			12,500,000.00	36,164.32	
Total				151,501,000.00	1,083,000.00	40,882,409.16		111,535,590.84		38,357,952.00	73,177,638.84	21,403,930.94	265,000.00
Colombia:													
Republic of Colombia	296	Highway construction	5- 1-41	11,595,101.52				11,595,101.52		11,375,591.20	219,507.82	2,561,662.94	
Do	296-A	do	5- 1-41	8,404,896.48					8,404,896.48	8,361,300.00	41,598.48	1,416,585.43	
Do	442-A	do	5-28-50	2,500,000.00	219,565.16			2,280,434.84		1,650,000.00	630,434.84	340,479.41	
Do	442-B	Materials for reconstruction	4-13-48	5,500,000.00	122,545.79			5,377,454.21		4,600,000.00	777,454.21	879,842.78	
Do	442-C	Railroad spare parts	2-21-51	105,000.00	26,971.38			78,028.62		63,000.00	15,028.62	10,030.25	
Do	634	River dredge & related equip. (Killicott Machine Corp.)	3-17-55	840,000.00	255,000.00			585,000.00		135,000.00	450,000.00	20,211.25	
Republic of Colombia-Corporacion de Defensa de Productos Agrícolas	480	Construction for grain storage	6-29-50	2,200,000.00	25,805.45			2,174,194.55		1,540,000.00	634,194.55	260,128.66	
Republic of Colombia-Consejo Adm. de las Ferrocarriles Nac. de Col.	352	Railway equipment	6-28-44	3,000,000.00				3,000,000.00		3,000,000.00		501,753.83	
Do	490	Diesel electric locomotives	1-11-51	1,501,389.00	29,779.89			1,473,609.11		1,252,711.20	220,897.91	182,652.24	
Caja de Credito Agrario, Indus- y Madero (Republic of Colombia)	346	Agricultural development	7- 1-43	14,500,000.00				14,500,000.00		4,195,187.50	10,304,812.50	2,933,614.12	
Hotel San Diego S. A. (Banco de la Republica)	365-A	Goods and services for hotel construction	4-27-49	3,057,600.00				3,057,600.00		679,466.76	2,378,133.24	683,451.59	
Do	517	Refinancing hotel obligations	3- 6-52	942,400.00				942,400.00		809,067.00	133,333.00	135,625.76	
Empresa de Energia Electrica, S. A. (Banco de la Republica)	518	Hydroelectric plant	3-27-52	2,600,000.00				2,600,000.00		742,857.20	1,857,142.80	443,544.98	
Industria Colombiana de Artefactos S. A. (IZASA) (L. Glotzman, S. A., J. Glotzman individually and Banco de Bogota)	780	Production of refrigeration equipment	2-22-56	200,000.00	6.90			199,993.10		40,000.00	159,993.10	7,266.21	
Banco de la Republica	930	Refinance purchase of U. S. products	7-18-57	20,250,000.00		7,000,310.01	12-31-57	13,249,689.99			13,249,689.99	95,334.36	
Do	930	do		39,750,000.00					39,750,000.00		39,750,000.00	84,400.68	
Leonidas Lora e Hijos, Ltda.	588-1	Power shovels (Thaw Shovel Co.)	4- 8-55	70,800.00	16,242.38			27,278.32		27,278.30	54,526.62	2,758.02	
Departamento de Cundinamarca	664-2	Power shovels (Harnischfeger Corp.)	8- 4-55	180,000.00	30,209.40				149,795.51	89,877.30	59,918.21	4,183.06	

See footnotes on page 30.

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DEBT CEILING INCREASE

EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

December 31, 1957

Country and Obligor (Country in parentheses)	Credit No.	U. S. Principal and Services Financed (Specify in parentheses)	Credit Authorized		Disbursement and Expenditures	Unrepaid Balance		Status of Loans				Interest and Commission Contracted	Unpaid Balance of Guaranteed Loan Contracted	Repayment Contract Facilities
			Date	Amount 1/ 2/		Amount	Expiry Date	Due by Maturity	Due by Others at 21% Rate	Repaid	Outstanding			
LATIN AMERICA - Colombia - continued														
Departamento de Cundinamarca and Departamento de Provisiones	666-	Road rollers and accessories (The Gillion Iron Works)	12-22-55	\$ 81,000.00	\$ 13,837.50	\$		\$ 67,162.50	\$	\$	\$ 67,162.50	\$ 1,611.90	\$	\$
Departamento de Boyaca	649-	...ining equipment (Goodman Manufacturing Co.)	9-12-55	33,000.00	41.04			32,958.96			32,958.96	329.57		
Industria Central Castilla, Ltda.	579-2	Steam boiler and equipment (Combustion Engineering, Inc.)	9-29-55	56,000.00	473.15				55,526.85	9,254.47	46,272.38	1,922.90		
Gran Colombia de Asociales, Ltda.	666-	Motor graders and rollers (The Gillion Iron Works)	10-27-55	91,199.41	39,589.87			51,609.54		19,801.00	31,808.54	2,451.66		
Cia. Colombiana de Electricidad	581-1	Diesel generator sets (Worthington Corp.)	3-29-56	232,000.00	700.00			231,300.00			231,300.00	9,404.85		
Total				117,692,388.41	780,764.00	7,000,319.01		61,523,815.26	48,387,999.14	38,850,922.75	71,060,341.65	10,578,746.45		
Costa Rica:														
Republic of Costa Rica	330	Materials and services for highways	4-22-52	7,000,000.00	15,000.00			6,985,000.00		1,452,920.99	5,532,079.01	1,587,999.10		
do	754	Inter-American Highway construction	11-3-55	9,540,000.00		5,960,000.00	6-10-58	3,580,000.00		333,362.00	3,246,638.00	95,066.54	5,159,000.00	
Líneas Aéreas Costarricenses, S.A. (Republic of Costa Rica)	584-	Aircraft and spare parts (General Dynamics Corp.)	11-26-54	300,000.00										
	Less:	Advances by participants		235,000.00										
				65,000.00	1,937.79				673,062.21	134,217.38	138,844.81	24,281.57		
Cia. Nacional de Fuerza y Luz, S. A.	618	Electric power equipment	3-3-55	2,500,000.00				2,500,000.00			2,500,000.00	295,421.39		
Instituto Costarricense de Electricidad (Republic of Costa Rica)	622	Diesel electric generating sets (Mordberg Mfg. Co.)	3-3-55	1,023,000.00	73,348.80			999,651.20		375,860.48	569,790.72	32,372.68		
Ministry of Public Works	670	Dump trucks (Mack Motor Truck Corp.)	4-28-55	243,000.00	106.21			242,893.79		161,920.20	80,964.59	6,539.28		
Societa Italiana de Colonizzazione Agricola (SICA) (Government of Costa Rica)	892	Agricultural development	2-14-57	161,000.00		57,828.48	3-31-58	103,171.52			103,171.52	1,246.03	9,632.12	
Beache y Falt, Ltda. and Quiros y Ulate, Ltda. (Banco de Costa Rica et al)	939	Concrete mixers (Chen-Bell Company)	10-31-57	22,000.00		22,000.00	1-31-58							
Machinery and Tractors, Ltd.	652-2	Farm tractors and equipment (Deere & Company)	11-29-55	33,716.81		1,716.81	3-31-58		30,000.00	1,716.81	26,283.19	278.76		30,000.00
do	752-1	Motor trucks and parts (Mack Trucks, Inc.)	5-3-56	44,714.97		8,525.47	10-31-58	36,190.50		14,714.97	21,475.53	1,068.47		30,000.00
Machinery and Tractors, Ltd. (Alvaro Gonzalez A. et al)	725-1	Semi-trailers (Freightliner Trailer Co.)	8-6-57	6,800.00	64.46			6,735.60			6,735.60			
do	752-4	Truck tractors (Mack Trucks, Inc.)	8-6-57	16,100.00	228.56			15,871.44			15,871.44			
Beache Falt, Ltda. and Quiros Ulate, Ltda. (Instituto Nacional de Seguros)	757-8	Dump trucks (Mack Trucks, Inc.)	7-23-57	133,500.00		133,500.00	2-28-58							
Machinery and Tractors, Ltd. (Alvaro y Carlos Gonzalez)	717-8	Tractors, earth moving equip. (Caterpillar Tractor Co.)	4-18-57	153,098.33		118,319.51	4-30-58	34,778.82		3,098.33	31,680.49	230.42		150,000.00
Total				21,551,930.11	90,685.76	6,303,880.27		13,261,756.88	1,895,607.20	2,683,820.16	12,473,543.92	4,044,004.24	5,159,632.12	
Cuba:														
Cuban Electric Company	401	Electrical machinery	3-29-51	24,000,000.00				24,000,000.00		1,410,538.00	22,589,462.00	3,729,650.51		
	Less:	Advances by participants		4,000,000.00				4,000,000.00		1,200,000.00	2,800,000.00	369,534.24		
				20,000,000.00						210,538.00	19,789,462.00	3,360,116.27		
Compania Cubana Pimentera, S. A.	791	Equipment for wallboard plant	5-3-56	1,500,000.00				1,500,000.00			1,500,000.00	19,331.50		
	Less:	Advances by participants		300,000.00				300,000.00			300,000.00	3,609.85		
				1,200,000.00							1,200,000.00	15,721.65		

See footnotes on page 30.

DEBT CEILING INCREASE

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EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

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DEBT CEILING INCREASE

STATEMENT OF LOANS AND AUTHORIZED CREDITS														December 31, 1957
COUNTRY AND CHARGE (Continued in parentheses)	Client No.	U. S. PRODUCTS AND SERVICES (Reported in parentheses)	CREDITS AUTHORIZED		CANCELLATIONS AND EXPIRATIONS	UNRECOVERED BALANCE		STATUS OF LOAN				INTEREST AND COMMISSIONS COLLECTED	UNRECOVERED BALANCE OF CREDITS TO C	REVOLVING CREDIT LIMITATION
			Date	Amount / \$		Amount	Expiry Date	Due by Balance	Due by Others at 11% Rate	Repaid	Ongoing			
LATIN AMERICA - Cuba - continued														
Cuban Telephone Company	360	Expansion of telephone system	10-31-57	17,500,000.00	\$	17,500,000.00	12-31-59	\$		\$		\$		\$
Fabrica Nacional de Implementos Agrícolas, S. A.	609-1	Tractors and equipment (Massey-Harris-Ferguson, Inc.)	5-3-56	150,000.00	150,000.00		Extension pending 5-31-57							
Power Equipment Co., S. A. (William A. Power)	652-5	Shovels, cranes, etc. (Pease & Co.)	2-24-56	160,000.00		160,000.00	2-28-58							160,000.00
Power Machinery Co., S. A. (William A. Power)	652-4	Tractors and agricultural implements (Deere & Co.)	2-24-56	163,507.78		140,392.84	2-28-58		23,114.94	3,507.78	19,607.16	263.08		160,000.00
Do	717-8	Earth moving equip. & genera- tors (Caterpillar Trac. Co.)	5-73-57	300,000.00		293,399.42	5-31-58	6,600.58			6,600.58			300,000.00
Power Equipment Co., S. A. (William A. Power)	717-9	do	6-14-57	150,000.00		150,000.00	6-30-58							150,000.00
Cia. Operadora Central Jaquey Escapes, S. A. (Antonio Sabatalla)	609-1	Centrifugal machinery (Hemworth Machine Co.)	10-11-56	15,000.00				15,000.00		15,000.00		549.53		
Trafico y Transporte, S. A. (Amador Indio P.)	828-1	Semi-trailers & accessories (Brown Trailers, Inc.)	10-11-56	75,500.00	4,794.68			70,705.32		11,784.23	58,921.09	319.26		
Do	828-2	do	11-8-56	25,200.00	125.40			24,074.60		7,628.00	16,446.60	149.37		
Total				39,738,207.78	154,220.08	18,243,792.26		27,316,380.50	23,114.94	248,458.01	21,091,037.43	3,377,119.64		
Ecuador:														
Municipality of Quito (Republic of Ecuador)	328	Water supply system	4-22-42	4,000,000.00				4,000,000.00		1,782,252.00	2,217,748.00	690,285.28		
Do	328-A	do	6-24-54	1,650,000.00				3,650,000.00		570,765.00	3,079,235.00	335,104.39		
Municipality of Guayaquil (Republic of Ecuador)	328	do	4-22-42	5,300,000.00				5,300,000.00		2,830,755.98	2,469,244.02	1,175,308.21		
Republic of Ecuador	343	Highway construction	12-10-42	8,791,900.00	20,829.90			8,771,070.10		4,166,327.26	4,604,742.84	3,202,994.30		
Do	432	do	10-8-47	2,720,000.00				2,720,000.00		390,323.56	2,329,676.44	308,779.85		
Do	432-A	do	9-16-53	4,980,000.00				4,980,000.00		588,734.35	4,391,265.65	491,093.75		
Do	432-B	do	1-10-57	250,000.00		250,000.00	2-28-58							
Do	471-A	Highway maintenance	12-14-49	1,500,000.00				1,500,000.00		351,015.31	1,148,984.69	264,969.83		
Do	471-B	Railway equipment	12-14-49	1,500,000.00				1,500,000.00		381,290.35	1,118,709.65	258,795.05		
Do	471-C	Rehabilitation of water supply system	6-14-51	500,000.00				500,000.00		106,863.28	393,136.72	82,818.64		
Do	471-E	Ambato power facilities	3-20-52	800,000.00		800,000.00								
Do	471-F	Water supply and sewer system	7-31-52	165,000.00				165,000.00		16,012.04	148,987.96	12,754.06		
Do	471-G	Latecunga water supply system	11-1-56	335,000.00		335,000.00								
Do	500	Improvement of Guayaquil and Quito airports	7-19-51	2,500,000.00	4.60			2,499,995.40		166,666.36	2,333,329.04	213,292.78		
Do	500-A	do	1-10-57	280,000.00		280,000.00	7-31-58							
Do	781	do	9-15-55	900,000.00		532,420.53	11-30-58	367,579.47		60,000.00	307,579.47	12,344.83		
Sociedad Agrícola e Industrial Comité Ejecutivo de Velidad de la Provincia del Guayas	773	Sugar mill machinery & equip. (Fulton Iron Works Co.)	2-23-56	310,000.00	1,428.48			308,571.52		51,428.59	257,142.93	8,420.20		
Do	845	Bridge (Ellisott Machine Corp.)	10-11-56	168,000.00	280.00			167,720.00		16,772.00	150,948.00	1,873.04		
Cia. Atucarrera Valdez, S. A. (Rafaela Valdez, et al)	916	Sugar mill machinery & equip. (Fulton Iron Works Co.)	5-9-57	97,000.00		97,000.00	4-30-58							
Total				38,746,200.00	22,542.98	2,225,420.53		36,429,335.49		11,478,213.08	24,950,723.41	7,056,375.78		

See footnotes on page 30.

EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

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December 31, 1957

COUNTRY AND CREDITOR (Government or individual)	CREDIT No.	U. S. PRODUCTS AND SERVICES FURNISHED (Specify in parentheses)	CREDIT AUTHORIZED		CANCELLATIONS AND EXPIRATIONS	UNRECOVERED BALANCE		STATUS OF LOANS			INTEREST AND COMMISSIONS COLLECTED	UNRECOVERED BALANCE OF GUARANTEED U. S. EXPORTS	REVENUE CREDIT LIMITATION
			Date	Amount		1/ 2/	Amount	Expiry Date	Due by Fairness	Due by Default at 21% Rate			
LATIN AMERICA - continued													
El Salvador:													
San Lido, S. A.	831	Baking equipment (Francouer & Co., Inc.)	9-19-56	5,625.00	277.06			5,257.94		2,487.44	2,860.50	238.61	
Samuel Quiros (Banco de Comercio de El Salvador)	851	Tire recapping plant (U. S. Rubber International)	10-25-56	19,200.00	2,925.00			16,275.00		2,712.50	13,562.50	727.13	
Distribuidora de Automoviles, S. A. (Dona Secundine Poma y de Rosotto et al)	865	Bus bodies (Blue Bird Body Co.)	12-3-56	2,400.00	366.88			2,033.12		1,284.00	749.12	95.83	
Distribuidora de Automoviles, S. A. (Banco Agrícola Comercial de El Salvador, et al)	880	Buses (Blue Bird Body Co.)	1-18-57	11,400.00	1,483.27			9,916.73		4,259.01	5,666.72	378.31	
Do	881	do	1-18-57	7,750.00	1,007.51			6,742.49		3,852.84	2,889.65	286.31	
Do	904	do	3-22-57	2,525.00	327.88			2,197.12		961.61	1,255.51	76.74	
Do	905	do	3-22-57	7,460.00	8.00			7,452.00		2,794.50	4,657.50	222.48	
Do	906	do	3-22-57	8,800.00	1,108.83			7,691.17		3,296.01	4,395.16	279.47	
Do	915	do	5-9-57	9,800.00	1,254.84			8,545.16		2,441.48	6,103.68	241.18	
H. de Sola e Hijos	893	Soap & glycerine mfg. equip. (The Sharps Corp.)	2-15-57	37,500.00	37,500.00								
Total				112,460.00	46,259.27			66,200.73		24,060.39	42,140.34	2,595.08	
Guatemala:													
Cia. Minera de Huehuetenango, S. A. (Garcia F. Corcailus)	617	Materials and equipment for lead mining	3-3-55	500,000.00	56.20			499,943.80		274,803.81	225,139.99	59,170.53	
Cementos Novilla, S. A. (Eduardo Novilla, et al)	761	Cement plant equipment	12-22-55	1,240,000.00	1,102.40			1,238,897.60		1,238,897.60	38,551.20		
Fabrica de Bases Industriales Comercial MacDonald (Guatemala) S. A.	846	Acetylene generator, compres- sor, etc. (Southern Oxygen Co.)	10-12-56	1,925.00	727.51			1,197.50		1,115.38	82.21	42.26	
Cia. Guatemalteca de Maquinaria, Lda.	639-1	(Intl. Harvester Export Co.)	7-5-56	169,123.01		54,608.77	7-31-58	114,514.24		19,123.01	95,391.23	1,250.67	150,000.00
Do	652-1	(Case & Company)	9-22-55	67,366.65		10,011.86	1-31-58		57,354.79	17,366.65	39,988.14	1,478.07	50,000.00
Do	712-1	(Case & Company)	10-22-55	516,822.13		45,913.80	5-31-58	370,908.33		216,822.13	154,086.20	10,078.57	200,000.00
Cia. Guatemalteca de Maquinaria, Lda. (G. W. Daniels & Wilson Stanley)	583-2	(Harber-Grange Company)	11-1-56	85,100.00				85,100.00		42,550.00	42,550.00	3,545.20	
F. Kong e Hijos, Ltda. (Federico Kong, et al)	654-1	Plant for shortening & salad oils (Murster & Sanger Intl. Inc.)	8-15-57	165,000.00		165,000.00	12-31-58						
Total				2,645,336.79	1,886.01	275,539.43		2,310,561.56	57,354.79	571,780.98	1,796,135.37	114,116.59	
Haiti:													
Societe Haitiano-Americaine de Developpement Agricole (Republic of Haiti)	295	Development of rubber and other tropical products (irrigation and agricultural development)	5-1-41	5,000,000.00				5,000,000.00		1,550,500.00	3,449,500.00	1,653,372.67	
Republic of Haiti	457		12-29-48	27,000,000.00		3,054,115.03	12-31-57	23,945,884.97		262,675.50	23,683,209.47	1,290,751.12	
Total				32,000,000.00		3,054,115.03		28,945,884.97		1,813,175.50	27,132,709.47	2,944,123.79	

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DEBT CEILING INCREASE

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EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

December 31, 1957.

COUNTRY AND CREDIT (Country or countries)		CREDIT NO.	U. S. PROJECT AND SERVICES (Project or projects)	CURRENCY AUTHORIZED		CANCELLATIONS AND EXTINCTIONS	UNRECOVERED BALANCE		STATUS OF LOANS				INTEREST AND COMMISSIONS COLLECTED	CHARGES PAID BY BORROWER TO EXPORT-IMPORT BANK	REVENUE FROM LOAN LIVELINESS
				Date	Amount		1/ 2/	Amount	Expiry Date	Due by Borrower	Due by Others at EIB Rate	Repaid			
LATIN AMERICA - continued															
Honduras:															
Maquinaria y Accesorios, S. de R. L. (Banco Nacional de Fomento)		821	Farm machinery (Allis-Chalmers Mfg. Co.)	9-5-56	17,000.00		3,358.50		13,641.50		7,227.00	6,414.50	576.65		
Maquinaria y Accesorios, S. A. (Banco Nacional de Fomento)		920	Tractors and equipment (Allis-Chalmers Mfg. Co.)	5-23-57	5,500.00		75.00		5,425.00		775.00	4,650.00	61.40		
Republic of Honduras		879	Construction of Inter-American Highway	1-17-57	1,650,000.00			1,650,000.00	11-30-59					1,000,000.00	
Ministry of Finance		908	Crawler tractors with bull- dozers (Allis-Chalmers Mfg. Co.)	4-11-57	91,200.00		21,450.00		69,750.00			69,750.00			
Cia. Azucarera Hondureña, S. A. (Banco Mac. de Fomento de Honduras)		934	For expansion of sugar mill	8-1-57	1,000,000.00			563,700.24	7-15-58	436,299.76		436,299.76	1,002.27		
Total					2,763,700.00		24,883.50	2,213,700.24		525,116.26		8,002.00	517,119.26	1,592.32	1,000,000.00
Mexico:															
Nacional Financiera, S. A. (United Mexican States)		362	Railway equipment- Mexican National Railways	3-21-45	19,000,000.00				19,000,000.00		19,000,000.00		3,981,646.89		
Do		379	Electric power project Nueva Cia. Electrica	3-21-45	20,000,000.00				20,000,000.00		9,575,000.00	10,425,000.00	5,631,560.56		
Do		427-A	Chapala, S. A.	10-1-47	3,500,000.00		350,000.00		3,150,000.00		2,853,764.86	296,235.14	552,587.05		
Do		427-B	Railway equipment	12-3-47	7,000,000.00				7,000,000.00		6,663,947.37	336,052.63	1,305,636.37		
Do		427-C	Two sugar mills	12-3-45	5,000,000.00				5,000,000.00		4,750,000.00	250,000.00	897,909.27		
Do		427-D	Ammonium sulfate plant Tampico-Ciudad Madero	2-11-48	6,000,000.00		500,000.00		5,500,000.00		3,645,235.00	1,854,765.00	1,120,503.81		
Do		427-H	Water works	2-2-49	1,515,750.00				1,515,750.00		985,238.97	530,511.03	324,352.56		
Do		427-J	Railway equipment- Mexican National Railways	8-3-49	12,900,000.00		2,657.80		12,897,342.20		9,028,139.54	3,869,202.66	2,301,796.63		
Do		427-K	Railway equipment- Ferrocarril del Pacifico	8-3-49	5,000,000.00		100,000.00		4,900,000.00		1,960,000.00	2,940,000.00	524,958.78		
Do		427-L	Coal mine equipment	4-5-50	2,740,000.00				2,740,000.00		616,951.69	2,123,048.31	493,722.53		
Do		487-A	Falcon Dam and power plant	12-15-50	11,500,000.00		232,390.98		11,267,609.02		2,816,152.25	8,448,456.77	1,543,015.96		
Do		487-B	Anzalduas Dam	12-15-50	2,000,000.00			2,000,000.00	12-31-58						
Do		487-C	Yagui Alto Canal	12-15-50	17,500,000.00				17,500,000.00		4,375,000.00	13,125,000.00	2,277,739.92		
Do		487-D	Alcos Hornos de Mexico	5-21-51	5,000,000.00				5,000,000.00		1,513,366.74	3,486,633.26	929,225.07		
Do		487-E	Rehabilitation of Mexican National Railways	8-2-51	51,000,000.00			400,000.00	9-15-58	50,600,000.00	20,240,000.00	30,360,000.00	5,747,098.30		
Do		487-F	Rehabilitation of Mexican Railway	8-2-51	5,000,000.00			500,000.00	9-15-58	4,500,000.00	1,800,000.00	2,700,000.00	159,535.28		
Do		487-G	Telecommunications system	3-6-52	1,440,000.00				1,440,000.00		960,000.00	480,000.00	129,623.94		
Do		487-H	Steel-mill equipment- Hojalate y Laminas	12-18-52	3,600,000.00				3,600,000.00		900,000.00	2,700,000.00	608,579.37		
Do		487-I	Rehabilitation of Mexican National Railways	10-11-56	23,260,000.00			4,160,000.00	6-15-58	19,100,000.00		19,100,000.00	269,506.86		
Cia. Fundidora de Hierro y Acero de Monterrey, S. A.		539	Bar and rod combination mill	11-20-52	4,500,000.00				4,500,000.00		1,125,000.00	3,375,000.00	626,305.50		
Do		801	Steel mill equipment	6-28-56	42,000,000.00			41,390,821.25	12-14-60	509,178.75		509,178.75		23,975,290.25	
Mexican Gulf Sulphur Co. and Cia. Azufre Mexicana, S. A.		494	Sulphur plant	4-12-51	3,972,500.00				3,972,500.00			3,972,500.00	682,597.90		
do		494	do	12-23-55	1,927,500.00				1,927,500.00			1,927,500.00			
Cia. Minera Fernandez, S. A.		505	Production of manganese concentrates	8-23-51	750,000.00		5,000.00		745,000.00		83,662.84	661,337.16	74,295.67		

See footnotes on page 30.

EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

December 31, 1957.

COUNTRY AND ORIGIN (Country in parentheses)		CREDIT NO.	U. S. PRODUCTS AND SERVICES FINANCED (Export in parentheses)	CREDITS AUTHORIZED		CANCELLATIONS AND EXTINCTIONS	UNRECOVERED BALANCE		STATUS OF LOANS			INTEREST AND COMMISSIONS COLLECTED	CREDIT BALANCE OF CUMULATED TO DATE	RECOVERED CREDIT LIMITATION
				Date	Amount 1/ 2/		Amount	Expiry Date	Due, by Installment	Due, by Other than 1/2	Request			
LATIN AMERICA - Mexico - continued														
Par American Sulphur Company and Aserrera Papeles, S.A. de C.V. (Valeros Industriales, S.A. et al)	516	Sulphur plant	2-21-52	4,414,000.00	\$	\$		4,414,000.00	\$	1,751,666.69	2,662,333.31	\$	637,752.52	
do	585	Machinery, supplies, and equipment	11-26-54	788,000.00		32,479.43		755,520.57		217,835.41	537,685.16		70,265.92	
do	786	Paper container plant (Sandy Hill Iron & Brass)	4-5-56	1,000,000.00		7,575.30		992,424.70			992,424.70		31,591.09	
do	794	do	5-18-56	250,000.00			250,000.00	5-30-58						
La Consolidada, S. A.	611	Steel mill equipment	2-17-55	662,000.00		7,434.72		694,565.28		327,291.34	327,273.94		69,579.71	
Hojalera y Laminas, S. A. (Valeros Industriales, S.A. et al)	702	do	6-30-55	2,055,000.00				2,055,000.00		128,437.50	1,926,562.50		128,633.81	
Vidrio Plano, S. A.	714	Sheet glass remanelling equip. (Surface Combustion Corp.)	7-21-55	37,100.00		2.00		37,098.00		17,518.50	19,579.50		2,434.09	
Vidrio Plano de Mexico, S. A. (Comento de Industria y Comercio S. A. et al)	767	Sheet glass plant	1-20-56	75,000.00					75,000.00	10,000.00	65,000.00		2,788.05	
Acero de Chihuahua, S. A. (Cia. Fundidora de Chihuahua, S.A. et al)	776	Rolling mill equipment (E. W. Bliss Co.)	8-11-55	720,000.00				720,000.00		144,000.00	576,000.00		38,058.89	
Compañia Electrica Mexicana del Norte, S. A. (Norte)	760-A	Power construction program	12-8-55	7,072,000.00		6,539,000.00	6-15-60	533,000.00			533,000.00		4,094.65	
Compañia Electrica Mexicana del Centro, S. A. (Centro)	760-B	do	12-8-55	6,810,280.00		6,810,280.00	6-15-60							
Compañia Electrica Mexicana del Sur, S. A. (Sur)	760-C	do	12-8-55	5,439,000.00		4,223,000.00	6-15-60	1,216,000.00			1,216,000.00			
Compañia Electrica Nacional, S. A. (Nacional)	760-D	do	12-8-55	2,354,000.00		2,354,000.00	6-15-60							
Compañia de Electricidad de Tampico, S. A. (Tampico)	760-E	do	12-8-55	535,000.00		535,000.00	6-15-60							
Compañia Electrica de Merida, S. A. (Merida)	760-F	do	12-8-55	822,720.00		822,720.00	6-15-60							
Cia. Industrial Electrica Mexicana, S. A. de C. V.	781	Electric power equipment	3-29-56	1,820,000.00		682,499.37	6-10-58	1,137,500.03			1,137,500.03		42,828.17	
Cooperativa Manufacturera de Cemento Portland, S.C.L. (Nacional Financiera, S. A.)	802	Cement plant equipment (F. L. Smith & Co.)	6-28-56	75,500.00	44.00			75,456.00		10,782.00	64,674.00		1,898.81	
do	803	Cement plant equipment (Fuller Co.)	6-28-56	217,500.00	3,412.00			214,088.00		30,584.00	183,504.00		4,258.30	
Tecnica Industrial, S. A. (Carreteras Guatemalteco, S. A.)	816	Bottling machinery & equip. (Barry McMillan Export Sales)	8-10-56	34,125.00	3,657.74			30,467.26		7,312.16	23,155.10		1,755.17	
Sosa Texcoco, S. A.	824	Evaporating equipment (Whiting Corp.)	9-6-56	17,700.00	71.43			17,628.57		4,406.65	13,219.32		1,067.79	
Taxilas Monterrey, S. A.	830	Textile machinery (Saco-Towell Shops)	9-19-56	12,000.00	3,617.57			8,382.43		2,794.14	5,588.29		370.97	
Melita, S. A.	834	Flour mill equipment (Allis-Chalmers Mfg. Co.)	9-28-56	7,200.00	1,604.80			5,595.20		2,944.80	2,650.40		264.07	
Banco Nacional de Credito Agricola, S. A.	836	Tractors & agric. machinery (Minneapolis-Moline Co.)	10-4-56	4,800.00	867.37			3,932.63		1,573.06	2,359.57		211.43	
Banco Nacional de Credito Agrícola S. A. (Mex. Financiera, S. A.)	838	Beef and dairy cattle	10-10-56	5,000,000.00	156,070.61			4,843,929.39			4,843,929.39		167,117.81	
do	927	do	6-14-57	5,000,000.00		4,500,000.00	3-1-58	500,000.00			500,000.00			
Pavimentos, S. A.	850	Mixing machine and loader (Equipment Supply Co.)	10-19-56	6,000.00	695.40			5,304.60		3,031.20	2,273.40		260.78	
Hilarios de Mexico, S. A.	852	Plastic extruder (Modern Plastic Machinery Corp.)	10-26-56	2,550.00	46.45			2,503.55		625.34	1,876.21		104.81	
Taxilas del Norte, S. A.	853	Textile looms (Draper Corp.)	10-26-56	7,700.00	20.00			7,680.00					138.58	
Comptos Portland Motomayo, S. A. Pastorizadora de los Productores de Leche, S. A.	858	Clinker mill and equipment (Kennecott San Mfg. Corp.)	11-16-56	12,500.00	116.67			12,383.33		1,696.16	10,687.17		592.25	
do	859	Pasteurizing plant (Roberts Engineering Co.)	11-16-56	6,000.00				6,000.00		2,666.64	3,333.36		341.25	

See footnotes on page 30.

DEBT CEILING INCREASE

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# EXPORT-IMPORT BANK OF WASHINGTON STATEMENT OF LOANS AND AUTHORIZED CREDITS

35.

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DEBT CEILING INCREASE

COUNTRY AND OBLIGOR (Government or government)		CREDIT No.	U. S. PRODUCTS AND SERVICES Financed (Department or departments)	CREDITS AUTHORIZED		CANCELLATION AND EXTENSION	UNAMORTIZED BALANCE		STATUS OF LOANS			INTEREST AND COMMISSION COLLECTED	UNPAID BALANCE OF GUARANTEED U. S. EXPORT CREDITS	REVOLVING CREDIT COMMITMENT
				Date	Amount 1/ 2/		Amount	Expiry Date	Paid by Receipts	Due by (date at 21% rate)	Unpaid			
LATIN AMERICA - Mexico - continued														
Abastecedora de Construcciones de Tampico, Jose Mandelbaum y Cia. S. en N. C. de C. V. (Fomento de Tampico, S. A.)		861	Electric furnace (Electrometallurgical Furnace Co.)	11-21-56	\$ 9,500.00	\$ 770.44	\$ 8,729.56	\$ 1,635.75	\$ 7,093.81	\$ 457.64				
Banco Nacional de Credito Agrario S. A. (Mac. Fin. S. A.)		878	Prefabricated buildings (Butler International Co.)	1-11-57	89,000.00	320.00	88,680.00	8,868.00	79,812.00	2,606.75				
Frigorificos America, S. A. (Mamito & Uranga et al.)		883	Ice manufacturing plant (Roberts Engineering Co.)	1-29-57	4,350.00	51.48	4,298.52	716.42	3,582.10	127.18				
Nacional Financiera, S. A. (United Mexican States)		887	Steel-mill equipment (Alcoa Metals of Mexico)	2- 7-57	16,000,000.00		12,390,000.00	1-15-59	3,700,000.00					
Chapultepec, S. A. (Jose de J. Clark Flores)		900	Hydraulic pipe line dredge (Killicott Machine Corp.)	3- 7-57	150,510.00		150,510.00		50,170.00	100,340.00	4,934.96			
Construtora Melita, S. A. (Irlab) Compañia Constructora, S. A.		1901	do	3-15-57	171,800.00	80.00	171,720.00		42,930.00	128,790.00	4,107.53			
Omnibus de Mexico, S. A. de C. V. (Banco Nacional de Fomento Cooperativo, S. A. de C. V.)		909	Motor coaches (The Flexible Co.)	4-11-57	157,000.00	224.50	156,775.50		26,129.25	130,646.25	5,307.72			
Cia. Papelera Maldonado, S. A. (Jose Maldonado, et al.)		923	Equipment for paper mill (The Sandy Mill Iron & Brass Works)	6- 7-57	629,000.00		11,316.75	5-30-58	608,683.25	5,633.08				
Zinc Nacional, S. A. Cerveceria Cuahuiltepec, S. A. (Valeros Industriales, S. A. et al.)		929	Spray dryer (Bowen Engineering, Inc.)	7- 9-57	15,855.00				15,855.00					
Cerveceria Moctezuma, S. A.		941	Tin can plant Conveyor machinery (Alvey Conveyor Mfg. Co. et al.)	8-23-57	350,000.00		350,000.00	10-31-58						
do		958	Pasteurizers (Barry-Wehmiller Machinery Co.)	10-24-57	140,000.00		140,000.00	6-30-58						
Triplay de Parrel, S. A. (Nacional Financiera, S. A.)		967	Equipment for manufacture of plywood (E. V. Prentice Co.)	12-10-57	201,000.00		201,000.00	5-31-58						
Montes y Valdes, S. A.		640-1	Equipment for manufacture of plywood (E. V. Prentice Co.)	12-10-57	116,790.00		116,790.00	2-28-58						
Servicio Agrícola, S. A.		599-1	Agricultural equipment (New Holland Machine Co.)	6-27-55	95,328.00		70,646.25	3-31-58		24,681.75	20,328.00	4,353.75	1,151.46	75,000.00
do		599-2	Agricultural equipment (New Holland Machine Co.)	9- 1-55	19,277.35	10,000.00			9,277.35	9,277.35	286.43			
do		599-2	do	7-20-56	7,000.00	617.20			6,382.80	3,191.44	3,191.36	391.53		
Equipos Agrícolas, S. A.		616-1	Land levelers, graders, ditch- ers, etc. (Everman Mfg. Co.)	9-22-55	21,406.13		4,556.21	7-31-58	4,940.10	11,909.80	11,906.13	5,443.77	345.40	10,000.00
J. M. Byerly, S. A.		616-2	do	1-12-56	24,993.40		15,000.54	8-31-58	4,998.94	4,998.94	476.67			20,000.00
Tractores e Implementos de Sinaloa S. A. (L. M. Byerly et al.)		616-3	Land levelers and scrapers (Everman Manufacturing Co.)	8- 6-57	21,000.00		21,000.00	8-31-58						21,000.00
Equipos Agrícolas, S. A.		798-1	Agricultural sprayers & equip. (Food Mach. & Chemical Equip.)	9-27-56	2,700.00	675.00			2,025.00		675.00	1,350.00	65.72	
Abasacadores de Maquinaria, S. A. Concretos Trasmolados de Nixcoac, S. A.		667-1	Agricultural and industrial machinery (J. I. Case Co.)	10- 6-55	126,437.05		52,059.21	7-31-58	8,360.10	66,001.74	1,676.02	6,704.08	26.18	
Concretos Alta Resistencia, S. A. de C. V.		631-1	Concrete mixers (Blaw-Knox Company)	10-28-55	12,580.00	345.60			12,230.40	4,193.28	4,193.28	524.63		
do		750-1	Truck-mounted concrete mixers (Construction Machinery Co.)	11- 3-55	44,500.00	40.00			44,460.00	22,230.00	22,230.00	1,428.40		
Concretos Alta Resistencia S. A. de C. V. (Banco de Tlaxcala, S. A. de C. V.)		750-2	Transcrete truck mixers (Construction Machinery Co.)	6- 5-56	44,500.00	260.00			45,240.00		15,080.00	30,160.00	2,361.16	
do		750-3	do	2-28-57	48,000.00	129.00			47,871.00		7,878.50	39,892.50	1,104.31	
Equipos, S. A.		588-1	Truck-mounted concrete mixers (Construction Machinery Co.)	11-22-57	46,000.00		46,000.00	2-28-58						
Posos y Equipos del Pacifico, S. A. Maquinaria General del Occidente, S. A. (Kemper Marley)		717-1	Power shovels & earth moving equipment (The Shovel Co.)	1-27-56	75,000.00		75,000.00	1-31-58						75,000.00
do		717-2	Diesel and gas engines (Gulmins Engine Co., Inc.)	2-28-56	107,761.28		47,981.75	4-30-58	59,779.53	17,761.28	42,019.23	2,333.55		90,000.00
do		717-3	Tractors, equip., & generators (Caterpillar Tractor Co.)	3- 9-56	277,683.17		261,583.24	3-31-58	16,100.13	2,483.37	13,416.76	371.40		275,000.00
do		717-4	do	5-18-56	277,171.86		77,405.89	8-31-58	199,765.87	77,171.86	122,594.01	3,863.91		200,000.00
do		616-3	Land levelers, graders, etc. (Everman Mfg. Co.)	10-11-56	44,973.29		20,978.63	10-31-58	23,994.66	20,973.29	3,021.37	1,111.41		24,000.00

See footnotes on page 30.

EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

26.

December 31, 1957.

COUNTRY AND ORIGIN (Country in parenthesis)	CREDIT NO.	U. S. PRODUCTS AND SERVICES (Expenditure in particular)	CREDIT AUTHORITY		CANCELLATIONS AND EXPIRATIONS	UNRECOVERED BALANCE		STATUS OF LOANS			INTEREST AND COMMISSIONS COLLECTED	UNRECOVERED BALANCE OF GUARANTEED LOAN EXPIRATION	RECOVERED CREDIT LIMITATION
			Date	Amount		1/2	Amount	Expiry Date	Due by Expiry Date	Due by Expiry at 15% Rate			
LATIN AMERICA - Mexico - continued													
Casa Massey, S. A.	517-4	Power shovels, cranes, draglines (Haidrich-Lane-Hamilton Corp.)	5-17-56	\$ 120,000.00	\$	\$ 120,000.00	9-30-58	\$	\$	\$	\$	\$	\$ 120,000.00
S. C. de Ejidatarios y Obreros del Ingenuo Emiliano Zagata	723-1	Cane shredder, etc. (Gruendler Crusher & Pulverizer Co.)	6-14-56	32,000.00	1,432.11			30,567.89		15,401.22	15,166.67	1,280.46	
Falbank, Morse de Mexico, S. A.	578-5	Agricultural & allied equip. (The Oliver Corporation)	8-16-56	150,000.00		150,000.00	11-30-58						150,000.00
Industrial Avicola "Santa Rosa" S. A. (Jose M. Toledo Gonzalez)	710-1	Incubator combination & parts (Buckeye Incubator Co.)	8- 9-56	6,200.00	20.00			6,180.00		2,060.00	4,120.00	360.00	
Minneapolis de Torreon, S. A.	587-4	Agricultural implements (Minneapolis-Moline Co.)	9-27-56	78,285.16		58,574.21	2-30-57	19,719.95		3,285.16	16,425.79		75,000.80
Agromecanica, S. A.	712-5	Tractors, earth moving equip. (Alfred B. Holt)	2- 7-57	167,197.95		4,891.45	1-31-58	162,396.50		17,197.95	145,198.55	2,284.56	150,000.00
Productora Ferrateria Mexicana, S.A. (Sociedad Mexicana de Credito Industrial, S. A.)	660-1	Polishing machine and surface grinder (Sabin St. Germann & Associates, Inc.)	2- 8-57	16,400.00	48.44			16,351.56		2,725.27	13,626.29	371.79	
Cerveceria Moctezuma, S. A. (Credito Minero y Mercantil, S.A.)	711-3	Lift trucks and parts (The Yale & Towne Mfg. Co.)	7-12-57	161,600.00		161,600.00	6-30-58						
Embotelladora la Favorita, S. A.	711-4	Industrial warehouse truck (The Yale & Towne Mfg. Co.)	8-15-57	2,800.00	2,800.00								
Cerveceria Moctezuma, S. A.	885-1	Water purification equipment (The Pacumit Company)	7-23-57	18,850.00		18,850.00	3-31-58						
Abastecedores de Maquinaria, S. A. (Jose Antonio Sanchez, et al)	664-5	Diesel engines and generator sets (Herrschfeger Corp.)	12-31-57	50,000.00		50,000.00	1-31-59						
Total				320,593,790.92	1,428,586.04	89,246,461.47		230,375,182.37	243,561.04	95,993,652.74	133,625,090.67	31,434,866.35	23,575,290.25
Nicaragua:													
Empresa de Luz y Fuerza Electrica S. A. (Republic of Nicaragua)	496	Diesel power generator Construction of	5-24-51	600,000.00				600,000.00		300,000.00	300,000.00	95,513.53	
Republic of Nicaragua	870	Inter-American Highway Motor graders & tractors	12-12-56	2,000,000.00		2,000,000.00	6-30-59						
Ministry of Finance	917	Caterpillar Tractor Co.) Tractors and attachments	5-16-57	38,200.00	38,200.00								
Banco Nacional de Nicaragua	578-3	(The Oliver Corp.)	9-20-55	300,000.00	225,709.32			17,582.54	56,708.14	43,878.60	30,412.08	2,684.99	
Total				2,938,200.00	263,909.32	2,000,000.00		617,582.54	56,708.14	343,878.60	330,412.08	98,198.52	
Panama:													
Republic of Panama	501	Financing unfunded obligations of hotel	7-26-51	1,500,000.00				1,500,000.00			712,811.02	787,188.98	271,492.44
Do	924	Construction of Inter-American Highway	6-14-57	12,850,000.00		12,850,000.00	4-30-62						
Empresas Panamenas, S. A. (John B. Wright)	580-9	Tourism with scrapers (LeTourneau-McIntosh House Co.)	9-26-57	21,000.00	3,530.84			19,469.16			19,469.16		
Neuramatt & Ariza, S. A.	609-2	Tractors and equipment (Massey-Harris-Ferguson, Inc.)	4-26-56	30,000.00	30,000.00								
Total				14,401,000.00	33,530.84	12,850,000.00		1,519,469.16			712,811.02	806,658.14	271,492.44
Paraguay:													
Republic of Paraguay	337	Highway construction	5-18-52	3,000,000.00				3,000,000.00		2,938,800.48	61,199.52	1,070,993.55	
Do	570	Asuncion water supply system	9- 2-54	7,000,000.00		1,719,332.96	6-15-58	5,280,666.04			5,280,666.04	129,845.28	1,670,502.45
Do	691	Reconstruction of airport	6- 9-55	800,000.00		16,625.83	8-31-58	783,325.17			783,325.17	9,738.63	6,000.00
Total				10,800,000.00		1,736,008.79		9,061,991.21		2,938,800.48	6,125,190.73	1,210,577.46	1,676,502.45

See footnotes on page 30.

DEBT CEILING INCREASE

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EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

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DEBT CEILING INCREASE

STATEMENT OF LOANS AND AUTHORIZED CREDITS															December 31, 1957
COUNTRY AND CHARGE (Continued in footnotes)	Credit No.	U. S. PRODUCTS AND SERVICES Financed (Reported in parentheses)	CREDITS AUTHORIZED		CANCELLATIONS AND EXTINCTIONS	UNREPAID BALANCE		STATUS OF LOAN				INTEREST AND COMMISSION Collected	UNREPAID BALANCE OF CANCELS TO U. EXTINCTIONS	REPAID BALANCE LIMITATION	
			Date	Amount		Amount	Expiry Date	Due by Expiry Date	Due by China at 2 1/2 % Rate	Reported	Outstanding				
LATIN AMERICA - continued															
PERU:															
Cerro de Pasco Corp.	483	Zinc refinery & power equip.	8- 3-50	\$ 20,800,000.00		\$ 4,300,000.00	6-30-58	\$ 16,500,000.00		\$	\$ 16,500,000.00	\$ 2,804,856.16			
Southern Peru Copper Corporation	547	Copper mining and refining equipment (Toquepala)	11- 4-54	100,439,437.82		50,000,000.00	7-30-61	40,439,437.82			40,439,437.82	439,437.82			
Banco Central de Reserva del Peru (Republic of Peru)	627	Hospital equipment (American Hospital Supply Corp.)	3-11-55	1,330,000.00	81,200.00			1,248,800.00		561,600.00	687,200.00	56,639.55			
Republic of Peru	933	do	8- 1-57	280,000.00		280,000.00	8- 1-58								
Cerrocerias Metalicas, S. A.	774	Bus body parts	2-28-56	32,000.00	28.38			31,971.62		15,985.72	15,985.70	1,708.04			
The Peruvian Corporation Ltd. Rayon Peruana, S. A. (Banco Commercial del Peru)	798	Diesel electric locomotives	6-21-56	1,550,000.00				1,550,000.00			1,550,000.00	78,992.23			
do	804	Fertilizer producing mach. (Panamerican Consulting Co.)	5-28-56	66,000.00	750.00			65,250.00		21,750.00	44,500.00	3,186.38			
do	867	Sulphuric acid plant (Panamerican Consulting Co.)	12- 3-56	19,000.00	613.07			18,386.93		3,064.98	15,322.45	858.03			
Cia. Industrial Pilotes, S. A. (Banco Continental, Lima)	820	Yarn dyeing machinery (Gaston Country Dyeing Mach. Co.)	8-31-56	4,600.00	1,547.20			3,052.80		3,052.80		136.96			
A. y F. Wiesse, S. A.	825	Asphalt plant and equipment (Barber-Grimes Americas, Inc.)	9- 6-56	3,120.00	964.56			2,155.44		1,539.60	615.84	62.66			
Consortio de Equipos de Construc- cion, S. A. (Banco Gibson, S. A.)	860	Concrete batching plant (Helmet Steel Form & Iron Co.)	11-16-56	33,200.00	66.80			33,133.20		4,141.65	28,991.55	702.61			
Empresa Inca, S. A. (Banco Internacional del Peru)	868	Bus chassis with diesel engines (White Motor Co.)	12- 3-56	16,500.00	.30			16,499.70		1,375.03	15,124.67	758.02			
do	869	Bus bodies (Superior Coach Corp.)	12- 3-56	7,500.00	1,552.58			5,947.42		991.12	4,956.30	292.31			
Manufactura de Metales y Aluminio "Hacurco", S.A., Fabrica de Aluminio y Metales, S.A. (Frederico E. Mol)	889	Aluminum extrusion equipment (Lombard Corp.)	2- 8-57	91,000.00	7,883.31			83,116.69		7,556.06	75,560.63	1,977.89			
Nicolini Hermanos, S. A. (Peruvian Banks)	891	Wheat	2-14-57	2,250,000.00		2,250,000.00									
Enrique Ferreyros y Cia. S. A. (Cazian Ferreyros)	894	Low bed machinery trailers (Merlin Machine Co.)	2-19-57	6,000.00		6,000.00	8-31-57								
Fabritex Peruana, S. A. (Financiera Peruana, S. A.)	899	Textile loom	3- 1-57	11,280.00	9,600.00	1,680.00									
Sociedad Agricola "Pucall" Ltda., S. A. (stockholders or comm. bank)	907	Machinery and equipment for sugar mill (The Squier Corp.)	3-28-57	731,000.00		731,000.00	9-30-58								
Cia. Nacional de Cerveza	910	Bottle-washing machinery (Barzani-Miller Export Sales Co.)	4-18-57	30,000.00	30,000.00										
do	911	Bottle-filling machinery (Crown Cork & Seal Co., Inc.)	4-18-57	7,500.00	7,500.00										
S. A. Fabrica Nacional Textil "El Amazona"	938	Textile machinery (Whitlin Machine Works)	8-15-57	9,800.00		9,800.00	3-31-58								
Enrique Ferreyros y Cia., S. A. (Cazian Ferreyros)	946	Fish meal plant (Standard Steel Corporation)	9-13-57	48,000.00	48,000.00										
Cerrocerias Metalicas, S. A. (Banco Continental)	948	Bus body parts (Oliver-Moore Corporation)	10- 3-57	36,000.00		36,000.00	3-31-58								
Margosa Mining Company	963	Iron ore beneficiation plant	11-14-57	10,000,000.00		10,000,000.00	12-10-58								
Juan Negrete, S. A. Comercial Industrial Peruana, S.A. (Banco Continental)	582-1	Agricultural machinery (Minnesota-Moline Co.)	4- 5-55	122,694.95		60,831.23	5-31-58	18,922.29	42,941.43	52,694.95	9,168.77	1,526.39		70,000.00	
do	580-5	Tourne tractor (LeTourneau-Westinghouse Co.)	6-28-56	16,000.00	558.91			15,441.09		6,433.84	9,007.25	813.96			
do	580-10	(LeTourneau-Westinghouse Co.)	12-13-57	13,000.00		13,000.00	2-28-58								
Sociedad Agricola "Pucall" Ltda., S. A.	581-1	Power plant equipment (Worthington Corp.)	9-29-55	225,000.00	420.00				224,580.00	56,145.00	168,435.00	7,606.50			
Consortio de Equipos de Construccion, S. A. (Banco Gibson, S. A.)	581-4	Concrete mixers on trucks (Worthington Corp.)	10- 4-56	51,700.00	40.00			51,660.00		19,372.50	32,287.50	2,838.47			
do	581-5	Truck mixers (Worthington Corp.)	3-15-57	53,300.00	20.00			53,280.00		6,660.00	46,620.00	1,235.93			

See footnotes on page 30.

EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

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December 31, 1957

COUNTRY AND ORIGIN (Guarantee in parentheses)	Chart No.	U. S. PRODUCTS AND SERVICES (Expenditures in thousands)	CREDITS AUTHORIZED		CANCELLATIONS AND EXTINCTIONS	UNRECOVERED BALANCE		STATUS OF LOANS				INTEREST AND COMMISSIONS COLLECTED	UNRECOVERED BALANCE OF CANCELLATIONS (in thousands)	REVENUE CHART LIMITATION
			Date	Amount / %		Amount	Expiry Date	Due by Expiry Date	Due by Other at EIB Rate	Repayment	Outstanding			
LATIN AMERICA - Peru - continued														
Corporacion Peruana del Sante	664-	Clam shell excavator (Harnischfeger Corp.)	7-14-55	\$ 24,000.00	\$ 723.00	\$		\$	\$ 23,277.00	\$ 15,518.00	\$ 7,759.00	\$ 1,029.19	\$	
Supermarkets, S. A.	711-2	Warehouse truck (The Yale & Towne Mfg. Co.)	6- 6-57	3,900.00				3,900.00			3,900.00			
Enrique Ferreyros & Cia., S. A. (Carlos Ferreyros)	712-7	Tractors and generators (Caterpillar Tractor Co.)	3- 8-56	751,581.60		168,918.33	3-31-58	572,663.27		241,581.60	331,081.67	12,995.65		500,000.00
La Comercial Importadora, S. A. (Banco Union, Lima, Peru)	752-7	Fire engines and pumps (Huck Trucks, Inc.)	6-27-57	73,400.00		42,297.57	2-28-58	31,102.43			31,102.43			
Gross Equipment S. A.	758-2	Agricultural and industrial equipment (Food Machinery and Chemical Corp.)	1-11-57	30,000.00		11,230.57	9-30-57	18,769.43			18,769.43			
A. y F. Wiese, S. A. (Banco Wiese, Ltda.)	709-3	Fire fighting equipment (Ward La France Int'l. Inc.)	3- 1-57	25,300.00	699.63			23,600.37			23,600.37	165.20		
Herbert Talgo	782-2	Water pumps & related equip. (Jacuzzi Bros., Inc.)	8-23-57	30,000.00		30,000.00	1-31-58							
Juan Nagot, S. A. (Juan Nagot, Rosalia)	952-1	Turbine and centrifugal pumps (The Sweling Company)	9- 5-57	15,000.00		15,000.00	9-30-58							15,000.00
Total				139,275,814.37	192,167.94	77,955,757.70		60,787,090.30	290,798.43	1,019,462.35	60,058,426.38	3,417,838.95		
Uruguay:														
Republic of Uruguay	331	Hydroelectric development	4-22-52	7,200,900.00				7,200,900.00		800,100.00	6,400,800.00	279,901.10		
Do	331	do	4-22-52	4,799,100.00				4,799,100.00		4,799,100.00		2,518,232.58		
Do	345	Highway construction equip.	2- 2-53	159,600.00				159,600.00		57,400.00	102,200.00	1,996.31		
Do	345	do	2- 2-53	19,840,400.00	17,705,000.00					2,135,400.00	2,066,600.00	68,800.00	439,917.56	
Horacio Torrendell, S. A.	587-3	Tractors and power units (Minneapolis-Moline Co.)	11-10-55	110,000.00	110,000.00									
Total				32,110,000.00	17,815,000.00			7,360,500.00	6,934,500.00	7,723,200.00	6,571,800.00	3,239,147.55		
Venezuela:														
Hotel Tamanaco, C. A. (Banco Obracon)	365-4	Goods and services for hotel construction	4- 2-58	2,337,697.00	2,079.15			2,335,617.85		467,123.81	1,868,494.04	436,525.06		
C. A. la Electricidad de Caracas (Corp. Venezolana de Fomento)	569	Electrical equipment (Int'l. Gen. Elec. Co., Inc.)	11-23-49	5,158,000.00	106,039.27			5,051,960.23		5,051,960.23		680,668.23		
Republic of Venezuela, Ministry of Public Works	790	Quebrico River Dam Construction (S.W. Grady & Sons Co. et al)	9-15-55	4,125,000.00	30,531.43			4,094,468.57		4,094,468.57		87,160.53		
Cia. Anonima Venezolana de Caracazo	812	Well tile kiln	9-19-56	28,000.00	14,375.27			13,624.73		4,882.48	8,742.25	575.28		
Lorenzo Bustillos M. & Cia. Sucrs. C. A.	830	Industrial trailers (Trailmobile, Inc.)	10-11-56	6,450.00	84.39			6,365.61		3,182.80	1,182.81	286.85		
Do	841	Air compressors, drills, & air tools (Ingersoll-Rand Co.)	10-11-56	6,250.00	2,381.69			3,868.31		2,578.88	1,289.43	210.64		
Do	842	Wood & metal working mach. (John D. Williams Export Corp.)	11-10-56	3,450.00	385.30			3,064.70		1,532.36	1,532.34	115.83		
Do	843	Generators & welding equip. (Robert Brothers)	10-11-56	6,100.00	1,536.90			4,563.10		1,521.03	3,042.07	156.86		
Lorenzo Bustillos M. & Cia. Sucrs. C. A. (Lorenzo Bustillos M. et al)	919	Industrial trailers (Trailmobile, Inc.)	5-17-57	11,100.00	620.05			10,479.95		1,308.87	9,162.08	47.99		
"Simar" Societades Industriales Maracullil, C. A. (Banco Mar. de Descuento)	847	Asphalt batching plant (Standard Steel Corp.)	10-18-56	11,500.00	2,557.26			8,942.74		7,026.41	1,916.33	336.81		

See footnotes on page 30.

DEBT CEILING INCREASE

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EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

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STATEMENT OF LOANS AND AUTHORIZED CREDITS														December 31, 1957
COUNTRIES AND CREDITORS (Countries in parentheses)	Credit No.	U. S. Principals and Services Furnished (Explain in particular)	Credit Agreement		Cancellations and Expirations	Unrepaid Balance		Status of Loans				Interest and Commissions Collected	Unpaid Balance of Guaranteed Outstanding	Revolving Credit Limitation
			Date	Amount		3/ 2/	Amount	Expiry Date	Due by Expiry	Due by Maturity	Repaid			
LATIN AMERICA - Venezuela - continued														
S. A. Eugene Capucio y Cia.	896	Heavy construction and earth moving equipment (LeTourneau-Westinghouse Co.)	2-28-57	32,589.26		8,199.17		24,200.09			12,599.26	11,600.83	679.51	
do	897	Mining equipment (Pioneer Engineering Works, Inc.)	2-28-57	19,540.90		9,202.60		10,338.30			8,040.90	2,297.40	261.40	
Aerovias Venezolanas, S.A. (AVENSA) (H. L. Boulton & Co. S. A.)	918	Aircraft and spare parts (Fairchild Engine and Airplane Corp.)	5-16-57	1,200,000.00		1,200,000.00	1-31-59							
Sanchez & Cia., S. A.	925	Crushing equipment & asphalt plants (Baldwin-Lima-Hamilton Corp.)	5-14-57	37,500.00		37,500.00	5-31-58							37,500.00
C. A. Venezolana de Pulpa y Papel (Banco Union, et al.)	926	Construction of paper mill	6-14-57	3,500,000.00		3,500,000.00	7-31-59							
Cia. Anon. La Electricidad de Caracas	620-1	Steam boiler (Babcock & Wilcox Co.)	5-23-55	184,100.00		2,758.78			181,341.22	72,535.48	108,804.74	9,162.94		
C. Adriana & Cia., S. A.	609-1	Tractors & related equipment (Massey-Harris-Ferguson, Inc.)	8-11-55	94,488.59		75,000.00			19,488.59	19,488.59		376.62		
S. A. Eugene Capucio y Cia., Sociedad Tecnica y Comercial	580-3	Tractors and earthmovers (LeTourneau-Westinghouse Co.)	3- 9-56	98,801.35		2,651.10	1-31-58	96,150.25		18,801.35	77,348.90	1,952.73		80,000.00
S. A. Eugene Capucio y Cia. (Eugene Capucio)	580-8	Drills, air compressors and related equipment (LeTourneau-Westinghouse Co.)	8-30-57	65,000.00		19,685.21	1-31-58	45,314.79		340.70	44,973.59	6.27		
Cia. Anonima Tecnomat	617-3	Power shovels, draglines, etc. (Baldwin-Lima-Hamilton Corp.)	1-19-56	115,028.40		84,971.64	4-30-58	30,056.76		15,028.40	15,028.36	1,928.55		100,000.00
Compañia, S. A.	642-2	Truck and industrial scales (Fairbanks, Morse & Co.)	9-10-57	31,000.00		31,000.00								
Total				17,071,605.50		286,960.76		7,644,537.91	4,295,298.38	9,792,421.12	2,157,415.17	1,219,946.22		
Miscellaneous Latin America:														
Machine Affiliates Trading Corp.	973	Machine tools	2-15-50	1,823,616.92		1,461,195.09	6-30-58		372,421.83	321,616.92	48,804.91	7,023.45		1,500,000.00
Ames Corporation	559	do	5- 6-54	1,059,557.55		2,939,420.08			115,037.47	63,328.09	51,708.38	1,672.67		
American & Foreign Power Company, Inc.	939	Construction programs of subsidiaries	8-22-57	25,000,000.00		11,000,000.00	12-31-59	14,000,000.00			14,000,000.00	134,083.34		
Total				29,878,074.47		2,939,420.08		14,000,000.00	487,459.30	386,945.01	14,100,514.29	142,779.46		
Total Latin America				2,237,251,203.48		101,457,426.33		1,392,614,635.14	79,214,120.04	508,610,229.25	963,218,725.93	213,546,901.64	103,290,910.75	

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DEBT CEILING INCREASE

EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

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STATEMENT OF LOANS AND AUTHORIZED CREDITS

December 31, 1957

Country and Obligor (Consistent in particular)	Credit No.	U. S. PRODUCTS AND SERVICES (Expenditure in particular)	Credits Authorized		Cancellation and Expirations	Unencumbered Balance		Status of Loans				Interest and Commissions Collected	Unencumbered Balance of Guaranteed L/C Outstanding	Revolving Credit Limitation
			Date	Amount 1/ 2/		Amount	Expiry Date	Due by End of Year	Due by Other at EIB Rate	Repaid	Outstanding			
OCEANIA														
Australia:														
State of South Australia (Commonwealth of Australia)	535	Equipment for uranium mining and processing	10- 9-52	\$ 5,937,509.27	\$	\$		\$ 5,937,509.27	\$	\$ 1,941,565.52	\$ 3,995,943.75	\$ 655,030.39	\$	\$
New Zealand:														
Government of New Zealand	556	Materials, equip., & serv., for lumber, pulp, & paper project	2-11-54	16,000,000.00	3,000,000.00			13,000,000.00		1,950,000.00	11,050,000.00	807,909.97		
Frederic W. Smith, Ltd.	578-2	Agricultural and industrial equipment (The Oliver Corp.)	9- 1-55	208,507.11		96,555.48	3-31-58	32,562.93	79,389.70	88,507.11	23,445.52	1,849.49		120,000.00
Total				16,208,507.11	3,000,000.00	96,555.48		13,032,562.93	79,389.70	2,038,507.11	11,073,445.52	809,759.46		
Total Oceania				22,146,016.38	3,000,000.00	96,555.48		18,970,072.20	79,389.70	3,980,072.63	15,069,389.27	1,464,789.85		
Total active credits				5,879,958,186.22	184,872,755.95	1,431,729,622.75		4,173,145,708.76	89,211,098.76	1,278,313,337.79	2,984,542,469.82	729,168,762.52		
Terminated credits				2,859,564,661.52	1,192,343,903.85			1,284,021,635.28	193,799,122.39	1,677,220,757.67		104,229,426.09		
				8,749,022,847.74	1,377,216,659.80	1,431,729,622.75		5,457,166,344.04	482,910,221.15	2,955,534,095.37	2,984,542,469.82	833,398,188.61	144,794,806.13	
Add: Total participation in credits by others				210,395,363.90										
Total authorizations				8,959,418,211.64										
1/ In some cases certain segments of the credit have been fully repaid and are included in "Terminated credits".														
2/ Each credit authorized on a revolving basis is limited to a maximum principal balance which may be outstanding at any time — to the extent that principal is repaid the credit becomes reavailable.														
3/ Interest is compounded quarterly and added to authorized credits.														

DEBT CEILING INCREASE

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EXPORTER CREDIT LINES - UNITED STATES CAPITAL EQUIPMENT

THE FOLLOWING PAGES NOS. 32 to 35 REFLECT EXPORTER CREDIT LINES AND TRANSACTIONS THEREUNDER. THE LINES ARE NOT INCLUDED IN TOTAL AUTHORIZATIONS OF THE BANK AND THEY ARE AVAILABLE ONLY TO THE EXTENT THAT THE BANK AUTHORIZES SPECIFIC OR REVOLVING CREDITS TO FINANCE TRANSACTIONS THEREUNDER COVERING EXPORT SALES OF U. S. CAPITAL EQUIPMENT. DETAILS OF THE TRANSACTIONS ARE SHOWN IN THE STATEMENT OF LOANS AND AUTHORIZED CREDITS UNDER THE SPECIFIC COUNTRIES TO WHICH THEY APPLY. TRANSACTIONS UNDER THE CREDIT LINES ARE INCLUDED IN TOTAL AUTHORIZATIONS AND ARE CHARGEABLE AGAINST THE BANK'S LENDING AUTHORITY.

EXPORT-IMPORT BANK OF WASHINGTON  
EXPORTER CREDIT LINES

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EXPORTER CREDIT LINES														December 31, 1957.
NAME OF EXPORTER	CREDIT NO.	U. S. PRODUCTS TO BE FINANCED	LIMIT AUTHORIZED		APPROVED TRANSACTIONS	BALANCE AVAILABLE		AMOUNT OBLIGATED		PRINCIPAL REFUND ON LOAN	PRINCIPAL OUTSTANDING ON LOAN	INTEREST AND CHARGES NOW COLLECTED FOR EXCHANGE ADJUSTMENT	CANCELED OR Lapsed TRANSACTIONS	REVENUE CREDIT LIMITATION
			Date	Amount		Amount	Expiry Date	By Exporter	By Others at EIB Rate					
The Oliver Corporation	578	Tractors and agricultural equipment	11-10-54	\$ 4,132,385.71	\$ 778,507.11	\$ 3,699,587.92	4-30-58	\$ 50,145.47	\$ 136,097.84	\$ 132,385.71	\$ 53,857.60	\$ 4,534.48	\$ 245,709.32	\$ 4,000,000.00
Combustion Engineering, Inc.	579	Steam generating equipment	11-10-54	6,177,652.50	1,641,500.00	4,537,196.30	4-30-58	1,469,329.35	55,526.85	177,652.50	1,347,803.70	67,248.39	1,043.80	6,000,000.00
LeTourneau-Metallizing House Co.	580	Heavy earth moving equipment and related items	11-18-54	3,452,224.36	527,051.32	3,046,796.84	7-31-58	379,090.71		80,224.36	298,866.35	10,965.79	182,621.83	3,175,000.00
Worthington Corporation	581	Power plants, pumping and electrical equipment	11-18-54	4,377,618.81	626,500.00	3,752,657.50	5-31-58	400,381.31	224,580.00	377,618.81	247,342.50	23,055.32	1,538.69	4,000,000.00
Barber-Greene Company	583	Paving and construction equipment	11-26-54	567,550.00	170,100.00	487,450.00	5-31-58	85,100.00		42,550.00	42,550.00	3,545.29	85,000.00	525,000.00
Minneapolis-Moline Company	587	Agricultural machinery, implements, & related items	12-16-54	2,586,576.93	456,576.93	2,280,000.00	5-31-58	69,230.06	42,941.43	86,576.93	25,524.56	2,257.79	150,000.00	2,500,000.00
The Thew Shovel Company	588	Power shovels and cranes	12-16-54	754,556.62	274,700.00	575,000.00	7-31-58	67,193.27	27,278.30	27,278.30	35,914.55	2,567.70	55,143.38	700,000.00
The Janger Machine Company	590	Construction and pumping equipment	12-30-54	575,000.00		575,000.00	Extension pending							575,000.00
Athey Products Corporation	591	Earth and materials moving equipment	12-30-54	225,000.00	170,000.00	125,000.00	5-31-58						12,000.00	225,000.00
Schramm, Inc.	593	Air compressors	1- 5-55	150,000.00		150,000.00	5-31-58							150,000.00
New Holland Machine Company	599	Farm machinery and implements	1-27-55	762,468.79	23,958.02	746,808.64	5-31-58	6,382.80	9,277.35	12,468.79	3,191.36	577.96	8,297.87	750,000.00
Batson-Cook Company	600	Slashing and other textile machinery	1-27-55	55,000.00		55,000.00	6-30-58							55,000.00
United Engineering and Foundry Company	601	Rolling mills and auxiliary equipment	1-27-55	3,600,000.00		3,600,000.00	5-31-58							3,600,000.00
The Toder Company	601	Metal working and forming machinery & related services	2- 3-55	250,000.00		250,000.00	7-31-58							250,000.00
Karl Lieberknecht, Inc.	607	Textile machinery, including related services	2-10-55	700,000.00	26,500.00	700,000.00	9-30-58						26,500.00	700,000.00
Smith, Kirkpatrick & Co., Inc.	608	Agricultural and other equipment	2-17-55	450,000.00		450,000.00	5-31-58							450,000.00
Massey-Harris-Ferguson, Inc.	609	Agricultural and industrial tractors, equip., & accessories	2-17-55	5,619,488.59	417,988.59	5,244,000.00	6-30-58		19,488.59	19,488.59	378.62	342,500.00	5,600,000.00	
Ellicott Machine Corporation	610	Drages, dredging machinery, and related services	2-17-55	524,860.50	25,000.00	520,000.00	7-31-58	74,860.50		74,860.50	2,124.61	138.50	520,000.00	
The Huber-Marco Company or Huber-American, Inc.	612	Road building and maintenance equipment	2-24-55	450,000.00		450,000.00	8-31-58							450,000.00
Pioneer Engineering Works, Inc.	613	Asphalt mixing plants, paving and related equipment	2-24-55	225,000.00		225,000.00	6-30-58							225,000.00
Saco-Lowell Shops	614	Textile machinery	2-24-55	1,500,000.00		1,500,000.00	Extension pending							1,500,000.00
Kenneth Motor Truck Company	619	Motor trucks and trailers	3- 3-55	318,641.22	125,000.00	300,000.00	5-31-58	18,641.22		18,641.22		187.05	107,358.78	300,000.00
The Babcock & Wilcox Company	620	Electric power and industrial steam boilers	3- 3-55	2,272,535.48	184,100.00	2,091,195.26	6-30-57		181,341.22	72,535.48	108,804.74	9,162.94	2,758.78	2,200,000.00
Sparkler Manufacturing Company and subsidiary	624	Liquid pressure filters and equipment	3-10-55	45,000.00		45,000.00	7-31-58							45,000.00
Clark Equipment Company	625	Materials handling equipment; construction machinery	3-10-55	1,500,000.00		1,500,000.00	6-30-58							1,500,000.00
U. S. Pumps, Inc.	629	Turbine type vertical pumps	3-17-55	75,000.00		75,000.00	6-30-58							75,000.00
Blaw-Knox Company	631	Construction, steel, and other industrial equipment	3-17-55	2,408,037.12	12,580.00	2,395,806.78	8-31-58		12,230.40	8,037.12	4,193.28	524.63	2,400,000.00	
Whiting Corporation	635	Heavy material handling equipment and systems	3-24-55	350,000.00		350,000.00	8-31-58							350,000.00
Everman Manufacturing Company	636	Traction driven farm equipment	3-24-55	137,378.90	112,378.90	25,000.00	7-31-58	38,933.70	11,909.80	37,378.90	13,464.60	1,933.57		100,000.00
Baldwin-Lima-Hamilton Corporation and subsidiaries	637	Construction equipment, attachments, and accessories	3-31-55	1,615,028.40	321,028.40	1,380,000.00	10-31-58	30,056.76		15,028.40	15,028.36	1,428.55	86,000.00	1,600,000.00
The Hess Co., and subsidiary	638	Grain drying and handling equipment and related items	3-31-55	135,000.00		135,000.00	Extension pending							135,000.00
International Harvester Export	639	Agricultural implements, motor trucks, and machinery	3-31-55	10,019,123.01	169,123.01	9,850,000.00	6-30-58	114,514.24		19,123.01	95,391.23	1,250.67	10,000,000.00	
Koehring Co., and subsidiaries	640	Heavy equipment for construction and paving	3-31-55	570,328.00	271,328.00	475,000.00	8-31-58		24,681.75	20,328.00	4,353.75	1,151.46	175,000.00	550,000.00
The Sandy Hill Iron & Brass Works	641	Paper mill machinery and equipment	3-31-55	350,000.00		350,000.00	7-31-58							350,000.00

DEBT CEILING INCREASE

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EXPORT-IMPORT BANK OF WASHINGTON  
EXPORTER CREDIT LINES

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DEBT CEILING INCREASE

NAME OF EXPORTER	CREDIT NO.	U. S. PRODUCTS TO BE EXPORTED	LINES AUTHORIZED		APPROVED TRANSACTIONS	BALANCE AVAILABLE		AMOUNT OBLIGATED		PRINCIPAL REPAYED ON LOAN	PRINCIPAL OVERPAID ON LOAN	INTEREST AND CHARGES WHEN COLLECTED FOR EXTERNAL ACCOUNT	CANCELED OR LIMITED TRANSACTIONS	REVENUE CREDIT EMPLOYED
			Date	Amount		Amount	Expiry Date	By Exporter	By Other at EIB Risk					
Fairbanks, Morse & Company and subsidiaries	642	Diesel engines, generators, locomotives, etc.	3-31-55	\$ 2,100,000.00	\$ 100,000.00	\$ 2,100,000.00	7-31-58	\$	\$	\$	\$	\$	\$ 100,000.00	\$ 2,100,000.00
The White Motor Company	643	Motor trucks and associated equipment	3-31-55	950,000.00	81,000.00	869,000.00	9-10-58							950,000.00
Goodman Manufacturing Company	649	Mining, contractors, and specialized industrial equip.	4- 7-55	500,000.00	33,000.00	467,041.04	8-31-58	32,958.96			32,958.96	329.57	51.04	500,000.00
The Cooper-Bessmer Corporation	650	Compressors, generators, and diesel engines	4- 7-55	900,000.00		900,000.00	8-31-58							900,000.00
General Motors Overseas Operations	651	Transportation, power generating, & refrigeration equip.	4- 7-55	10,012,108.72	206,108.72	9,806,000.00	7-31-58	92,461.86		12,108.72	80,352.14	2,260.01	184,000.00	10,000,000.00
John Deere, C. A. Deere & Company	652	Agricultural machinery, implements, and tractors	4- 7-55	7,624,591.24	464,591.24	7,200,000.00	5-31-58		110,469.73	24,591.24	85,878.49	2,019.91	40,000.00	7,600,000.00
Harrison-Walker Refractories Co.	653	Refractories	4-14-55	825,000.00		825,000.00	7-31-58							825,000.00
Murster & Sanger, Inc. & subsidiary	654	Soap and fat processing machinery	4-14-55	165,000.00	165,000.00		7-31-58							165,000.00
The National Supply Company	656	Diesel and gas engines, and related equipment & material	4-21-55	6,000,000.00		6,000,000.00	7-31-58							6,000,000.00
The Emco Manufacturing Company	657	Vertical turbine and axial flow propeller pump	4-21-55	400,000.00		400,000.00	Extension pending 6-30-57							400,000.00
Wheelabrator Corporation	659	Blast cleaning equipment and industrial dust collectors	4-21-55	100,000.00		100,000.00	9-30-58							100,000.00
Sabin St. Germain & Associates, Inc.	660	Machine tools, industrial machinery, and equipment	4-21-55	352,735.27	16,400.00	336,335.27	11-30-58	16,351.56		2,735.27	13,626.29	389.72	48.44	350,000.00
The Marion Power Shovel Company and subsidiary	661	Excavating and material handling equipment	4-21-55	1,200,000.00	82,000.00	1,200,000.00	9-30-58						82,000.00	1,200,000.00
Cummins Engine Co., Inc. & subsidiary	663	Diesel and gas engines, and attachments	4-28-55	1,887,000.00	1,887,000.00	(34,138.63 Canceled)	7-31-58	985,690.20	867,171.17	717,395.89	1,135,465.48	63,967.64		Non-Reviving 800,000.00
Harnischfeger Corp. & subsidiary	664	Industrial equip., construction and mining machinery	4-28-55	847,761.28	173,761.28	674,000.00	7-31-58	114,779.53		47,761.28	67,018.25	2,190.35		
Inland Manufacturing Corporation	665	Excavators, and related attachments and accessories	4-28-55	1,605,395.30	458,500.00	1,146,895.30	1-31-59		173,072.51	105,395.30	67,677.21	5,212.25	231,427.99	1,500,000.00
The Seillon Iron Works & Mfg. Co.	666	Motor graders, rollers, and related attachments	4-28-55	250,000.00	24,000.00	250,000.00	8-31-58						24,000.00	250,000.00
J. L. Case Co.	667	Agricultural and industrial tractors, and equipment	4-28-55	879,801.00	280,203.20	761,028.26	7-31-58	118,272.04		19,801.00	98,371.04	4,061.56	161,431.16	860,000.00
Infilco Incorporated	671	Water, sewage, and waste treating equipment	5- 3-55	5,036,437.05	126,437.05	4,910,000.00	10-31-58	8,389.10	66,001.74	36,437.05	37,944.79	2,782.78		5,000,000.00
E. J. Longyear Company	672	Diamond core drill and accessory equipment units	5- 3-55	300,000.00		300,000.00	8-31-58							300,000.00
Denver Equipment Company	673	Dr. dressing equipment	5- 3-55	240,000.00		240,000.00	8-31-58							240,000.00
De Laval Turbine Co.	676	Steam turbines and related equipment	5-16-55	350,000.00		350,000.00	9-30-58							350,000.00
Beloit Iron Works	677	Paper-making machinery and component parts	5-16-55	150,000.00		150,000.00	10-31-58							150,000.00
Bulter Manufacturing Company, & subsidiaries	678	Prefabricated metal buildings, etc.	5-16-55	475,000.00		475,000.00	12-31-58							475,000.00
Oliver Machinery Company	679	Buildings, etc.	5-19-55	775,000.00		775,000.00	10-31-58							775,000.00
Continental Copper & Steel Industries, Inc.	680	Woodworking and packaging machinery	5-19-55	130,000.00		Canceled								130,000.00
The T. L. Smith Company	681	Earth moving equipment	5-19-55	325,000.00		325,000.00	8-31-58							325,000.00
Westinghouse Air Brake International, Inc. & subsidiary	682	Concrete mixers and related equipment	5-19-55	85,000.00		85,000.00	12-31-58							85,000.00
Joy Manufacturing Company	683	Railroad construction, mining, and drilling equipment	5-26-55	6,100,000.00		6,100,000.00	10-31-58							6,100,000.00
Iowa Manufacturing Co., & subsidiary	684	Mining, well-drilling, construction, and power equip.	5-26-55	1,378,750.00	105,000.00	1,273,750.00	9-30-58	102,370.62		78,750.00	23,620.62	4,126.39	2,639.39	1,300,000.00
Giddings & Lewis Machine Tool Company	685	Crushing and material handling equipment	5-26-55	800,000.00	230,000.00	570,000.00	1-31-58	89,613.00			89,613.00			600,000.00
Gar Wood Industries, Inc.	686	Heavy machine tools	6- 2-55	800,000.00		800,000.00	10-31-58							800,000.00
Bucyrus-Erie Company	687	Truck and tractor equipment, and road-building machinery	6- 2-55	700,000.00		700,000.00	10-31-58							700,000.00
Hewlett-Robins, Incorporated	692	Power excavators, cranes, and drills	6- 2-55	1,700,000.00	185,000.00	1,700,000.00	10-31-58						185,000.00	1,700,000.00
		Handling equipment and industrial rubber equipment	6- 2-55	425,000.00		425,000.00	10-31-58							425,000.00

EXPORT-IMPORT BANK OF WASHINGTON  
EXPORTER CREDIT LINES

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December 31, 1957.

NAME OF EXPORTER	CREDIT NO.	U. S. PRODUCTS TO BE FINANCED	LOANS AUTHORIZED		APPROVED TRANSACTIONS	BALANCE AVAILABLE		EXPIRY DATE	AMOUNT OBLIGATED		PRINCIPAL REPAYED OR LOANED	PRINCIPAL OUTSTANDING OR LOANED	INTEREST AND CHARGES NOW COLLECTED FOR EXTENDING ACCOUNT	CONTROLLED OR LOANED TRANSACTIONS	REVOLVING CREDIT EXTENSION
			Date	Amount		Amount	By Estimate		By Other at 118 Rate						
Towmotor Corporation and Gardiner Carrier Co.	693	Fork lift trucks, industrial tractors, and accessories.	6-16-55	\$ 400,000.00	\$	\$ 400,000.00	1-31-59	\$	\$	\$	\$	\$	\$	\$	\$ 400,000.00
Littlesford Brothers, Inc.	695	Road maintenance and construction equipment	6-23-55	120,000.00		120,000.00	6-30-58								120,000.00
Ford Motor Company	698	Trucks, tractors, and related equipment	6-23-55	10,000,000.00		10,000,000.00	12-31-58								10,000,000.00
Hepworth Machine Company, Inc.	699	Centrifugals & related equip- ment for production of sugar.	6-30-55	105,000.00	15,000.00	90,000.00	9-30-57	15,000.00		15,000.00		549.53			90,000.00
The Morgan Engineering Company	700	Cranes & steel mill equipment	6-30-55	400,000.00		400,000.00	10-31-58								400,000.00
Universal Winding Company	701	Textile equipment and cotton winding machinery	6-30-55	1,100,000.00		1,100,000.00	10-31-58								1,100,000.00
S. H. Sheppard Co., Inc.	704	Diesel engines, tractors, etc.	7- 7-55	125,000.00		125,000.00	11-30-58								125,000.00
The Continental Gin Company	707	Cotton gin machinery	7-21-55	300,000.00		300,000.00	10-31-58								300,000.00
A. D. Smith Corporation	708	Metal fabricated products machinery	7-21-55	1,750,000.00		1,750,000.00	1-31-58								1,750,000.00
Ward La France International, Inc.	709	Motorized fire-fighting apparatus	7-21-55	75,000.00	24,300.00	51,399.63	2-28-58	23,600.37			23,600.37	165.20	699.63		75,000.00
Antio-Townend Engineering Company	710	Steel and wire products processing machinery	7-21-55	600,000.00		600,000.00	11-30-58								600,000.00
The Yale & Towne Manufacturing Company	711	Fork lift trucks, industrial tractors, and hoists	7-21-55	872,642.25	191,000.00	684,500.00	1-31-58	3,900.00	22,643.25	22,643.25	3,900.00	318.42	2,856.75		850,000.00
General Refractories Company	716	Refractories	7-28-55	650,000.00		650,000.00	12-31-58								650,000.00
A. P. Green Fire Brick Company	720	do	8- 4-55	400,000.00		400,000.00	11-30-58								400,000.00
Smith Engineering Works	721	Crushing and materials processing equipment	8- 4-55	200,000.00		200,000.00	10-31-58								200,000.00
Frazier & Hansen, Ltd. Gründler Crusher and Pulverizer Company	722	Lumber mill and agricultural machinery	8- 4-55	250,000.00		250,000.00	11-30-58								250,000.00
Proctor and Schwartz	723	Crushing and pulverizing machinery	8-11-55	65,401.22	32,000.00	Canceled	Extension pending	30,567.89		15,401.22	15,166.67	1,280.46	1,532.11		50,000.00
Proctor and Schwartz	724	Industrial drying equipment	8-11-55	300,000.00		300,000.00	11-30-57								300,000.00
Fruehauf Trailer Company	725	Trucks, trailers, and truck bodies	8-11-55	300,000.00	6,735.60	293,264.40	1-31-59	6,735.60			6,735.60				300,000.00
Mine Safety Appliance Company	728	Safety equipment	8-18-55	550,000.00		550,000.00	1-31-59								550,000.00
H. W. Buxtenworth & Sons Company	729	Textile machinery	8-25-55	300,000.00		300,000.00	1-31-58								300,000.00
The Buckeye Corporation	730	Poultry raising and tobacco curing equipment	8-25-55	102,060.00	6,200.00	95,880.00	1-31-58	6,180.00		2,060.00	4,120.00	360.08	20.00		100,000.00
Bresler Industries, Inc.	731	Engines, compressors, well- drilling equipment	8-25-55	1,300,000.00	315,000.00	1,300,000.00	Extension pending							315,000.00	1,300,000.00
Sprout, Waldron & Company, Inc.	733	Food and feed processing equipment	9- 1-55	205,000.00		205,000.00	11-30-58								205,000.00
Stardill-Keystone Company	734	Cable and rotary drilling machines	9- 8-55	210,000.00		210,000.00	9-30-58								210,000.00
Buffalo Forge Company and The Sauler Corporation	735	Industrial heating and air conditioning equipment	9- 8-55	450,000.00		450,000.00	1-31-58								450,000.00
Sclaby Bros., Inc.	736	Welding equipment	9- 8-55	100,000.00		100,000.00	1-31-58								100,000.00
Caterpillar Tractor Company	737	Agricultural and construction equipment	9-15-55	10,558,555.24	3,061,455.24	7,717,900.00	12-31-58	1,363,132.50		558,555.24	804,577.26	29,953.00	220,800.00		10,000,000.00
Continental Supply Company	739	Tubular products; drilling and pumping machinery	9-15-55	1,000,000.00		1,000,000.00	1-31-58								1,000,000.00
W. R. Ames Company	743	Irrigation systems	9-22-55	90,000.00		90,000.00	2-28-58								90,000.00
Clayton Manufacturing Company	744	Steam cleaners and generators, water and space heaters	9-22-55	224,363.00	57,813.00	171,599.75	1-31-58	49,107.25		24,363.00	24,744.25	999.69	5,949.75		200,000.00
The Elmer Corporation	746	Mining and construction equipment	9-22-55	800,000.00		800,000.00	Extension pending								800,000.00
McK Trucks, Inc. and subsidiaries	747	Motor trucks	9-29-55	2,870,036.34	1,306,714.97	2,013,662.29	1-31-58	618,309.52		120,036.34	498,273.18	17,991.94	450,340.92		2,750,000.00
Food Machinery & Chemical Corp.	748	Food processing and packaging equipment	10- 6-55	1,300,675.00	32,700.00	1,268,650.00	2-28-58	20,794.43		675.00	20,119.43	65.72	675.00		1,300,000.00

DEBT CEILING INCREASE

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EXPORTER CREDIT LINES

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NAME OF EXPORTER	CREDIT RAT	U. S. PRODUCTS TO BE FINANCED	LIMIT AUTHORIZED		APPROVED TRANSACTIONS	BALANCE AVAILABLE		AMOUNT DISBURSED		PRINCIPAL REPAYED ON LOANS	PRINCIPAL OBTAINING ON LOANS	INTEREST AND COMMISSION PAID COLLECTOR FOR EXPORTER ACCOUNT	CONTROLLED OR LOANED TRANSACTIONS	REVENUE CREDIT LIMITATION
			Date	Amount		Amount	Expiry Date	By Exporters	By Others at EIB Rat					
Construction Machinery Company	750	Construction equipment, and pumps for agric. industry	10-20-55	\$ 305,288.50	\$ 184,000.00	\$ 121,717.50	1-31-58	\$ 93,111.00	\$ 44,460.00	\$ 45,288.50	\$ 92,282.50	\$ 4,893.96	\$ 429.00	\$ 260,000.00
Textile Machine Works	752	Knitting machines	10-27-55	1,500,000.00	660,000.00	1,500,000.00	1-31-58						660,000.00	1,500,000.00
Scinnell Corporation	757	Piping and related products	12-1-55	300,000.00		300,000.00	2-28-57							300,000.00
York Corporation	758	Industrial air-conditioning and refrigeration equipment	12-8-55	400,000.00		400,000.00	2-28-57							400,000.00
Pan American Trade Development Corp.	762	Industrial machinery, tools, and equipment	12-23-55	150,000.00		150,000.00	9-30-57							150,000.00
Lummus Cotton Gin Company	763	Cotton ginning machinery	12-31-55	250,000.00		250,000.00	4-30-58							250,000.00
Mercator Corporation	765	Agricultural and industrial machinery & power equipment	1-12-56	175,000.00		175,000.00	4-30-58							175,000.00
Bravo Corporation	766	Towboats, barges, and industrial equipment	1-12-56	300,000.00		300,000.00	4-30-58							300,000.00
Boulds Pumps, Incorporated	768	Water systems and pumps	1-26-56	300,000.00		300,000.00	5-31-58							300,000.00
Pratt & Whitney Co., Inc.	779	Machine tools and equipment	3-22-56	400,000.00		400,000.00	5-31-58							400,000.00
Shenzer Manufacturing Company	787	Elevating, conveying, and drying machinery	4-19-56	50,000.00			Cancelled							50,000.00
Jacuzzi Brothers, Inc.	789	Water pumping equipment	5-3-56	300,000.00	45,000.00	270,000.00	7-31-58						15,000.00	300,000.00
Federal Motor Truck Company	790	Trucks and related equipment	5-3-56	320,000.00		320,000.00	6-30-58							320,000.00
The French Oil Mill Machinery Co.	792	Vegetable oil machinery	5-4-56	110,000.00	60,000.00	50,000.00	9-30-58							110,000.00
Fischer & Porter Company	793	Industrial process	5-10-56	250,000.00		250,000.00	6-30-58							250,000.00
Souls Steel Company	795	Instruments and equipment	5-31-58	300,000.00		300,000.00	6-30-58							300,000.00
General Electric Company	813	Steel buildings	7-20-56	10,000,000.00		10,000,000.00	11-30-58							10,000,000.00
Brown Trailers, Inc.	828	Electrical equipment and railway locomotives	9-18-56	184,412.23	99,700.00	89,632.31	11-30-57	94,279.52		19,412.23	75,367.69	569.11	4,320.08	165,000.00
The Murray Company of Texas, Inc.	854	Seal-trailers, van bodies, and accessories	11-9-56	685,000.00	232,000.00	685,000.00	12-1-58						232,000.00	685,000.00
The Permutt Company	885	Cotton ginning machinery, and equipment	1-20-57	400,000.00		18,850.00	2-28-58							400,000.00
Besser Company	886	Purification & conditioning equipment	1-20-57	240,000.00	38,000.00	202,000.00	2-28-58							240,000.00
The Electric Furnace Company	888	Equipment for manufacturing concrete blocks	2-8-57	300,000.00		300,000.00	2-28-58							300,000.00
The Dealing Company	942	Heat treating equipment, and auxiliary apparatus	8-29-57	100,000.00	15,000.00	85,000.00	10-31-58							100,000.00
Hyster Company	950	Water pump systems and accessories	10-9-57	1,000,000.00		1,000,000.00	10-31-58							1,000,000.00
Rome Flow Company	958	Lift trucks and equipment	10-31-57	200,000.00	125,250.00	74,750.00	11-30-58							200,000.00
Allis-Chalmers Manufacturing Co.	961	Agricultural equipment	11-14-57	10,000,000.00	18,900.00	9,981,100.00	11-30-58							10,000,000.00
S. Morgan-Smith Company	966	Industrial equipment, etc.	12-10-57	300,000.00		300,000.00	12-31-58							300,000.00
Total exporter credit lines				180,067,460.58	17,708,240.61	166,844,850.94		6,591,055.74	2,029,171.93	3,117,856.47	5,602,371.20	277,382.11	4,700,764.30	175,780,000.00
Less cancellations				216,833.33	6,700,764.30									216,833.33
Total active exporter credit lines				179,852,627.25	13,007,776.31	166,844,850.94								175,563,166.67

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DEBT CEILING INCREASE

EXPORT-IMPORT BANK OF WASHINGTON

36.

SUMMARY STATEMENT OF LOANS AND AUTHORIZED CREDITS

December 31, 1957.

Authorizations			\$8,959,418,211.64
Authorizations taken over by others, without recourse to Eximbank, cumulative:		<u>Area</u>	
Latin America		\$ 28,376,568.27	
Europe		168,018,795.63	
Asia		<u>14,000,000.00</u>	210,395,363.90
Cancellations and expirations			1,377,216,659.80
	<u>Export-Import Bank Funds</u>	<u>Disb. by others at EIB Risk</u>	
Disbursements	\$5,457,166,344.04	\$482,910,221.15	5,940,076,565.19
Repayments	2,520,759,667.38	434,774,427.99	2,955,534,095.37
Outstanding loans	2,936,406,676.66	48,135,793.16	2,984,542,469.82
Authorizations not disbursed			1,431,729,622.75
Total of outstanding loans and balance of authorizations not disbursed			4,416,272,092.57
Lending authority assigned by Bank under provisions of Public Law 30 - 83rd Congress - for cotton insurance			50,000,000.00
Uncommitted lending authority			533,727,907.43

DEBT CEILING INCREASE

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EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS  
CERTIFIED BY EPM AND DPM

37.

December 31, 1952

CERTIFIED BY DPA AND DMPA													December 31, 1952	
Country and Obligor (Continued in parentheses)	Credit No.	U. S. Products and Services Financed (Export or purchase)	Credits Authorized		Cancellation and Expirations	Unrepaid Balance		Status of Loans			Interest and Commissions Collected	Unpaid Balance of Guaranteed L. C. Outstanding	Revolving Credit Limitation	
			Date	Amount		Amount	Expiry Date	Due by Installment	Due by Installment at 12% Rate	Repaid				Outstanding
AFRICA														
Rhodesia Congo Border Power Corp., Ltd.	DP-6	Power facilities for the production of copper & cobalt	1-8-53	\$ 22,400,000.00				\$ 22,400,000.00		\$ 4,321,572.93	\$ 18,078,527.07	\$ 2,432,721.46		
CANADA														
Campbell Chlorbromine Mines, Ltd.	DP-7	Equipment & development costs for production of copper	4-2-53	5,500,000.00				5,500,000.00		5,500,000.00		481,222.62		
Molybdenite Corporation of Canada, Limited	DP-8	Production of molybdenum disulphide and bismuth	6-17-53	540,000.00				540,000.00		540,000.00		68,659.08		
Total Canada				6,040,000.00				6,040,000.00		6,040,000.00		549,881.70		
LATIN AMERICA														
Brazil:														
Industria e Comercio de Minerios, S. A.	DP-4	Production of manganese ore	9-4-52	71,340,795.03	16,000,000.00			55,340,795.03		7,078,548.78	48,262,246.25	5,901,689.51		
		Less: Under Export-Import Bank Act		55,059,887.53	16,000,000.00			39,632,887.53		7,078,548.78	31,287,438.65	3,281,456.22		
				16,280,907.50				16,280,907.50			16,280,907.50	1,990,263.27		
Haiti:														
Cotes de Fer Corp.	DP-1	Two steel processing plants	1-10-52	202,260.00	141,605.00			60,655.00		28,733.40	31,921.60	1,981.21		
Mexico:														
Zinc Nacional, S. A.	DP-2	Zinc processing plant	6-19-52	337,500.00				337,500.00		337,500.00		49,353.10		
Total Latin America				16,820,747.60	141,605.00			16,679,142.60		166,233.40	16,312,909.20	2,032,197.53		
Total active credits				45,260,747.60	141,605.00			45,119,142.60		10,727,706.33	34,391,436.27	5,014,810.69		
Terminated credits:														
Northern Rhodesia:														
Bajuma Mines, Ltd.	DP-5	Production of copper and cobalt	9-18-52	21,000,000.00	21,000,000.00								Cancelled 4-24-53	
British East Africa: Uganda														
Kilamba Mines, Ltd.	DP-3	Production of copper and cobalt	8-21-52	7,500,000.00	7,500,000.00								Cancelled 11-12-53	
Total terminated				28,500,000.00	28,500,000.00									
Grand Totals				73,760,747.60	28,641,605.00			45,119,142.60		10,727,706.33	34,391,436.27	5,014,810.69		

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DEBT CEILING INCREASE

## EXPORT-IMPORT BANK OF WASHINGTON

December 31, 1957.

Liquidation of loans transferred as of June 30, 1954 from  
Reconstruction Finance Corporation under  
Reorganization Plan No. 2 of 1954

<u>Obligor</u>	<u>Credit No.</u>	<u>Description of Obligations</u>	<u>Outstanding Balance June 30, 1954</u>	<u>Repayments</u>	<u>Unpaid Balance</u>	<u>Income Collected</u>
Republic of Ecuador	RFC-1	Promissory Note dated 3-30-42 for \$124,626.58	\$ 53,258.24	\$ 25,217.30	\$ 28,040.94	\$ 9,217.93
Newfoundland Railway	RFC-2	Promissory Notes of various dates for \$1,944,355.50	427,098.00	427,098.00	-0-	18,751.69
Banco de Credito da Borracha (Amazon Credit Bank of Brazil)	RFC-3	60,000 shares of capital stock Par value 60,000,000 Brazilian Cruzeiros	3,000,000.00	-0-	3,000,000.00	-0-
Republic of the Philippines	RFC-4	2 Promissory Notes of various dates for \$60,000,000.00	42,000,000.00	21,000,000.00	21,000,000.00	2,891,301.39
German Bonds and Stocks	RFC-5	German Government and Muni- cipalities External Loans and Mortgage bonds and stocks charged off by R.F.C.	1.00*	31,468.42	1.00	-0-
<b>Totals</b>			<u>\$45,480,357.24</u>	<u>\$21,483,783.72</u>	<u>\$24,028,041.94</u>	<u>\$2,919,271.01</u>

\* Securities charged off by R.F.C. carried at \$1.00 Book value  
at time of transfer - Eximbank has collected \$31,468.42 in  
partial liquidation thereof.

DEBT CEILING INCREASE

EXPORT-IMPORT BANK OF WASHINGTON  
INSURANCE ON EXPORTS - UNDER PUBLIC LAW 30, 83rd CONGRESS

39.  
December 31, 1957.

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Cotton

Country	Policies Validated			Policies Extended			Expirations			Unexpired Policies		
	No. of Policies	Amount	No. of Bales	No. of Policies	Amount	No. of Bales	No. of Policies	Amount	No. of Bales	No. of Policies	1/ Amount	No. of Bales
<b>ASIA</b>												
India	1	\$ 37,392	189	-0-	\$ -0-	-0-	1	\$ 37,392	189	-0-	\$ -0-	-0-
Japan	19	1,356,351	7,929	59	3,234,081	18,646	67	4,105,530	23,772	11	484,902	2,803
Total Asia	20	1,393,743	8,118	59	3,234,081	18,646	68	4,142,922	23,961	11	484,902	2,803
<b>EUROPE</b>												
Belgium	101	2,661,181	16,527	66	1,350,619	8,062	156	3,796,938	23,190	11	214,862	1,399
Denmark	7	161,774	971	-0-	-0-	-0-	7	161,774	971	-0-	-0-	-0-
France	4	76,256	449	-0-	-0-	-0-	4	76,256	449	-0-	-0-	-0-
Germany, Western	417	16,710,463	96,502	110	3,086,331	17,851	495	18,538,380	106,948	32	1,258,414	7,405
Greece	12	423,115	2,537	6	79,130	550	18	502,245	3,087	-0-	-0-	-0-
Italy	21	630,725	3,241	9	366,413	1,700	23	857,964	4,041	7	139,174	900
Netherlands	74	4,643,197	27,260	122	4,112,987	23,335	182	8,149,389	47,103	14	606,795	3,492
Norway	5	166,411	1,035	-0-	-0-	-0-	5	166,411	1,035	-0-	-0-	-0-
Sweden	10	389,874	2,328	-0-	-0-	-0-	10	389,874	2,328	-0-	-0-	-0-
Switzerland	1	37,754	200	-0-	-0-	-0-	1	37,754	200	-0-	-0-	-0-
United Kingdom	225	9,995,498	57,194	270	10,527,326	60,290	446	18,692,433	107,010	49	1,830,391	10,474
Total Europe	877	35,896,248	208,244	583	19,522,806	111,788	1,347	51,369,418	296,362	113	4,049,636	23,670
Grand Total	897	37,289,991	216,362	642	22,756,887	130,434	1,415	55,512,340	320,323	124	4,534,538	26,473

DEBT CEILING INCREASE

1/ Maximum allowed to any one Country \$10,000,000

SUMMARY

Public Law 30, 83rd Congress - Insurance Authorizations	\$100,000,000
Amount allotted to Cotton Program	\$50,000,000
Less: Unexpired Policies - cotton	4,534,538
	<u>\$45,465,462</u>

# EXPORT-IMPORT BANK OF WASHINGTON

*Loans in default, fully reserved on books, and losses charged off, as of Dec. 31, 1957*

Country	Loan No.	Borrower	Date declared in default	Original amount in default	Recoveries of principal	Amount charged off	Balance in default fully reserved
Brazil.....	233	American-Brazilian Corp.....	May 16, 1945	\$142,980.19	\$15,000.00	-----	\$127,980.19
Mexico.....	338	Fred Leighton, Inc.....	Dec. 31, 1955	72,485.55	15,000.00	\$57,485.55	-----
Poland.....	141	Account 4140: Unconverted Dutch florins.....	Mar. 27, 1940	3,491.96	2,374.35	1,117.61	-----
Portuguese West Africa.....	319	Chas. B. McDaniel, Jr.....	Dec. 6, 1946	65,000.00	33,495.33	31,504.67	-----
Uruguay.....	333	Talleres Graficos Sur, S. A.....	.....do.....	66,074.32	56,567.27	9,507.05	-----
Venezuela.....	441	S. & S. Construction Co. de Venezuela, C. A.....	July 3, 1952	278,345.72	6,000.00	272,345.72	-----
Miscellaneous.....	187	John F. Fitzgerald, Jr.....	Dec. 10, 1947	30,377.35	8,064.68	22,312.68	-----
Do.....	187	Home Plan Corp.....	Dec. 30, 1944	1,218.04	-----	1,218.04	-----
		Total.....	-----	659,973.14	136,501.63	395,491.32	127,980.19

## RECAPITULATION

Total defaulted loans.....	\$659,973.14
Less recoveries of principal.....	136,501.63
Balance reserved and charged off.....	523,471.51

Source: Office of the Treasurer, Accounts Division.

DEBT CEILING INCREASE

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*Statement of loans delinquent as of Dec. 31, 1957, unpaid at Jan. 30, 1958, Export-Import Bank participation only*

Country	Credit No.	Principal	Interest	Total	Remarks
Bolivia.....	732	\$13,683.90	\$1,197.34	\$14,881.24	Due Dec. 2, 1957.
China.....	395-399	9,454,288.55	8,087,196.79	17,541,485.34	Due from Oct. 3, 1949 to Oct. 1, 1957. Interest has not been taken into earnings.
Colombia.....	649-1	10,986.40	1,419.49	12,405.89	Due Apr. 4 and Oct. 4, 1957.
	666-2	26,865.00	2,149.20	29,014.20	Due Feb. 28 and Aug. 30, 1957.
Egypt.....	688	18,320.06	182.76	18,502.82	Due Sept. 17, 1956, Mar. 15, 1957, and Sept. 16, 1957.
Haiti.....	295	159,362.20	26,083.89	185,446.09	Due Mar. 15, 1957, June 15, 1957, and Sept. 15, 1957.
	457	179,020.55	820,970.45	1,000,000.00	Due Mar. 16, 1957 and Sept. 16, 1957.
Honduras.....	<sup>1</sup> 821	1,506.50	89.80	1,686.30	Due Dec. 27, 1957.
	<sup>1</sup> 821	812.50	30.47	842.97	Due Dec. 23, 1957.
Mexico.....	494	1,787,627.00	375,272.79	2,162,899.79	Due Jun 30, 1956, Dec. 31, 1956, June 30, 1957, and Dec. 31, 1957. Interest has not been taken into earnings.
	505	523,537.16	98,958.43	622,495.59	Due June 30, 1955 through Dec. 31, 1957. Interest from June 30, 1955 has not been taken into earnings.
Peru.....	730-1	1,030.00	144.59	1,174.59	Due Dec. 30, 1957.
	<sup>2</sup> 587-1	-----	60.16	60.16	Due Dec. 21, 1957.
	<sup>2</sup> 587-1	1,294.65	25.76	1,320.41	Due Dec. 30, 1957.
Total.....	-----	12,178,424.47	9,413,790.92	21,592,215.39	

<sup>1</sup> AOFC.    <sup>2</sup> Agent.

*Statement of delinquent loans as of Dec. 31, 1957*

Credit No.	Country	Disbursements	Principal balance	Delinquent principal	Past-due interest	Total delinquencies	Remarks
<sup>1</sup> 395	Republic of China.....	\$4,243,750.00	\$1,871,060.00	\$535,670.00	\$587,044.26	\$1,122,714.26	Installments due from Oct. 3, 1949, to Oct. 1, 1957, inclusive.
<sup>2</sup> 396	-----do-----	2,540,947.55	2,540,947.55	1,651,618.55	756,541.07	2,408,159.62	Do.
<sup>3</sup> 397	-----do-----	8,282,219.17	8,282,219.17	2,288,000.00	2,111,673.07	4,399,673.07	Do.
<sup>4</sup> 398	-----do-----	16,650,000.00	16,650,000.00	4,329,000.00	4,249,171.24	8,578,171.24	Do.
<sup>5</sup> 399	-----do-----	1,500,000.00	1,500,000.00	650,000.00	382,767.15	1,032,767.15	Do.
	Total.....	33,216,916.72	30,844,226.72	9,454,288.55	8,087,196.79	17,541,485.34	Interest has not been taken into earnings.

<sup>1</sup> Credit 395: During March 1948 Export-Import Bank entered into an agreement with the Republic of China to assist their purchase of 10 war-built United States coastal-cargo vessels. The terms of the agreement mortgaged the ships to Export-Import Bank. The sale was in accordance with the Merchant Ship Sales Act of 1946. The Nationalist Government of China is operating only 4 of these vessels and the principal and interest repayments are currently paid as to them. 3 of the stated vessels were sold by the Republic of China to the Kingdom of Thailand in November 1951. We extended a loan to the Kingdom of Thailand (credit No. 504) in the amount of \$1,071,340 to assist in the financing. Arrearages to Export-Import Bank on the 3 vessels were paid up. Loan service on the 3 vessels is current. 3 vessels were surrendered by their crews to Communist China. The United States district court in Baltimore rendered a judgment in favor of Export-Import Bank on June 12, 1957, in the amount of \$1,283,211.22 to recover from the insurers the loss of 3 vessels caused by the barratry of the masters and crews. The judgment draws interest at 6 percent from date of entry, June 12, 1957. Appeal has been taken. Payments on the notes as to these three vessels are in arrears.

<sup>2</sup> Credit 396: This credit was extended to the Republic of China in February 1946 to assist its recovery from heavy war damages. Loan proceeds were utilized to purchase 12 vessels and 4 tankers from the United States War Shipping Administration. Such

vessels were to be used for transport facilities for China's general cargo trade and to provide movable storage facilities for petroleum products.

<sup>3</sup> Credit 397: This credit was established in February 1946 to purchase United States generating equipment and engineering services to replace war-damaged generators and other facilities relating to power production and distribution.

<sup>4</sup> Credit 398: This credit was established in February 1946 to provide transportation equipment and materials to rehabilitate broken lines in communication and poor railroad facilities resulting from war damage.

<sup>5</sup> Credit 399: This credit was established in March 1946 to provide United States equipment, materials, supplies, and services to rehabilitate coal mines and reestablish maximum production. (Coal production before the war estimated at 34,000,000 tons).

REPUBLIC OF CHINA—TERMINATED CREDITS

Disbursed and repaid.....	\$167,392,972.13
Interest collected.....	21,089,647.38

Source: Office of the Treasurer.

DEBT CEILING INCREASE

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## DEPARTMENT OF STATE, INTERNATIONAL COOPERATION ADMINISTRATION

## DEVELOPMENT LOAN FUND

Beginning in 1958, the Mutual Security Act authorized a development loan fund to make loans, credits, or guaranties to nations, organizations, persons, or other entities to encourage the economic development of friendly nations. The fund is to be administered so as to support and encourage private investment and enterprise and is not to compete with private investment capital or the activities of the Export-Import Bank and the International Bank for Reconstruction and Development. Before making any loan, the management of the fund considers the availability of financing from other free-world sources and ascertains the soundness and feasibility of the activity to be financed.

The basic financial terms and conditions for the operation of the fund are determined, after consultation with the National Advisory Council on International Monetary and Financial Problems, by a loan committee consisting of the Deputy Under Secretary of State for Economic Affairs, acting as chairman, the Director of the International Cooperation Administration, and the President of the Export-Import Bank. The fund is administered by a manager appointed by the President.

Loans for projects which would normally be of a profit-earning nature will be at rates of interest and for maturities comparable to Export-Import Bank terms for similar projects. Loans for other purposes, generally loans to governments for basic investments which do not directly produce revenue such as bridges, dams, or irrigation projects, will be for terms up to 40 years at rates sufficient to cover the current cost of money of similar term to the Treasury. Repayments of principal and interest in either case may be in dollars or in foreign currency, as specified in the loan agreement.

As yet the fund has approved no loans. \$1.3 billion applications are on hand most of which have been received in recent weeks. These are now under review.

*Allocations, Jan. 1 to June 30, 1957, under credits previously authorized*

Country and obligor	Purpose	Amount
Africa—Union of South Africa:		
West Driefontein Gold Mining Co. <sup>1</sup> .....	Mining equipment, materials, and services.	\$291, 612
Doornfontein Gold Mining Co. <sup>1</sup> .....	do.....	109, 725
Latin America:		
Argentina: Government of Argentina <sup>1</sup> .....	Transportation equipment.....	28, 845, 000
Brazil:		
Banco Nacional do Desenvolvimento	Mobile power equipment.....	4, 875, 000
Economico.	do.....	875, 000
Do.....	do.....	1, 464, 000
Do.....	do.....	
Total.....		36, 460, 337

<sup>1</sup> Increase.



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## CURRENT CREDITS

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
<b>AFRICA</b>				
<u>Egypt:</u>				
Fertilizer and Chemical Industries of Egypt	429	Equipment for fertilizer plant	7-16-47	\$ 7,250,000.00
Egyptian Spinners (Barclays Bank D.C.O.)	675	Textile equipment (Whitin Machine Works)	5- 6-55	60,000.00
United Spinning & Weaving Co., S.A.E.	688	do	6- 9-55	30,000.00
Alhadissa Trading Company of Egypt	580-2	Earth moving equipment (LeTourneau-Westinghouse Co.)	11-10-55	150,000.00
Total				7,490,000.00
<u>Ethiopia:</u>				
Imperial Ethiopian Government	742	Aircraft and aviation facilities	9-19-55	24,000,000.00
<u>Liberia:</u>				
Republic of Liberia	489	Highway construction	1-11-51	5,000,000.00
Do	497	Water supply and sewerage system	6-14-51	1,350,000.00
Do	596	Highway construction projects	1-20-55	15,000,000.00
Total				21,350,000.00
<u>Morocco:</u>				
Etablissements J. P. Frendo	587-2	Tractors and implements (Minneapolis-Moline Co.)	9-29-55	70,596.82
<u>Portuguese East Africa</u>				
Republic of Portugal	531	Railway construction and equipment	8-28-52	17,000,000.00
<u>Portuguese West Africa</u>				
Casa Americana Comercial, S.A.R.L.	651-1	Marine diesel engines (Gen. Motors Overseas Corp.)	4-27-56 Revolved	100,000.00 3,274.50 103,274.50
<u>Union of South Africa:</u>				
Various mining companies - Unallotted	498	Mining equipment, materials, and services	6-28-51	4,507,134.87
West Rand Consolidated Mines, Ltd.	498-A	do	1-10-52	3,326,165.52
Do	498-A	do		1,154,148.60
Daggafontein Mines, Ltd.	498-B	do	1-10-52	7,851,614.85
Do	498-B	do		728,053.86
Blyvooruitzicht Gold Mining Co., Ltd.	498-C	do	1-10-52	6,819,017.49
Do	498-C	do		767,529.33

## AND LOANS

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Installments (Semiannually - Quarterly - Monthly)
\$	\$ 7,250,000.00	\$ 5,075,000.00	\$ 2,175,000.00	3 1/2 6	8 Sa. beg. 7-1-52 2 Sa. beg. 7-1-57 (Nonpayment due to blocked exchange) (Credit canceled)
	29,346.45		29,346.45		(\$653.55 of credit canceled) (Credit canceled)
	7,279,346.45	5,075,000.00	2,204,346.45		
21,600,000.00	2,400,000.00		2,400,000.00	5	40 Sa. beg. 12-1-57
1,100,000.00	3,900,000.00	408,000.00	3,492,000.00	3 1/2	36 Sa. beg. 6 mos. after date of note
	1,350,000.00	265,200.00	1,084,800.00	3 1/2	36 Sa. beg. 1 yr. after date of note
14,200,000.00	800,000.00		800,000.00	4 3/4	35 Sa. beg. 30 mos. after date of note
15,300,000.00	6,050,000.00	673,200.00	5,376,800.00		
	30,596.82	30,596.82			Repaid (\$40,000.00 of credit canceled)
	12,452,207.62		12,452,207.62	4	40 Sa. beg. 4-15-58 (\$4,547,792.38 of credit canceled)
50,269.18	53,005.32	3,274.50	49,730.82		
4,507,134.87					
	3,326,165.52	1,019,094.77	2,307,070.75	4	40 Quar. beg. 3-31-54
	1,154,148.60	298,495.81	855,652.79	4	36 Quar. beg. 3-31-55
	7,851,614.85	2,405,634.77	5,445,980.08	4	40 Quar. beg. 3-31-54
	728,053.86	177,183.86	550,870.00	4	36 Quar. beg. 3-31-55
	6,819,017.49	2,089,260.08	4,729,757.41	4	40 Quar. beg. 3-31-54
	767,529.33	186,790.92	580,738.41	4	36 Quar. beg. 3-31-55

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## CURRENT CREDITS

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
AFRICA - continued				
Union of South Africa - continued				
Western Reefs Exploration and Development Co., Ltd.	498-D	Mining equipment, materials, and services	1-10-52	\$ 9,289,004.01
Do	498-D	do		1,011,310.56
Stillfontein Gold Mining Co., Ltd.	498-E	do	1-10-52	6,661,882.39
Do	498-E	do		1,236,798.57
Randfontein Estates Gold Mining Co., Witwatersrand, Ltd.	498-F	do	9-25-52	11,687,767.36
Do	498-F	do		1,151,118.01
Virginia Orange Free State Gold Mining Co., Ltd.	498-G	do	10-30-52	11,536,976.12
Do	498-G	do	9-28-56	1,285,678.30
Vogelstruisbult Gold Mining Areas, Ltd.	498-H	do	10-30-52	2,388,379.41
Do	498-H	do		1,873,861.59
Luipaards Vlei Estate & Gold Mining Co., Ltd.	498-I	do	11-13-52	4,751,372.63
Do	498-I	do		651,421.05
Welkom Gold Mining Co., Ltd.	498-J	do	5-27-53	5,830,688.06
Do	498-J	do		1,478,108.76
President Steyn Gold Mining Co., Ltd.	498-K	do	6-24-53	5,828,568.75
Do	498-K	do		1,597,810.21
Ellaton Gold Mining Co., Ltd.	498-L	do	8- 5-53	880,662.84
Do	498-L	do		102,690.79
Babrosco Mines (Proprietary) Ltd.	498-M	do	8- 5-53	46,533.61
Do	498-M	do		11,400.20
The Afrikander Lease, Ltd.	498-N	do	8- 5-53	130,903.61
New Klerksdorp Gold Estates, Ltd.	498-O	do	8- 5-53	116,041.16
Do	498-O	do		21,194.94
Harmony Gold Mining Co., Ltd.	498-P	do	8-13-53	5,842,211.63
Do	498-P	do		1,296,258.52
East Champ d'Or Gold Mining Co., Ltd.	498-Q	do	10- 8-53	416,380.31
Government Gold Mining Areas (Modderfontein) Consolidated, Ltd.	498-R	do	1-25-54	638,200.05
DomInion Reefs (Klerksdorp) Ltd.	498-S	do	3- 4-54	3,601,062.29
Do	498-S	do		223,386.81
West Driefontein Gold Mining Co., Ltd.	498-T	do	4- 8-54	3,301,546.79
Do	498-T	do		1,218,286.20
Doornfontein Gold Mining Co., Ltd.	498-U	do	5- 6-54	287,509.46
Do	498-U	do		283,629.02

## AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Installments (Semiannually - Quarterly - Monthly)
	\$ 9,289,004.01	\$ 2,846,032.50	\$ 6,442,971.51	4	40 Quar. beg. 3-31-54
	1,011,310.56	246,119.02	765,151.54	4	36 Quar. beg. 3-31-56
	6,661,882.39	1,429,078.14	5,232,804.25	4	40 Quar. beg. 3-31-55
	1,236,798.57	177,044.69	1,059,753.88	4	36 Quar. beg. 3-31-56
	11,687,767.36	2,507,209.25	9,180,558.11	4	40 Quar. beg. 3-31-56
	1,151,118.01	164,779.77	986,338.24	4	36 Quar. beg. 3-31-56
	11,536,976.12	1,411,411.88	10,125,564.24	4	40 Quar. beg. 9-30-56
	1,285,678.30		1,285,678.30	4	36 Quar. beg. 9-30-57
	2,388,379.41	512,344.81	1,876,034.60	4	40 Quar. beg. 3-31-55
	1,873,861.59	268,078.63	1,605,782.96	4	36 Quar. beg. 3-31-56
	4,751,372.63	809,084.77	3,942,287.86	4	40 Quar. beg. 9-30-55
	651,421.05	60,329.52	591,091.53	4	36 Quar. beg. 9-30-56
	5,830,688.06	735,702.22	5,094,985.84	4	40 Quar. beg. 3-31-56
	1,478,108.76	69,150.73	1,408,958.03	4	36 Quar. beg. 3-31-57
	5,828,568.75	735,434.83	5,093,133.92	4	40 Quar. beg. 3-31-56
	1,597,810.21	74,750.75	1,523,059.46	4	36 Quar. beg. 3-31-57
	880,662.84	188,915.94	691,746.90	4	40 Quar. beg. 3-31-55
	102,690.79	14,699.92	87,990.87	4	36 Quar. beg. 3-31-56
	46,533.61	9,982.22	36,551.39	4	40 Quar. beg. 3-31-55
	11,400.20	1,631.88	9,768.32	4	36 Quar. beg. 3-31-56
	130,903.61	28,080.87	102,822.74	4	40 Quar. beg. 3-31-55
	116,041.16	24,892.59	91,148.57	4	Do
	21,194.94	3,034.00	18,160.94	4	36 Quar. beg. 3-31-56
	5,842,211.63	992,671.07	4,849,540.56	4	40 Quar. beg. 9-30-55
	1,296,258.52	122,487.35	1,173,771.17	4	36 Quar. beg. 9-30-56
	416,380.31	227,261.40	189,118.91	4	40 Quar. beg. 3-31-55
	638,200.05	151,347.17	486,852.88	4	40 Quar. beg. 12-31-54
	3,601,062.29	638,055.69	2,963,006.60	4	30 Quar. beg. 3-31-56
	223,386.81	15,235.12	208,151.69	4	26 Quar. beg. 3-31-57
	3,301,546.79	275,183.09	3,026,363.70	4	40 Quar. beg. 9-30-56
	1,218,286.20		1,218,286.20	4	36 Quar. beg. 9-30-57
	287,509.46	24,876.69	262,632.77	4	39 Quar. beg. 9-30-56
	283,629.02		283,629.02	4	36 Quar. beg. 9-30-57



## CURRENT CREDITS

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
AFRICA - continued				
Union of South Africa - continued				
Vaal Reefs Exploration and Mining Co., Ltd.	498-V	Mining equipment, materials, and services	11-4-54	\$ 4,309,942.55
Stilfontein Gold Mining Co., Ltd.	498-W	do	12-23-54	1,414,683.95
Do	498-W	do	7-5-56	167,195.90
Freddies Consolidated Mines, Ltd.	498-X	do	1-27-55	384,701.96
Do	498-X	do		32,841.95
Blyvooruitzicht Gold Mining Co., Ltd.	498-Y	do	2-3-55	1,409,087.93
Merriespruit (Orange Free State) Gold Mining Co., Ltd.	498-Z	do	3-10-55	752,946.15
Hartebeestfontein Gold Mining Co., Ltd.	498-1-A	do	9-29-55	5,004,719.96
Buffelsfontein Gold Mining Co., Ltd.	498-1-B	do	10-25-56	6,549,263.46
Electricity Supply Commission	530	Power facilities for production of strategic material.	7-10-52	19,600,000.00
Total				151,457,692.34
Total Africa				221,471,563.66
ASIA				
Afghanistan:				
Royal Government of Afghanistan	470	Construction of dam and canal	11-23-49	21,000,000.00
Do	558	Helmand River Valley development	4-29-54	18,500,000.00
Total				39,500,000.00
China:				
Yungli Chemical Indus. Ltd. (Bank of China and Republic of China)	360	Construction of chemical plant	3-21-45	16,000,000.00
Republic of China	395	Cargo vessels	2-20-46	4,243,750.00
Do	396	do	2-20-46	2,600,000.00
Do	397	Generating equipment and engineering services	2-20-46	8,800,000.00
Do	398	Railway repair materials	2-20-46	16,650,000.00
Do	399	Equipment, materials, and supplies for coal mining	3-13-46	1,500,000.00
Total				49,793,750.00
India:				
National Rayon Corporation, Ltd.	713	Rayon spinning machines	7-21-55	270,000.00
Sundatta Cotton-Seed Utilisation, Ltd. (Eastern Bank Ltd., Bombay, India)	792-1	Solvent extraction equipment (The French Oil Mill Machinery Co.)	3-29-57	60,000.00
Total				330,000.00

## AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Installments (Semiannually - Quarterly - Monthly)
\$	\$ 4,309,942.55	\$ 177,729.74	\$ 4,132,212.81	4	40 Quar. beg. 3-31-57
	1,414,683.95	178,501.39	1,236,182.56	4	40 Quar. beg. 3-31-56
	167,195.90	7,821.97	159,373.93	4	36 Quar. beg. 3-31-57
	384,701.96	48,540.81	336,161.15	4	40 Quar. beg. 3-31-56
	32,841.95	1,536.46	31,305.49	4	36 Quar. beg. 3-31-57
	1,409,087.93	58,106.76	1,350,981.17	4	40 Quar. beg. 3-31-57
	752,946.15	15,448.55	737,497.60	4	40 Quar. beg. 9-30-56
	5,004,719.96	206,380.35	4,798,339.61	4	40 Quar. beg. 3-31-57
1,282,030.00	5,267,233.46		5,267,233.46	4	40 Quar. beg. 3-31-58
	19,600,000.00	1,478,597.00	18,121,403.00	4	30 Sa. beg. 2-16-56
5,789,164.87	145,668,527.47	23,114,029.75	122,554,497.72		
42,739,434.05	173,933,683.68	28,896,101.07	145,037,582.61		
	21,000,000.00		21,000,000.00	3 1/2	36 Sa. beg. 10-20-58
2,400,000.00	16,100,000.00		16,100,000.00	4 1/2	Do
2,400,000.00	37,100,000.00		37,100,000.00		
	1,434,254.09	1,029,000.00	405,254.09	4	14 Sa. beg. 5-5-52 (\$14,565,745.91 of credit canceled)
	4,243,750.00	2,340,610.00	1,903,140.00	3 1/2	40 Sa. beg. 10-1-48
	2,540,947.55		2,540,947.55	3 1/2	20 Sa. beg. 10-1-51 (\$59,052.45 of credit canceled)
	8,282,219.17		8,282,219.17	3	50 Sa. beg. 10-1-51 (\$517,780.83 of credit canceled)
	16,650,000.00		16,650,000.00	3	50 Sa. beg. 10-1-51
	1,500,000.00		1,500,000.00	3	30 Sa. beg. 10-1-51
	34,651,170.81	3,369,610.00	31,281,560.81		
60,000.00					(Credit canceled)
60,000.00					

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## CURRENT CREDITS

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
ASIA - continued				
Indonesia:				
Republic of Indonesia - Unallotted	472	Development projects	2- 8-50	\$ 1,755,366.99
Republic of Indonesia	472-A	Transportation program	7-27-50	32,100,000.00
Do	472-B	Telecommunications development	9-21-50	260,000.00
Do	472-C	Dredging equipment, harbor construction	10-19-50	6,700,000.00
Do	472-D	Railroad rehabilitation program	11- 3-50	17,100,000.00
Do	472-E	Aircraft and equipment	11-30-50	6,023,000.00
Do	472-F	Electrification program	1-25-51	3,585,700.00
Do	472-G	Forest development program	7-26-51	978,933.01
Do	472-H	Marine engines	3- 6-52	1,820,000.00
Do	472-I	Cement plant	6-24-53	14,000,000.00
Do	472-J	Aircraft and equipment	5-17-56	7,500,000.00
Do	472-K	Telecommunications equipment	11- 1-56	1,700,000.00
Do	472-L	Diesel locomotive equipment	11-16-56	6,477,000.00
Total				100,000,000.00
Iran:				
Government of Iran - Unallotted	577	Economic development	11- 4-54	34,000,000.00
Do	577-A	Diesel locomotives, parts, equipment, and tools	8-11-55	14,000,000.00
Do	577-B	Highway equipment	7-25-56	5,000,000.00
Bongaha Bargh (Bank Melli)	751	Electric power generating equipment	10-20-55	780,000.00
Ibrahim Kermanshahchi (Bank Bazarghani, Teheran)	819	Cotton gin and accessories (Nichols-Morris Corp.)	8-31-56	18,000.00
Iran Techno Corp. (Bank Melli)	884	Agricultural equipment (Allis-Chalmers Mfg. Co.)	1-29-57	180,000.00
The Millard Company, Ltd. (Hossein Mirdamadi, et al)	747-2	Truck chassis (Mack Trucks, Inc.)	5-18-56	270,000.00
Do	747-3	Diesel engines (Mack Trucks, Inc.)	7-19-56	21,000.00
Do	747-6	Truck chassis and equipment (Mack Trucks, Inc.)	4- 4-57	257,500.00
Diesel White Co., Ltd.	663-3	Diesel engines (Cummins Diesel Exp. Corp.)	9-13-56	25,000.00
Total				54,551,500.00
Iraq:				
Ibrahim J. Saad & Fils (Elie I. Saad, et al)	580-4	Earth moving equipment (LeTourneau-Westinghouse Co.)	5-18-56	160,000.00
Do	580-6	do	12-20-56	50,000.00

AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Installments (Semiannually - Quarterly - Monthly)
\$ 1,755,366.99		\$	\$		
920,000.00	31,180,000.00	3,041,904.00	28,138,096.00		
	260,000.00	25,368.00	234,632.00		
383,000.00	6,317,000.00	610,944.00	5,706,056.00		
1,741,774.18	15,358,225.82	1,485,456.00	13,872,769.82		
	6,023,000.00	587,592.00	5,435,408.00	3 1/2	Advances of \$72 million are repay- able in 30 Sa. beg. 3-1-56
3,700.00	3,582,000.00	348,168.00	3,233,832.00		Advances in excess of \$72 million are repayable in 26 Sa. beg. 3-1-58
	978,933.01	95,448.00	883,485.01		
	1,820,000.00	177,576.00	1,642,424.00		
2,187,132.44	11,812,867.56	827,544.00	10,985,323.56		
7,500,000.00					
1,700,000.00					
6,477,000.00					
22,667,973.61	77,332,026.39	7,200,000.00	70,132,026.39		
34,000,000.00					To be determined
900,785.11	13,099,214.89		13,099,214.89	5	14 Sa. beg. 9-1-58
4,800,000.00	200,000.00		200,000.00	5	10 Sa. beg. 6-1-59
					(Credit canceled)
					(Credit canceled)
180,000.00					
	263,943.08	43,990.55	219,952.53		(\$6,056.92 of credit canceled)
	20,944.56	3,490.79	17,453.77		(\$55.44 of credit canceled)
257,500.00					
25,000.00					
40,163,285.11	13,584,102.53	47,481.34	13,536,621.19		
	154,960.26	20,862.44	134,097.82		(\$5,039.74 of credit canceled)
50,000.00					

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## CURRENT CREDITS

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
<b>ASIA - continued</b>				
<u>Iraq - continued</u>				
Ibrahim J. Saad & Fils (Elie I. Saad, et al)	588-4	Earth moving equipment (Thew Shovel Co.)	5-18-56	50,000.00
Do	684-1	Material handling equipment (Iowa Mfg. Intl. Sales, Inc.)	4-30-57	230,000.00
Total				490,000.00
<u>Israel:</u>				
State of Israel	458-A	Agricultural production	1-19-49	70,000,000.00
Do	458-B	Transportation	3- 9-49	9,535,243.00
Do	458-C	Housing materials	3-16-49	25,000,000.00
Do	458-D	Telecommunications equipment	3-23-49	5,000,000.00
Do	458-E	Port development	9- 7-49	5,464,757.00
Do	458-F	Industrial development	10-26-49	20,000,000.00
Total				135,000,000.00
<u>Japan:</u>				
Bank of Japan	569	Cotton	7-22-54	60,000,000.00
Do	712	do	7-21-55	55,600,000.00
Do	712-A	do		4,400,000.00
Do	815	do	8-23-56	58,300,000.00
Do	815-A	do	8-23-56	1,700,000.00
Kansai Electric Power Company (Japan Development Bank)	775	Turbo generating unit (Westinghouse Elec. Intl. Co.)	3- 8-56	11,000,000.00
Do	903	do	3-21-57	4,250,000.00
Tokyo Electric Power Company (Japan Development Bank)	785	Turbo generating unit (International Gen. Elec. Co.)	4- 5-56	10,000,000.00
Chubu Electric Power Company (Japan Development Bank)	797	do	6-14-56	9,000,000.00
Kyushu Electric Power Company (Japan Development Bank)	823	Turbo generating unit (Westinghouse Elec. Intl. Co.)	9- 6-56	8,500,000.00
Japan Air Lines Company, Ltd. (Japan Development Bank)	863	Aircraft and spare parts (Douglas Aircraft Co., Inc.)	11-21-56	7,700,000.00
Do	864	do	12- 3-56	16,500,000.00
Mitsubishi Nippon Heavy Industries, Ltd. (The Mitsubishi Bank, Ltd.)	663-1	Diesel engines (Cummins Diesel Export Corp.)	6-23-55	900,000.00
Do	663-4	do	11-21-56	1,017,000.00
Total				248,867,000.00

AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Int. %	Repayment Terms (Semiannually - Quarterly - Monthly)
	Disbursed	Repaid	Outstanding		
\$ 50,000.00	\$	\$	\$		
230,000.00					
330,000.00	154,960.26	20,862.44	134,097.82		
	70,000,000.00	11,381,239.89	58,618,760.11	3 1/2	24 Sa. beg. 3-1-54 except \$722,168.92 which is payable in 24 Sa. beg. 3-1-55 (\$1,800.62 of credit line canceled)
	9,534,698.48	1,679,086.97	7,855,611.51		
	25,000,000.00	3,987,699.70	21,012,300.30		
	4,998,743.90	1,021,201.38	3,977,542.52		
	5,464,757.00	861,903.10	4,602,853.90		
	20,000,000.00	2,962,975.59	17,037,024.41		
	134,998,199.38	21,894,106.63	113,104,092.75		
	59,900,590.35	59,900,590.35			Repaid (\$99,409.65 of credit canceled)
	55,495,020.61	54,182,525.33	1,312,495.28	3 1/8	Drafts at 12 mos. (\$122,433.43 of credit canceled)
	4,382,545.96	3,596,856.99	785,688.97	Do	Do
1,434,672.66	56,865,327.34	41,052.82	56,824,274.52	3 3/4	Drafts at 12 mos.
4,293.92	1,695,706.08		1,695,706.08	Do	Do
8,998,740.89	1,259.11		1,259.11	5	34 Sa. beg. 3-15-59 (\$2,000,000.00 of credit canceled)
4,250,000.00				5 1/2	34 Sa. beg. 6-1-60
8,000,000.00				5	34 Sa. beg. 3-15-59 (\$2,000,000.00 of credit canceled)
8,500,000.00				5	34 Sa. beg. 3-15-59 (\$500,000.00 of credit canceled)
8,498,767.79	1,232.21		1,232.21	5	34 Sa. beg. 8-1-59
7,700,000.00					
16,500,000.00					
	867,171.17	433,585.66	433,585.51		(\$32,828.83 of credit canceled)
90,874.20	926,125.80		926,125.80		
63,977,349.46	180,134,978.63	118,154,611.15	61,980,367.48		

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
ASIA - continued				
<u>Philippines:</u>				
National Power Corp. (Republic of the Philippines)	515	Development of hydroelectric power	1-31-52	\$ 20,000,000.00
Various Philippine lending institutions - Unallotted	538	Machinery, equipment, materials, and services	11-13-52	
China Banking Corporation	538-A	do	7- 1-54	550,000.00
Philippine Bank of Communications	538-B	do	7- 1-54	500,000.00
Equitable Banking Corporation	538-C	do	7- 1-54	500,000.00
Prudential Bank & Trust Company	538-D	do	7- 1-54	500,000.00
Rehabilitation Finance Corporation	538-E	do	7- 1-54	2,000,000.00
Philippine Bank of Commerce	538-F	do	11-28-54	500,000.00
Security Bank and Trust Company	538-G	do	2-28-56	450,000.00
Republic of the Philippines - Unallotted	777	Economic development	3- 8-56	46,000,000.00
Central Bank of the Philippines	777-A	do	8- 3-56	10,000,000.00
The First National City Bank of New York, Port Area Branch, Manila	777-B	do	8- 9-56	500,000.00
Commercial Bank and Trust Company, Manila	777-C	Machinery, equipment, materials, and services	10-12-56	500,000.00
Peoples Bank and Trust Company, Manila	777-D	do	10-12-56	500,000.00
Firestone Tire & Rubber Company of the Philippines	777-E	Construction of tire and tube factory	11-21-56	2,000,000.00
Philippine Long Distance Telephone Company	777-F	Equipment and materials	11-23-56	5,500,000.00
Litton Spinning & Weaving Mills, Inc.	669	Textile machinery (Draper Corp.)	4-28-55	1,048,000.00
Goodrich International Rubber Company	727	Construction of tire and tube factory	8-18-55	1,800,000.00
Total				92,848,000.00
<u>Saudi Arabia:</u>				
Kingdom of Saudi Arabia	386	Raw materials and equipment	1- 3-46	25,000,000.00
Do	482	Public works and development projects	7-20-50	15,000,000.00
Total				40,000,000.00
<u>Syria:</u>				
Ayoubi & Co.	683-1	Water well drilling rigs (Joy Manufacturing Co.)	2-10-56	105,000.00

AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Installments (Semiannually - Quarterly - Monthly)
\$	\$ 19,998,078.37	\$ 1,706,315.96	\$ 18,291,762.41	4	40 Sa. beg. 7-16-55 (\$1,921.63 of credit canceled)
335,467.53	214,532.47	48,000.00	166,532.47	4	20 Sa. beg. 6 mos. after date of note
159,890.60	340,109.40	40,500.00	299,609.40	4	Do
500,000.00				4	Do
200,242.07	299,757.93	5,000.00	294,757.93	4	Do
2,000,000.00				4	Do
500,000.00				4	Do
408,639.47	41,360.53	41,360.53		4	Do
46,000,000.00					
10,000,000.00				4 1/2	10 Sa. beg. 6 mos. after date of note
500,000.00				5	Do
500,000.00				5	Do
500,000.00				5	Do
2,000,000.00				5 1/2	16 Sa. beg. 2 yrs. after date of agreement
5,500,000.00				5 1/2	12 Sa. beg. 4-15-60
383,554.16	664,445.84	6,513.85	657,931.99	5	Advances of \$965,000.00 payable in 6 Sa. beg. 8-1-57. Advances in excess of \$965,000.00 payable in 5 Sa. beg. 2-1-58
	1,800,000.00	180,000.00	1,620,000.00	5 1/2	16 Sa. beg. 11-15-57
69,487,793.83	23,358,284.54	2,027,690.34	21,330,594.20		
	10,000,000.00	9,000,000.00	1,000,000.00	3	10 Ann. beg. 12-31-48 (\$15,000,000.00 of credit canceled)
	4,767,516.40	1,136,750.00	3,630,766.40	3 1/2	22 Sa. beg. 2-15-55 (\$10,232,483.60 of credit canceled)
	14,767,516.40	10,136,750.00	4,630,766.40		
	102,370.62	52,500.00	49,870.62		(\$2,629.38 of credit canceled)



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## CURRENT CREDITS

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
ASIA - continued				
Thailand:				
Kingdom of Thailand	504	Cargo vessels	8-16-51	\$ 1,071,340.00
Siam Cement Company, Ltd.	646	Steam and diesel generating units and related services	4- 7-55	1,250,000.00
S. R. Motors Company, Ltd.	661-1	Diesel shovels and spare parts (Marion Power Shovel Co.)	2-10-56	82,000.00
Do	609-4	Diesel tractors and equipment (Massey-Harris-Ferguson, Inc.)	2-28-57	87,500.00
Total				2,490,840.00
Turkey:				
Republic of Turkey	407-0	State seaways and harbors	1-26-49	431,263.64
Do	407-Q	State railways	5-25-49	3,750,000.00
Do	407-R	State seaways and harbors	5-25-49	4,250,000.00 500,000.00
Do	576	Grain storage and handling equipment (Colombian Steel Tank Co.)	11- 4-54	4,235,000.00
Etibank (Republic of Turkey)	628	Coal washing plant (McNally Pittsburg Mfg. Corp.)	3-17-55	896,182.00
Total				14,062,445.64
Total Asia				778,038,535.64
CANADA				
General Petroleum of Canada, Ltd.	849	Deep well drilling rig	10-18-56	50,000.00
Do	873	Pump, engines, converters, and equipment	12-20-56	23,000.00
Total Canada				73,000.00
EUROPE				
Austria:				
Creditanstalt-Bankverein (Republic of Austria)	430-1	Capital goods	7-31-47	700,000.00
Oesterreichische Laenderbank, A. G. (Republic of Austria)	430-LBB	do	7-31-47	190,000.00
Creditanstalt-Bankverein (Republic of Austria)	647	Cotton	4- 7-55	6,000,000.00
Do	647-A	Less: Advances by participant		2,425,644.38
Do	647-B			2,921,195.69 653,159.93
Brueder Teich (Oesterreichisches Credit-Institut, A. G.)	778	Equipment for aluminum foil plant	3-15-56	1,000,000.00
Creditanstalt-Bankverein, Oesterreichische Laenderbank, A. G. and Credit-Institut, A. G.	895	Cotton	2-21-57	8,000,000.00
	Less:	Advances by participants		500,000.00
				7,500,000.00

## AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Installments (Semiannually - Quarterly - Monthly)
\$	\$ 1,039,830.00	\$ 346,610.00	\$ 693,220.00	3 1/2	33 Sa. beg. 4-1-52 (\$31,510.00 of credit canceled)
223,663.19	1,026,336.81	55,000.00	971,336.81	5 1/2	20 Sa. beg. 7-1-57  (Credit canceled)
87,500.00					
311,163.19	2,066,166.81	401,610.00	1,664,556.81		
	431,263.64	431,263.64			Repaid
	3,712,844.42	3,712,844.42			Repaid (\$37,155.58 of credit canceled)
898,232.10	3,351,767.90	1,725,000.00	1,626,767.90	3 1/2	24 Sa. beg. 9-1-52
500,000.00				4 1/2	20 Sa. beg. 3-1-59
	4,235,000.00	847,000.00	3,388,000.00	4 1/2	10 Sa. beg. 9-1-56
896,182.00				5 1/2	10 Sa. beg. 1 yr. from date of note
2,294,414.10	11,730,875.96	6,716,108.06	5,014,767.90		
201,691,979.30	529,980,652.33	170,021,329.96	359,959,322.37		
	44,880.00	6,800.00	38,080.00		(\$5,120.00 of credit canceled)
	21,556.11	1,902.11	19,654.00		(\$1,443.89 of credit canceled)
	66,436.11	8,702.11	57,734.00		
	696,560.53	696,560.53			Repaid (\$3,439.47 of credit canceled)
	76,333.54	76,333.54			Repaid (\$113,666.46 of credit canceled)
	2,895,200.75	612,054.95	2,283,145.80	3 1/2	Drafts at 18 mos. (\$34,031.50 of credit line canceled)
	645,123.37	36,217.85	608,905.52	Do	Do
913,110.00	86,890.00		86,890.00	5 1/4	14 Sa. beg. 4-15-59
7,864,888.71	135,111.29		135,111.29	4 1/4	Drafts at 18 mos.
500,000.00					
7,364,888.71	135,111.29		135,111.29		

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
EUROPE - continued				
Austria - continued				
Oesterreichisch-Alpine Montangesellschaft (Creditanstalt- Bankverein and Oesterreichische Laenderbank, A. G.)	913	Steel mill equipment	4-25-57	\$ 20,000,000.00
Total				32,964,355.62
Belgium:				
Kingdom of Belgium	383	U. S. products (lend-lease termination)	9-11-45	55,000,000.00
Do	384	U. S. goods and services (war reconstruction)	9-11-45	45,000,000.00
Total				100,000,000.00
Denmark:				
Kingdom of Denmark	370	U. S. goods and services (war reconstruction)	7-13-45	20,000,000.00
Georg E. Mathiasen, Aktieselskabet	744-2	Automatic steam generators (Clayton Manufacturing Co.)	6- 5-56	3,800.00
Do	744-3	do	7-24-56	4,500.00
Do	744-4	do	9-13-56	4,300.00
Do	744-5	do	11-16-56	7,800.00
Do	744-6	do	5-10-57	6,300.00
Do	744-7	do	6-14-57	4,000.00
Total				20,030,700.00
Finland:				
Finnish American Trading Corp. (Bank of Finland)	421	Expansion of industries	2-19-47	2,500,000.00
Republic of Finland	453	Reconstruction and development projects	11- 3-48	100,000,000.00
Total				102,500,000.00
France:				
Republic of France	382	U. S. products (lend-lease termination)	9-11-45	550,000,000.00
Do	404	U. S. goods and services (war reconstruction)	6-19-46	650,000,000.00
Societe Industrielle de Mecanique et Carrosserie Automobile (SIMCA)	822	Equipment for automobile plant	9- 6-56	20,000,000.00
Less:		Advance by participants		6,000,000.00
Total				14,000,000.00
				1,214,000,000.00

AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Int. %	Repayment Terms	
	Disbursed	Repaid	Outstanding		Principal Installments (Semiannually - Quarterly - Monthly)	
\$ 20,000,000.00	\$	\$	\$	5 1/2	27 Sa. beg. 8-15-62	
28,277,998.71	4,535,219.48	1,421,166.87	3,114,052.61			
	55,000,000.00	20,166,768.00	34,833,232.00	2 3/8	60 Sa. beg. 7-1-46	
	15,000,000.00	15,000,000.00			Repaid	
	15,000,000.00	3,000,000.00	12,000,000.00	3	10 Sa. beg. 9-30-56	
	15,000,000.00		15,000,000.00	3 1/2	10 Sa. beg. 9-30-61	
	100,000,000.00	38,166,768.00	61,833,232.00			
	6,666,666.67	6,666,666.67			Repaid	
	6,666,666.67	1,333,333.39	5,333,333.28	3	10 Sa. beg. 12-31-56	
	6,666,666.66		6,666,666.66	3 1/2	10 Sa. beg. 12-31-61	
	3,717.00	3,717.00			Repaid	
					(\$83.00 of credit canceled)	
	3,613.50	1,806.75	1,806.75		(\$886.50 of credit canceled)	
	4,203.00	2,101.50	2,101.50		(\$97.00 of credit canceled)	
	7,742.25	3,871.13	3,871.12		(\$57.75 of credit canceled)	
2,470.50	3,829.50		3,829.50			
4,000.00						
6,470.50	20,023,105.25	8,011,496.44	12,011,608.81			
	2,500,000.00	1,814,000.00	686,000.00	4	16 Sa. beg. 10-15-51	
	22,403,216.01	17,603,216.01	4,800,000.00	2 1/2	12 Sa. beg. 3-15-53	
	20,000,000.00		20,000,000.00	3	11 Sa. beg. 9-15-58	
	50,000,000.00		50,000,000.00	3 1/2	21 Sa. beg. 9-15-63	
					(\$7,596,783.99 of credit canceled)	
	94,903,216.01	19,417,216.01	75,486,000.00			
	550,000,000.00	197,270,500.00	352,729,500.00	2 3/8	60 Sa. beg. 1-1-47	
	650,000,000.00	142,285,000.00	507,715,000.00	3	40 Sa. beg. 1-1-52	
18,269,410.98	1,730,589.02		1,730,589.02	5 1/2	20 Sa. beg. 7-15-58	
5,480,823.30	519,176.70		519,176.70			
12,788,587.68	1,211,412.32		1,211,412.32			
12,788,587.68	1,201,211,412.32	339,555,500.00	861,655,912.32			

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## CURRENT CREDITS

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
EUROPE - continued				
Germany:				
Hubschrauber-Vertriebs G.m.b.H. (Commerz-Und Disconto-Bank, A. G.)	759	Helicopters and spare parts . (Bell Aircraft Corp.)	12- 8-55	\$ 124,000.00
August Thyssen-Huette, A. G. (Kreditanstalt fur Wiederaufbau)	800	Steel mill equipment	6-28-56	10,000,000.00
Hanimex, Handelsgesellschaft fur Import and Export, M.B.H.	882	Agricultural products	1-18-57	4,000,000.00
Total				14,124,000.00
Greece:				
Kingdom of Greece	390	U. S. products and services	1- 9-46	25,000,000.00
Piraki-Patraiki Industrie de Coton, S. A.	589	Textile machinery (Draper Corp. et al)	12-16-54	625,000.00
Public Power Corporation (Bank of Greece)	796	Thermal power plant (Westinghouse Elec. Intl. Co.)	6-14-56	7,200,000.00
C. Pavlou & Company (National Bank of Greece & Athens)	855	Gun naval stores plant (Applied Engineering Co.)	11- 8-56	115,000.00
Total				32,940,000.00
Iceland:				
County of Selforshreppur (Landsbanki Islands)	866	Diesel tractor (American Tractor Corp.)	12- 3-56	940.00
Husavikurbaer, Husavik (Utvegsbanki Islands)	875	Power crane and excavator (Schield Bantam Co.)	12-31-56	1,100.00
Hafnarsjoour, Siglufjaroar (Utvegsbanki Islands)	876	Power crane (Schield Bantam Co.)	12-31-56	2,100.00
Total				4,140.00
Italy:				
Istituto Mobiliare Italiano (Government of Italy)	417-D	Shipyards-Ansaldo	10- 1-47	3,150,000.00
Do	417-E	Shipyards-Odero-Terni-Orlando	10- 1-47	800,000.00
Do	417-F	Shipyards-Cantieri Riuniti	10- 1-47	2,000,000.00
Do	417-G	Shipyards-Navalmecanica	10- 1-47	500,000.00
Do	417-H	Steel mills-Ilva. Alti Forni	10-23-47	9,000,000.00
Do	417-I	Steel mills-Terni	10-23-47	3,634,661.04
Do	417-L	Steel mills-Dalmine	10-23-47	1,350,000.00
Do	417-M	Steel mills-Cornigliano	10-23-47	1,300,000.00
Do	417-N	Steel mills-Lombarde Falck	10-23-47	3,000,000.00
Do	417-R	Medium metallurgical industry	10-15-47	23,391,781.19

## AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal installments (Semiannually - Quarterly - Monthly)
\$	\$ 123,595.89	\$ 37,079.04	\$ 86,516.85		(\$404.11 of credit canceled)
9,115,291.00	884,709.00		884,709.00	5	22 Sa. beg. 1-31-60
4,000,000.00				5 1/4	Drafts at 6 and 9 mos.
13,115,291.00	1,008,304.89	37,079.04	971,225.85		
	4,368,993.78	2,621,393.78	1,747,600.00	2 1/2	20 Sa. beg. 9-30-51
	7,281,656.31		7,281,656.31	3	20 Sa. beg. 9-30-61
	2,912,662.52		2,912,662.52	3 1/2	10 Sa. beg. 9-30-71
					(\$10,436,687.39 of credit canceled)
	624,962.88	156,240.72	468,722.16		(\$37.12 of credit canceled)
					(Credit canceled)
115,000.00					
115,000.00	15,188,275.49	2,777,634.50	12,410,640.99		
					(Credit canceled)
					Do
					Do
	3,107,339.45	2,362,500.00	744,839.45	3 1/2	20 Sa. beg. 3-15-50
					(\$42,660.55 of credit canceled)
	799,926.78	600,000.00	199,926.78	3 1/2	20 Sa. beg. 3-15-50
					(\$73.22 of credit canceled)
	2,000,000.00	1,500,000.00	500,000.00	3 1/2	20 Sa. beg. 3-15-50
	500,000.00	375,000.00	125,000.00	3 1/2	Do
	9,000,000.00	6,750,000.00	2,250,000.00	3 1/2	Do
	3,634,661.04	2,729,661.04	905,000.00	3 1/2	Do
	1,350,000.00	1,012,500.00	337,500.00	3 1/2	Do
	1,300,000.00	975,000.00	325,000.00	3 1/2	Do
	3,000,000.00	2,250,000.00	750,000.00	3 1/2	Do
	23,391,781.19	17,544,031.19	5,847,750.00	3 1/2	Do

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
EUROPE - continued				
Italy - continued				
Istituto Mobiliare Italiano (Government of Italy)	417-V	Small metallurgical industry	10-23-47	\$ 584,906.33
Do	417-Y	Miscellaneous materials and equipment	1- 5-49	15,919,872.70
Do	528	Aircraft and spare parts	6-12-52	4,720,500.00
	Less:	Advances by participants		1,180,125.00
				3,540,375.00
Do	662-A	Machinery and special manufacturing equipment	4-21-55	6,000,000.00
Do	662-B	Italian industrial firms-machinery and related services	5-26-55	2,555,000.00
Do	662-C	Machinery and equipment	6-30-55	2,000,000.00
Do	662-D	do	6-30-55	5,000,000.00
Do	662-E	Machinery and equipment for chemical plant	8-11-55	1,945,000.00
Do	662-F	Machine tools and equipment	5-18-56	2,500,000.00
Istituto Mobiliare Italiano	872	Machine tool and steel mill equipment - Innocenti, S.p.A.	12-18-56	1,500,000.00
Aerolinee Italiane Internazionali (Istituto Mobiliare Italiano)	755	Aircraft and spare parts (Douglas Aircraft Co.)	11-10-55	6,355,000.00
Linee Aeree Italiane, S.p.A. (Istituto Mobiliare Italiano)	806	Aircraft and spare parts (Lockheed Aircraft Corp.)	7-12-56	6,200,000.00
FIAT, S.p.A. (Istituto Mobiliare Italiano)	827	Equipment for automobile and steel plant	9-13-56	10,000,000.00
	Less:	Advance by participants		1,000,000.00
				9,000,000.00
Total				111,226,596.26
Netherlands:				
Kingdom of Netherlands	380	U. S. products (lend-lease termination)	9-11-45	50,000,000.00
Do	381	U. S. goods and services (war reconstruction)	9-11-45	50,000,000.00
Total				100,000,000.00
Norway:				
Kingdom of Norway	369	U. S. goods and services (war reconstruction)	7-13-45	50,000,000.00
S. Hammer A/S (Den Norske Creditbank)	848	Thermoplastic extruding machine (Modern Plastic Mach. Corp.)	10-18-56	4,200.00
Total				50,004,200.00
Poland:				
Account 4140 Unconverted Dutch florins	141	Cotton	10-21-36	166,742.52
National Economic Bank (Republic of Poland)	212	Cotton and copper	11- 3-38	6,000,000.00

## AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal installments (Semiannually - Quarterly - Monthly)
\$	\$ 584,906.33	\$ 438,706.33	\$ 146,200.00	3 1/2	20 Sa. beg. 3-15-50
	15,919,872.70	11,940,122.70	3,979,750.00	3 1/2	Do
	3,537,697.54	2,124,225.00	1,413,472.54	3 1/2	10 Sa. beg. 9-15-54 (\$2,677.46 of credit canceled)
436,101.64	5,563,898.36		5,563,898.36	4 5/8	10 Sa. beg. 9-15-57
1,512,578.11	1,042,421.89		1,042,421.89	4 5/8	10 Sa. beg. 10-15-57
665,728.76	1,334,271.24		1,334,271.24	4 3/4	16 Sa. beg. 9-15-57
3,532,380.79	1,467,619.21		1,467,619.21	4 3/4	16 Sa. beg. 10-15-57
991,812.05	953,187.95		953,187.95	4 3/4	Do
1,268,825.96	1,231,174.04		1,231,174.04	4 3/4	14 Sa. beg. 9-15-59
1,500,000.00				5 1/2	16 Sa. beg. 9-15-58
6,355,000.00					
6,200,000.00					
8,224,494.31	1,775,505.69		1,775,505.69	5 1/2	10 Sa. beg. 9-15-58
822,450.00	177,550.00		177,550.00		
7,402,044.31	1,597,955.69		1,597,955.69		
29,864,471.62	81,316,713.41	50,601,746.26	30,714,967.15		
	50,000,000.00	18,066,049.00	31,933,951.00	2 3/8	60 Sa. beg. 1-1-47
	16,666,666.67	16,666,666.67		3	Repaid
	16,666,666.67	5,000,000.05	11,666,666.62	10	10 Sa. beg. 6-30-56
	16,666,666.66		16,666,666.66	3 1/2	10 Sa. beg. 6-30-61
	100,000,000.00	39,732,715.72	60,267,284.28		
	50,000,000.00	23,611,111.09	26,388,888.91	3	36 Sa. beg. 6-30-49
	4,150.95		4,150.95		(\$49.05 of credit canceled)
	50,004,150.95	23,611,111.09	26,393,039.86		
	166,742.52	166,742.52			Repaid
	3,344,491.33	3,344,491.33			Repaid (\$2,655,508.67 of credit canceled)



Country and Obligor (Guarantors In Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
<b>EUROPE - continued</b>				
<u>Poland - continued</u>				
Republic of Poland	402	Coal cars and locomotives	4-24-46	40,000,000.00
Total				46,166,742.52
<u>Portugal:</u>				
Transportes Aereos Portugueses, S.A.R.L.	563	Aircraft and spare parts (Lockheed Aircraft Corp.)	6- 3-54	1,931,000.00
<u>Spain:</u>				
Compania Electrica de Langreo	568	Thermal power unit (Westinghouse Elec. Intl. et al)	7-15-54	1,250,000.00
S. A. Hidroelectrica Espanola	705	Thermal power units (Intl. Gen. Elec. Co.)	7- 7-55	8,500,000.00
	Less:	Advances by participants		1,469,356.25
				7,030,643.75
Manufacturas Metalicas Madrilenas S. A. (Spanish Banks)	574	Steel mill equipment (Westinghouse Elec. Intl. et al)	10-14-54	1,200,000.00
	Less:	Advances by participants		960,000.00
				240,000.00
Junta de Energia Nuclear	844	Atomic research reactor	10-11-56	385,000.00
Cia. Espanola de Petroleos, S. A.	A-4	Rotary dryer for ammonium sulphate	2-23-56	3,500.00
Instituto Nacional de Industria	579-1	Steam boilers and equipment (Combustion Engineering Inc.)	9-15-55	888,000.00
Empresa Nacional Calvo Sotelo de Combustibles Liquidos y Lubricantes	579-3	Boiler unit and equipment (Combustion Engineering Inc.)	11-17-55	582,500.00
S. A. Sanllehi	752-1	Knitting machines (Textile Machine Works)	5-10-56	152,000.00
J. Rossell, S. A.	752-2	do	5-10-56	127,000.00
Medias Sacma, S. A.	752-3	do	5-10-56	127,000.00
Manufacturas Antonio Gassol, S. A.	752-4	do	5-10-56	102,000.00
F. y. F. Marimon, S. A.	752-5	do	5-10-56	50,600.00
Hijo de Manuel Vallhonrat	752-6	do	5-10-56	50,600.00
Miguel Gil, S. A.	752-7	do	5-10-56	25,400.00
Miguel Bosch, S. A.	752-8	do	5-10-56	25,400.00
Total				11,039,643.75
<u>Sweden:</u>				
AB Norrkopings Tricotfabrik Alb.	607-1	Knitting machine (Karl Lieberknecht, Inc.)	2-23-56	26,500.00
<u>United Kingdom:</u>				
Government of the United Kingdom	874	Dollar requirements for materials and equipment	12-21-56	500,000,000.00

AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Installments (Semiannually - Quarterly - Monthly)
\$	\$ 40,000,000.00	\$ 8,756,000.00	\$ 31,244,000.00	3	40 Sa. beg. 1-15-52
	43,511,233.85	12,267,233.85	31,244,000.00		
	1,930,758.00	898,342.00	1,032,416.00		(\$242.00 of credit canceled)
1,250,000.00					
12,120.00	7,018,523.75		7,018,523.75		
149,624.00	90,376.00	22,594.00	67,782.00		
385,000.00				5	Note due 12-21-58
	887,571.00	63,403.50	824,167.50		(Credit canceled)
582,500.00					(\$429.00 of credit canceled)
					(Credit canceled)
					Do
					Do
					Do
					Do
					Do
					Do
2,379,244.00	7,996,470.75	85,997.50	7,910,473.25		
					(Credit canceled)
500,000,000.00				4 1/2	10 Sa. beg. 3 yrs. after dates of notes

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
EUROPE - continued				
Yugoslavia:				
Government of Yugoslavia	484	Materials and equipment	8-10-50	\$ 55,000,000.00
Total Europe				2,391,957,878.15
LATIN AMERICA				
Argentina:				
Agencia de Transportes Moore-McCormack, S. A. (H-McC. Lines, Inc.)	408	Harbor barges	9-18-46	210,000.00
Consortium of Argentine banks	477	Refinance purchase of equipment manufactured in U. S.	5-17-50	125,000,000.00
Sociedad Minera Argentina, S. A. (Central Bank of Argentina)	495	Equipment for production of tungsten and sulphur	4-26-51	5,000,000.00
Sociedad Mixta Siderurgia Argentina	626	Steel mill equipment	3-10-55	60,000,000.00
Government of Argentina - Unallotted	826	Equipment and services	9-10-56	15,000,000.00
Do	826-A	Transportation equipment	11- 5-56	85,000,000.00
Total				290,210,000.00
Bolivia:				
Corp. Boliviana de Fomento (Republic of Bolivia)	315	Equipment for petroleum development	3- 6-42	8,500,000.00
Do	315	Highway construction	3- 6-42	10,320,000.00
Do	467	do	10-28-49	18,400,000.00
Do	645	Cochabamba-Santa Cruz- Montero Highway construction	3-31-55	4,700,000.00
Republic of Bolivia	718	Trucks (Studebaker-Packard Corp.)	7-28-55	36,000.00
Do	732	Trucks and trailers (Mack Trucks, Inc.)	9- 1-55	192,000.00
Total				42,148,000.00
Brazil:				
Cia. Siderurgica Nacional-Banco do Brasil (Republic of Brazil)	269	Steel mill equipment	6-19-40	19,958,850.62
Do	269	do	6-19-40	25,041,149.38
Do	481	do	7-20-50	25,000,000.00
Do	770	do	2- 1-56	35,000,000.00
Cia. Vale do Rio Doce, S. A. (Republic of Brazil)	358	Railway equipment	1-27-45	5,000,000.00
Cia. Vale do Rio Doce, S. A. (Nat'l. Treasury of Brazil)	418	Railway and mining materials and services	2-19-47	7,500,000.00
Cia. Vale do Rio Doce, S. A. (Banco do Brasil)	540	Diesel-electric locomotives	12-24-52	1,070,677.00

## AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Installments (Semiannually - Quarterly - Monthly)
\$	\$ 55,000,000.00	\$ 8,250,000.00	\$ 46,750,000.00	3 1/2	28 Sa. beg. 7-16-54
586,547,063.51	1,776,628,860.40	544,834,007.28	1,231,794,853.12		
	204,785.20	184,306.68	20,478.52	4	20 Sa. beg. 10-6-48 (\$5,214.80 of credit canceled)
	96,469,873.13	33,764,455.62	62,705,417.51	3 1/2	20 Sa. beg. 6-30-54 (\$28,530,126.87 of credit canceled)
	5,000,000.00	2,500,000.00	2,500,000.00	4	8 Sa. beg. 12-31-59
60,000,000.00				5	36 Sa. beg. 12-31-59
15,000,000.00				5	Payable 18 yrs. after date of note
85,000,000.00				5	28 Sa. beg. 4 yrs. after date of note
160,000,000.00	101,674,658.33	36,448,762.30	65,225,896.03		
	8,500,000.00	3,878,900.00	4,621,100.00	4	16 Sa. beg. 12-31-56
	10,320,000.00	1,269,411.80	9,050,588.20	3 1/2	36 Sa. beg. 1-15-57
	18,400,000.00	2,264,713.10	16,135,286.90	3 1/2	00
25,891.39	4,674,108.61		4,674,108.61	4 3/4	34 Sa. beg. 6-30-58
	35,194.69	17,597.35	17,597.34		(\$805.31 of credit canceled)
	191,574.60	68,419.50	123,155.10		(\$425.40 of credit canceled)
25,891.39	42,120,877.90	7,499,041.75	34,621,836.15		
	19,958,850.62	7,738,927.51	12,219,923.11	4	36 Sa. beg. 10-1-47
	25,041,149.38	12,821,226.44	12,219,922.94	4	00
	25,000,000.00	1,627,266.00	23,372,734.00	4	36 Sa. beg. 8-1-55
35,000,000.00				5	30 Sa. beg. 1-15-61
	5,000,000.00	1,322,302.48	3,677,697.52	4	40 Sa. beg. 9-1-50
	7,499,876.32	3,000,000.00	4,499,876.32	3 1/2	28 Sa. beg. 8-12-51 (\$123.68 of credit canceled)
	854,332.78	854,332.78			Repaid (\$216,344.22 of credit canceled)

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
LATIN AMERICA - continued				
Brazil - continued				
Cia. Vale do Rio Doce, S. A. (Banco Nac. do Des. Econ.)	694	Expansion of mining and shipping facilities	6-16-55	\$ 3,920,000.00
Cia. Brasil de Energia Eletrica (Brazilian Electric Power Co.)	456-A	Electric power development	12-22-48	2,336,000.00
Cia. Energia Eletrica da Bahia (B.E.P. Co.)	456-B	do	12-22-48	423,000.00
Cia. Central Brasileira de Forca Eletrica (B.E.P. Co.)	456-C	do	12-22-48	121,839.00
Cia. Forca e Luz de Minas Gerais (B.E.P. Co.)	456-D	do	12-22-48	158,149.00
Cia. Forca e Luz Nordeste do Brasil (B.E.P. Co.)	456-E	do	12-22-48	147,000.00
Cia. Energia Eletrica Rio Grandense (B.E.P. Co.)	456-I	do	12-22-48	1,013,012.00
Cia. Paulista de Forca e Luz (B.E.P. Co.)	456-L	do	12-22-48	3,179,000.00
Do	523-A	do	6- 5-52	29,663,000.00
Cia. Forca e Luz do Parana (B.E.P. Co.)	523-B	do	6- 5-52	4,357,000.00
Cia. Brasileira de Energia Eletrica (B.E.P. Co.)	523-C	do	6- 5-52	3,412,000.00
Cia. Forca e Luz de Minas Gerais (B.E.P. Co.)	523-D	do	6- 5-52	1,593,000.00
Cia. Forca e Luz de Nordeste do Brasil (B.E.P. Co.)	523-E	do	6- 5-52	504,000.00
Cia. Energia Eletrica da Bahia (B.E.P. Co.)	523-F	do	6- 5-52	855,000.00
Cia. Central Brasileira de Forca Eletrica (B.E.P. Co.)	523-G	do	6- 5-52	756,000.00
Cia. Paulista de Estradas de Ferro	479	Railway equipment	6-22-50	8,817,600.00
Do	524	do	6- 5-52	7,000,000.00
Do	902	Diesel locomotives, and railroad equip- ment	3-21-57	12,800,000.00
American-Brazilian Corp., N. Y.	233	Import of tropical products	6-12-39	1,117,049.28
National Treasury of Brazil- Central Railways of Brazil	359	Electrical equipment (Electrical Export Corp.)	2-12-45	4,500,000.00
Moore-McCormack (Navegacao) S. A. (M-McC. Lines, Inc.)	409	Harbor barges	9-18-46	115,000.00
Empresa Intl. de Transportes Ltda. (Mineracao Geral. do Brasil Ltda.)	466	Ferries and converted LST vessels (Higgins, Inc.)	10-26-49	3,806,200.00
Cimento Aratu, S.A. (Cia. Nac. de Cimento Portland, S.A.)	478	Equipment for cement plant (Allis-Chalmers Mfg. Co.)	5-24-50	3,142,500.00

## AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Installments (Semiannually - Quarterly - Monthly)
\$ 1,641,257.55	\$ 2,278,742.45	\$ 217,777.91	\$ 2,060,964.54	5	18 Sa. beg. 6-15-57
	2,211,535.82	1,651,552.00	559,983.82	4 1/2	20 Sa. beg. 3-1-50 (\$124,464.18 of credit canceled)
	259,416.68	259,416.68			Repaid (\$163,583.32 of credit canceled)
	118,754.27	86,140.18	32,614.09	4 1/2	20 Sa. beg. 3-1-50 (\$3,084.73 of credit canceled)
	158,149.00	111,811.35	46,337.65	4 1/2	20 Sa. beg. 3-1-50
	111,712.22	103,929.00	7,783.22	4 1/2	16 Sa. beg. 3-1-50 (\$35,287.78 of credit canceled)
	386,629.26	286,586.69	100,042.57	4 1/2	20 Sa. beg. 3-1-50 (\$626,382.74 of credit canceled)
	3,026,523.79	2,247,553.00	778,970.79	4 1/2	20 Sa. beg. 3-1-50 (\$152,476.21 of credit canceled)
1,472,000.00	28,191,000.00	704,775.00	27,486,225.00	4 1/2	38 Sa. beg. 6-15-58
700,000.00	3,657,000.00	91,425.00	3,565,575.00	4 1/2	Do
647,000.00	2,765,000.00	69,125.00	2,695,875.00	4 1/2	Do
413,000.00	1,180,000.00	29,500.00	1,150,500.00	4 1/2	Do
100,000.00	404,000.00	10,100.00	393,900.00	4 1/2	Do
336,000.00	519,000.00	12,975.00	506,025.00	4 1/2	Do
131,000.00	625,000.00	15,625.00	609,375.00	4 1/2	Do
	8,657,421.20	8,657,421.20			Repaid (\$160,178.80 of credit canceled)
	6,999,732.60	500,792.24	6,498,940.36	4 1/2	14 Sa. beg. 6-15-57 (\$267.40 of credit canceled)
12,800,000.00				5 1/2	20 Sa. beg. 3-15-59
	1,117,049.28	989,069.09	127,980.19		In default, fully reserved
	3,798,607.14	3,798,607.14			Repaid (\$701,392.86 of credit canceled)
	115,000.00	108,104.87	6,895.13	4	20 Sa. beg. 6-25-48
	3,806,200.00	3,161,712.33	644,487.67	4 1/2	17 Sa. beg. 7-25-50
	3,055,843.50	2,750,259.15	305,584.35	4 1/2	10 Sa. beg. 2-15-53 (\$86,656.50 of credit canceled)

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## CURRENT CREDITS

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
LATIN AMERICA - continued				
Brazil - continued				
Industria e Comercio de Minerios S. A.	533	Production of manganese ore	9- 4-52	\$ 71,265,567.20
	Less:	Credit certified by D.M.P.A.		16,224,935.17
				55,040,632.03
Cia. Metalurgica Barbara (Banco Nac. do Desenvolvimento Econ. et al)	536	Cast iron pipe plant	10-10-52	1,860,000.00
				325,000.00
Banco Nacional do Desenvolvimento Economico - Unallotted	811	Equipment for port improvements	7-19-56	17,786,000.00
Banco Nacional do Desenvolvimento Economico	811-A	do	4-11-57	4,875,000.00
Companhia Docas de Santos (Banco Nac. do Des. Econ.)	811-B	do	4-15-57	875,000.00
Administracao do Porto Rio de Janeiro (Banco Nac. do Des. Econ.)	811-C	do	4-15-57	1,464,000.00
Banco Nacional do Desenvolvimento Econ. (Natl. Treasury of Brazil)	525	Railway equipment	6- 5-52	8,600,000.00
Do	537	Agricultural equipment	10-10-52	18,000,000.00
State of Minas Gerais (Natl. Treasury of Brazil)	529	Agricultural equipment, materials, and services	7- 3-52	5,000,000.00
Banco do Brasil, S. A.	541	Refinance purchase of equipment manufactured in U. S.	2-21-53	300,000,000.00
Do	606	do	2- 9-55	75,000,000.00
Lloyd Brasileiro (Banco do Brasil)	376	Cargo steamers	9-11-45	38,000,000.00
S. A. Empresa de Viacao Rio Grandense (Banco do Brasil)	551	Aircraft and spare parts (Lockheed Aircraft Corp.)	10-30-53	3,110,000.00
S. A. Empresa de Viacao Rio Grandense (Banco Nac. do Des. Econ.)	818	do	8-30-56	3,950,000.00
Estrada de Ferro Santos a Jundiai	560	Railway equipment (General Railway Signal Co.)	5-20-54	320,000.00
Do	764	Equipment for railroad improvement	1- 5-56	19,625,000.00
	Less:	Advances by participants		437,360.78
				19,187,639.22
Servicos Aereos Cruzeiro do Sul Ltd. (Banco do Brasil)	561	Aircraft and spare parts (General Dynamics Corp.)	5-25-54	1,945,000.00
Cia. Brasileira de Estireno (Industria Pneumaticos Firestone, S. A. et al)	544	Styrene (basis plastic materials) plant	6- 3-53	2,500,000.00
Fongra Produtos Quimicos, S. A.	586	Equipment and materials	11-26-54	300,000.00
Siderurgica Belgo-Mineira, S. A.	597	Steel mill machinery and equipment (R. W. Hebard & Associates, Inc.)	1-27-55	730,440.00
Do	784	Wire drawing machines (R. W. Hebard & Associates, Inc.)	4- 5-56	129,000.00
Cia. Brasileiro de Usinas Metalurgicas (Hime-Comercio e Ind., S. A.)	615	Sintering plant (John E. Greenawalt)	2-24-55	400,000.00

AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Installments (Semiannually - Quarterly - Monthly)
\$ 20,250,000.00	\$ 51,015,567.20	\$ 3,179,813.39	\$ 47,835,753.81	4 1/2	Due 12-31-65
20,250,000.00	16,254,935.17		16,254,935.17		
	34,760,632.03	3,179,813.39	31,580,818.64		
	1,860,000.00	930,000.00	930,000.00	4	12 Sa. beg. 12-15-54
	321,152.68	138,443.38	182,709.30	5 1/2	10 Sa. beg. 12-15-55 (\$3,847.32 of credit canceled)
17,786,000.00				5	26 Sa. beg. 7-15-61
4,875,000.00				5	Do
875,000.00				5	Do
1,464,000.00				5	Do
	8,598,758.53		8,598,758.53	4	14 Sa. beg. 12-15-57 (\$1,241.47 of credit canceled)
433,697.88	17,566,302.12	12,860,000.00	4,706,302.12	4	7 Sa. beg. 6-8-55
266,663.81	4,733,336.19	500,000.00	4,233,336.19	4	10 Sa. beg. 3-15-57
	300,000,000.00	118,664,321.83	181,335,678.17	3 1/2	81 Mos. beg. 9-30-54
	45,000,000.00		45,000,000.00	4	11 Mos. beg. 5-31-61 (\$30 million of credit canceled)
	38,000,000.00	28,898,200.70	9,101,799.30	4	24 Sa. beg. 4-29-49
	3,109,218.75	1,813,710.92	1,295,507.83		(\$781.25 of credit canceled)
3,950,000.00					
320,000.00					
7,573,015.77	12,051,984.23		12,051,984.23	5	20 Sa. beg. 6-15-58
437,360.78					
7,135,654.99	12,051,984.23		12,051,984.23		
	1,943,706.69	1,069,038.72	874,667.97		(\$1,293.31 of credit canceled)
754,000.00	1,746,000.00		1,746,000.00	5 5/8	\$1,746,000.00 payable in 18 Sa. beg. 6-1-58. \$754,000.00 payable in 16 Sa. beg. 6-1-59
1,155.21	298,844.79		298,844.79	5 1/2	15 Sa. beg. 5-9-58
	691,270.17	276,504.00	414,766.17		(\$39,169.83 of credit canceled)
	128,712.67	8,580.84	120,131.83		(\$287.33 of credit canceled)
120,000.00	280,000.00		280,000.00		



Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
LATIN AMERICA - continued				
Brazil - continued				
Prefeitura Municipal do Porto Alegre (Banco do Rio Grande do Sul)	616	Motor buses (Evans & Edell, Inc.)	3-17-55	\$ 1,222,000.00
Alba, S. A.	769	Equipment for methanol plant	1-26-56	1,325,000.00
Cia. de Armazens Gerais do Estado de Pernambuco (Banco Nac. do Des. Econ.)	776	Grain storage elevators (Black, Sivalis & Bryson, Intern. Corp.)	3- 8-56	1,650,000.00
Bi-metal, S. A. (Banco Sul Americano do Brazil)	781	Plant for production of automotive bearings	3-22-56	1,250,000.00
S. A. Industrias Votorantim	805	Textile spinning equipment (Whitlin Machine Works)	6-29-56	600,000.00
Centrais Electricas de Minas Gerais, S. A. (Banco Nac. do Des. Econ.)	807	Construction of hydroelectric power facilities	7-13-56	11,400,000.00
Government of Brazil	810	Railroad improvements	7-19-56	100,000,000.00
Cia. Hidro-Eletrica do Sao Francisco, S. A. (Banco Nac. do Des. Econ.)	812	Expansion of power facilities	7-19-56	15,000,000.00
Fabrica Nacional de Vagoes, S. A. (Banco Nac. do Des. Econ.)	814	Manufacture of trucks and road rollers	7-30-56	2,403,000.00
Cia. Nac. de Navegacao Costeira (United States of Brazil)	856	Reactivation of merchant vessels	11- 8-56	2,750,000.00
Panair do Brasil, S. A. (Banco da America, S. A. et al)	857	Aircraft and spare parts (Douglas Aircraft Co.)	11-15-56	6,900,000.00
Produtos Quimicas "Elekelroz", S. A. (Banco do Brasil)	862	Sulphuric acid plant (Panam. Consulting Co., Inc.)	11-21-56	33,300.00
Fosforita Olinda, S. A. (Banco Nac. do Des. Econ.)	912	Semi-trailers (Martin Machine Company)	4-19-47	23,500.00
Cia. Urbanizadora da Nova Capital do Brasil (Natl. Treas. of Brazil)	914	Equipment for construction of Brasilia	4-26-57	10,000,000.00
Loide Aereo Nacional, S. A. (Banco Nac. do Des. Econ.)	921	Aircraft and spare parts (Douglas Aircraft Co., Inc.)	5-31-57	3,754,000.00
Do	922	Spare engines and parts (United Aircraft Export Corp.)	5-31-57	541,000.00
Celubagaco Industria e Comercio, S. A. (Banco Nac. do Des. Econ.)	A-2	Bagasse paper pulp plant (Noble & Wood Machine Co.)	12-23-55	540,000.00
Municipality of Porto Alegre (Banco do Rio Grande do Sul)	665-1	Truck-mounted excavator (Insley Manufacturing Corp.)	7- 9-56	24,000.00
Companhia Eletrica Caiua (Banco Brasileiro de Descontos)	651-2	Generator sets (General Motors Corp.)	7-13-56	184,000.00
Fosforita Olinda, S. A. (Banco Nac. do Des. Econ.)	591-1	Dump trailers (Athey Products Corp.)	4-19-57	170,000.00
Do	737-7	Motor graders and tractors (Caterpillar Tractor Co.)	4-19-57	220,800.00
Total				931,665,337.53
Chile:				
Corporacion de Fomento de la Produccion (Republic of Chile)	374	Steel-mill equipment	9-11-45	48,000,000.00
Do	411	Industrial equipment	10-16-46	6,700,000.00

AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Installments (Semiannually - Quarterly - Monthly)
\$	\$ 1,221,577.43	\$ 143,714.96	\$ 1,077,862.47		(\$422.57 of credit canceled)
1,650,000.00					(Credit canceled)
597,733.37	652,266.63		652,266.63	5 1/2	10 Sa. beg. 8-15-58
					(Credit canceled)
8,920,921.74	2,479,078.26		2,479,078.26	5	24 Sa. beg. 7-15-61
100,000,000.00					Repayments beg. 7-15-61
15,000,000.00				5	26 Sa. beg. 8-15-61
1,940,348.00	462,652.00		462,652.00	5	10 Sa. beg. 10-15-58
2,750,000.00				5 1/2	8 Sa. beg. 11-30-57
1,536,934.15	5,363,065.85		5,363,065.85		(Credit canceled)
23,500.00					
10,000,000.00				5 1/2	24 Sa. beg. 5-1-60
3,754,000.00					
541,000.00					
540,000.00					(Credit canceled)
184,000.00					
170,000.00					
220,800.00					
259,300,666.70	638,065,085.33	221,710,641.78	416,354,443.55		
	48,000,000.00	11,666,491.20	36,333,508.80	4	40 Sa. beg. 6-15-51
	6,700,000.00	5,325,000.00	1,375,000.00	3 1/2	20 Sa. beg. 7-15-51

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
LATIN AMERICA - continued				
Chile - continued				
Corporacion de Fomento de la Produccion (Republic of Chile)	463	Machinery and equipment for rayon plant	8-31-49	\$ 1,200,000.00
Do	464	Refinance purchase of equipment manu- factured in U. S.	10- 5-49	25,000,000.00
Do	465	Railway and construction equipment	10-26-49	2,750,000.00
Do	485	Road building machinery, equipment, and supplies	8-17-50	1,800,000.00
Do	502	Steel-mill equipment	8- 9-51	10,000,000.00
Do	503	Equipment for ferro-manganese plant	8- 9-51	1,150,000.00
Chilean State Railways (Rep. of Chile)	410	Railway equipment	10-16-46	5,000,000.00
Cia. de Acero del Pacifico (CAP)	771	Hot strip mill equipment	2- 2-56	3,550,000.00
Anglo-Lautaro Nitrate Corporation	808	Equipment for nitrate production	7-19-56	16,000,000.00
Cia. Salitrera de Tarapaca y Antofagasta	809	do	7-19-56	11,851,000.00
Cia. de Acero del Pacifico, S. A. (CAP) (Republic of Chile)	898	Strip rolling equipment, and open hearth facilities	2-28-57	16,000,000.00
Cia. Minera Santa Barbara	619-1	Trucks and trailers (Kenworth Motor Truck Co.)	4- 3-56	126,000.00
Total				149,127,000.00
Colombia:				
Republic of Colombia	296	Highway construction	5- 1-41	11,458,401.52
Do	296-A	do	5- 1-41	8,541,598.48
Do	442-A	do	5-24-50	2,500,000.00
Do	442-C	Materials for reconstruction	4-13-48	5,500,000.00
Do	442-D	Railroad spare parts	2-21-51	105,000.00
Do	634	River dredge and related equipment (Ellicott Machine Corp.)	3-17-55	840,000.00
Republic of Colombia-Corporacion de Defense de Productos Agricolas	480	Construction for grain storage	6-29-50	2,200,000.00
Republic of Colombia-Compania Nacional de Navegacion, S. A.	486	Freight and passenger vessels	8-24-50	645,000.00
Republic of Colombia-Consejo Adm. de los Ferrocarriles Nac. de Col.	352	Railway equipment	6-28-44	3,000,000.00
Do	490	Diesel electric locomotives	1-11-51	1,503,389.00
Caja de Credito Agrario, Indus. y Minero (Republic of Colombia)	346	Agricultural development	7- 1-43	14,500,000.00

AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Instalments (Semiannually - Quarterly - Monthly)
\$	\$ 1,200,000.00	\$ 1,200,000.00	\$		Repaid
	23,917,000.00	15,306,880.00	8,610,120.00	3 1/2	16 Sa. beg. 4-30-52 (\$1,083,000.00 of credit canceled)
	2,750,000.00	345,500.00	2,404,500.00	4	24 Sa. beg. 1-31-56
	1,800,000.00	1,800,000.00			Repaid
	10,000,000.00	1,562,500.00	8,437,500.00	4	32 Sa. beg. 6-15-55
550,000.00	600,000.00	450,000.00	150,000.00	4	6 Sa. beg. 9-11-54
	5,000,000.00	5,000,000.00			Repaid
2,950,000.00	600,000.00		600,000.00	5	14 Sa. beg. 1-31-59
15,500,000.00	500,000.00		500,000.00	5 1/2	27 Sa. beg. 30 mos. after date of note
11,851,000.00				5 1/2	Do
16,000,000.00				5 1/2	30 Sa. beg. 3-31-61
	18,641.22	18,641.22			Repaid (\$107,358.78 of credit canceled)
46,851,000.00	101,085,641.22	42,675,012.42	58,410,628.80		
	11,458,401.52	11,128,643.70	329,757.82	4	24 Sa. beg. 10-10-45
	8,541,598.48	8,322,100.00	219,498.48	4	Do
	2,280,434.84	1,525,000.00	755,434.84	3 1/2	20 Sa. beg. 7-10-51 (\$219,565.16 of credit canceled)
	5,377,454.21	4,325,000.00	1,052,454.21	3 1/2	20 Sa. beg. 3-10-51 (\$122,545.79 of credit canceled)
	78,028.62	57,750.00	20,278.62	3 1/2	20 Sa. beg. 4-9-52 (\$26,971.38 of credit canceled)
	585,000.00	60,000.00	525,000.00		(\$255,000.00 of credit canceled)
	2,174,194.55	1,320,000.00	854,194.55	4	10 Sa. beg. 8-1-54 (\$25,805.45 of credit canceled)
	645,000.00	645,000.00			Repaid
	3,000,000.00	2,980,184.14	19,815.86	4	16 Sa. beg. 5-5-50
	1,473,609.11	1,102,372.30	371,236.81	3 1/2	11 Sa. beg. 9-16-53 (\$29,779.89 of credit canceled)
	14,500,000.00	3,508,200.00	10,991,800.00	4	20 Sa. beg. 7-15-52

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Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
LATIN AMERICA - continued				
Colombia - continued				
Hotel San Diego S. A. (Banco de la Republica)	365-B	Goods and services for hotel construction	4-27-49	\$ 3,057,600.00
Do	517	Refinancing hotel obligations	3- 6-52	942,400.00
Empresa de Energia Electrica, S. A. (Banco de la Republica)	518	Hydroelectric plant	3-27-52	2,600,000.00
Hilanderia Titan, Ltda. (Banco Industria Colombiano)	566	Textile equipment (Whitin Machine Works)	7- 8-54	78,000.00
Industria Colombiana de Artefactos, S. A. (ICASA) (J. Glottman, S. A., J. Glottman individually and Banco de Bogota)	780	Production of refrigeration equipment	3-22-56	200,000.00
Leonidas Lara e Hijos, Ltda.	588-1	Power shovels (Thew Shovel Co.)	4- 8-55	70,800.00
Do	588-5	Do	8- 9-56	65,000.00
Do	668-1	Heavy rollers and attachments (Acme Iron Works)	8- 9-56	21,000.00
Departamento de Cundinamarca	664-2	Power shovels (Harnischfeger Corp.)	8- 4-55	180,000.00
Departamento de Cundinamarca and Departamento de Provisiones	666-2	Road rollers and accessories (The Gallion Iron Works)	12-22-55	81,000.00
Departamento de Boyaca	649-1	Mining equipment (Goodman Manufacturing Co.)	9-22-55	33,000.00
Ingenio Central Castilla, Ltda.	579-2	Steam boiler and equipment (Combustion Engineering, Inc.)	9-29-55	56,000.00
Grancolombiana de Agencias, Ltda.	666-1	Motor graders and rollers (The Gallion Iron Works)	10-27-55	91,199.41
Do	640-2	Construction equipment (Koehring Inter-American Co.)	10-27-55	60,000.00
Cia. Colombiana de Electricidad	581-2	Diesel generator and equipment (Worthington Corp.)	1-12-56	64,500.00
Do	581-3	Diesel generator sets (Worthington Corp.)	3-29-56	232,000.00
E. A. Rosado & Cia., Ltda.	789-1	Pumps (Jacuzzi Bros., Inc.)	6- 5-56	15,000.00
Total				58,640,888.41
Costa Rica:				
Republic of Costa Rica	330	Materials and services for highways	4-22-42	7,000,000.00
Do	754	Inter-American Highway construction	11- 3-55	9,540,000.00
Lineas Aereas Costarricenses, S. A. (Republic of Costa Rica)	584	Aircraft and spare parts (General Dynamics Corp.)	11-26-54	900,000.00
	Less:	Advances by participants		225,000.00
				675,000.00
Cia. Nacional de Fuerza y Luz, S. A.	618	Electric power equipment	3- 3-55	2,500,000.00

## AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Installments (Semiannually - Quarterly - Monthly)
\$	\$ 3,057,600.00	\$ 594,533.43	\$ 2,463,066.57	4	36 Sa. beg. 3-7-54
	942,400.00	675,734.00	266,666.00	4	7 Sa. beg. 6-10-55
	2,600,000.00	650,000.05	1,949,999.95	4 1/2	28 Sa. beg. 3-11-54
	77,411.74	77,411.74			Repaid (\$588.26 of credit canceled)
43,654.90	156,345.10	20,000.00	136,345.10	5 1/2	10 Sa. beg. 1 yr. after date of note
	54,556.62	40,917.48	13,639.14		(\$16,243.38 of credit canceled)
					(Credit canceled)
					Do
	149,795.51	59,918.20	89,877.31		(\$30,204.49 of credit canceled)
	67,162.50		67,162.50		(\$13,837.50 of credit canceled)
	32,958.96		32,958.96		(\$41.04 of credit canceled)
	55,526.85		55,526.85		(\$473.15 of credit canceled)
	51,609.54	11,199.41	40,410.13		(\$39,589.87 of credit canceled)
					(Credit canceled)
	64,141.31	64,141.31			(\$358.69 of credit canceled)
	231,300.00	23,130.01	208,169.99		(\$700.00 of credit canceled)
					(Credit canceled)
43,654.90	57,654,529.46	37,191,235.77	20,463,293.69		
	6,985,000.00	1,376,599.62	5,608,400.38	3 1/2	80 Quar. beg. 1-1-51 (\$15,000.00 of credit canceled)
7,160,000.00	2,380,000.00	53,343.00	2,326,657.00	4 1/2	30 Sa. beg. 5-1-57
	673,062.21	266,717.27	406,344.94		(\$1,937.79 of credit canceled)
	2,500,000.00		2,500,000.00	5 1/4	16 Sa. beg. 6-30-58

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
<b>LATIN AMERICA - continued</b>				
<u>Costa Rica - continued</u>				
Instituto Costarricense de Electricidad (Republic of Costa Rica)	622	Diesel electric generating sets (Nordberg Mfg. Co.)	3- 3-55	\$ 1,023,000.00
Ministry of Public Works	670	Dump trucks (Mack Motor Truck Corp.)	4-28-55	243,000.00
Societa Italiana de Colonizzazione Agricola (SICA) (Government of Costa Rica)	892	Agricultural development	2-14-57	161,000.00
Machinery and Tractors, Ltd.	652-2	Farm tractors and equipment (Deere & Company)	11-29-55	30,000.00
Do	747-1	Motor trucks and parts (Mack Trucks, Inc.)	5- 4-56 Revolved	30,000.00 9,809.99 39,809.99
Machinery and Tractors, Ltd. (Alvaro and Carlos Gonzalez)	737-6	Tractors, earth moving equipment (Caterpillar Tractor Co.)		150,000.00
Total				21,361,809.99
<u>Cuba:</u>				
Cuban Electric Company	493 Less:	Electrical machinery Advances by participants	3-29-51	24,000,000.00 4,000,000.00 20,000,000.00
Compania Cubana Primadera, S. A.	791 Less:	Equipment for wallboard plant Advances by participants	5- 3-56	1,500,000.00 300,000.00 1,200,000.00
Compania Riera, Toro & Van Twistern, S. A.	578-4	Agricultural equipment (The Oliver Corp.)	12-13-55	60,000.00
Fabrica Nacional de Implementos Agricolas, S. A.	609-3	Tractors and equipment (Massey-Harris-Ferguson, Inc.)	5- 3-56	150,000.00
Compania Riera, Toro & Van Twistern, S. A.	637-2	Shovels, cranes, etc. (Baldwin-Lima-Hamilton Corp.)	1-12-56	22,000.00
Powe Equipment Co., S. A. (William A. Powe)	652-5	do	2-24-56	160,000.00
Powe Machinery Co., S. A. (William A. Powe)	652-4	Tractors and agricultural implements (Deere & Company)	2-24-56	160,000.00
Do	737-8	Earth moving equipment and generators (Caterpillar Tractor Co.)	5-23-57	300,000.00
Do	737-9	do	6-14-57	150,000.00
Cia. Operadora Central Jaquey Grande, S. A. (Antonio Goroztiaga)	699-1	Centrifugal machinery (Hepworth Machine Co.)	10-11-56	15,000.00
Distribuidora Mack de Cuba, S. A. & Tráfico y Transporte, S. A.	747-4	Heavy-duty truck tractors (Mack Trucks, Inc.)	10-11-56	108,000.00
Tráfico y Transporte, S. A. (Amador Odio P.)	828-1	Semi-trailers and accessories (Brown Trailers, Inc.)	10-11-56	75,500.00
Do	828-2	do	11- 8-56	24,200.00
Total				22,424,700.00

AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Installments (Semiannually - Quarterly - Monthly)
\$	\$ 949,651.20	\$ 284,895.36	\$ 664,755.84		(\$73,348.80 of credit canceled)
	242,893.79	161,929.20	80,964.59		(\$106.21 of credit canceled)
161,000.00				5 1/2	8 Ann. beg. 2 yrs. after date of note
7,699.36	22,300.64		22,300.64		
10,380.06	29,429.93	9,809.99	19,619.94		
150,000.00					
7,489,079.42	13,782,337.77	2,153,294.44	11,629,043.33		
	24,000,000.00	800,000.00	23,200,000.00	5	40 Sa. beg. 12-15-56
	4,000,000.00	800,000.00	3,200,000.00		
	20,000,000.00		20,000,000.00		
600,000.00	900,000.00		900,000.00	6	10 Sa. beg. not later than 3-21-59
120,000.00	180,000.00		180,000.00		
480,000.00	720,000.00		720,000.00		
					(Credit canceled)
150,000.00					Do
160,000.00					
138,953.43	21,046.57		21,046.57		
300,000.00					
150,000.00					
	15,000.00	3,750.00	11,250.00		Do
	70,705.32		70,705.32		(\$4,794.68 of credit canceled)
	24,074.60	3,615.55	20,459.05		(\$125.40 of credit canceled)
1,378,953.43	20,850,826.49	7,365.55	20,843,460.94		



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## CURRENT CREDITS

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
LATIN AMERICA - continued				
<u>Dominican Republic:</u>				
Atlas Commercial Co. C. por A.	666-3	Motor graders (Galion Iron Works & Mfg. Co.)	7-19-56	\$ 102,000.00
<u>Ecuador:</u>				
Municipality of Quito (Republic of Ecuador)	328	Water supply system	4-22-42	4,000,000.00
Do	328-A	do	6-24-54	3,650,000.00
Municipality of Guayaquil (Republic of Ecuador)	328	do	4-22-42	5,300,000.00
Republic of Ecuador	343	Highway construction	12-18-42	8,791,900.00
Do	432	do	10- 8-47	2,720,000.00
Do	432-A	do	9-16-53	4,980,000.00
Do	432-B	do	1-10-57	250,000.00
Do	471-A	Highway maintenance	12-14-49	1,500,000.00
Do	471-B	Railway equipment	12-14-49	1,500,000.00
Do	471-D	Rehabilitation of water supply system	6-14-51	500,000.00
Do	471-E	Ambato power facilities	3-20-52	800,000.00
Do	471-F	Water supply and sewer system	7-31-52	165,000.00
Do	471-G	Latacunga water supply system	11- 1-56	335,000.00
Do	500	Improvement of Guayaquil and Quito airports	7-19-51	2,300,000.00
Do	500-A	do	1-10-57	280,000.00
Do	741	do	9-15-55	900,000.00
Sociedad Agrícola e Industrial	773	Sugar mill machinery and equipment (Fulton Iron Works Co.)	2-23-56	310,000.00
Comite Ejecutivo de Vialidad de la Provincia del Guayas	845	Dredge (Ellicott Machine Corp.)	10-11-56	168,000.00
Cia. Azucarera Valdez, S. A. (Rafaela Valdez, et al)	916	Sugar mill machinery and equipment (Fulton Iron Works Co.)	5- 9-57	97,000.00
Total				38,746,900.00
<u>El Salvador:</u>				
Pan Lido, S. A.	831	Baking equipment (Francoeur & Co., Inc.)	9-19-56	5,625.00
Samuel Quiros (Banco de Comercio de El Salvador)	851	Tire recapping plant (U. S. Rubber International)	10-25-56	19,200.00
Distribuidora de Automoviles, S. A. (Dona Secundina Poma vda. de Rosotto et al)	865	Bus bodies (Blue Bird Body Co.)	12- 3-56	2,400.00
Distribuidora de Automoviles, S. A. (Banco Agrícola Comercial de El Salvador, et al)	880	Buses (Blue Bird Body Co.)	1-18-57	11,400.00

AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Installments (Semiannually - Quarterly - Monthly)
\$	\$	\$	\$		(Credit canceled)
	4,000,000.00	1,649,201.00	2,350,799.00	3 1/2	60 Quar. beg. 12-15-51
	3,650,000.00	449,339.00	3,200,661.00	4 1/2	60 Quar. beg. 3 mos. after date of note
	5,300,000.00	2,643,700.54	2,656,299.46	3 1/2	54 Quar. beg. 6-15-51
	8,771,070.10	4,021,930.23	4,749,139.87	4	80 Quar. beg. 5-1-50 (\$20,829.90 of credit canceled)
	2,720,000.00	336,953.44	2,383,046.56	3 1/2	Quar. 20 yrs.
	4,980,000.00	463,912.82	4,516,087.18	5	Quar. 15 yrs.
250,000.00				5 1/4	Do
	1,500,000.00	319,404.71	1,180,595.29	3 1/2	80 Quar. beg. 8-1-51
	1,500,000.00	349,152.57	1,150,847.43	3 1/2	80 Quar. beg. 2-1-51
	500,000.00	96,503.01	403,496.99	3 1/2	80 Quar. beg. 5-1-52
800,000.00				3 1/2	Quar. 20 yrs.
	165,000.00	12,928.40	152,071.60	3 1/2	80 Quar. beg. 8-1-55
335,000.00				3 1/2	Quar. 20 yrs.
	2,499,995.40	83,333.18	2,416,662.22	4 3/4	60 Quar. beg. 1-1-57 (\$4.60 of credit canceled)
280,000.00				5 1/4	60 Quar. from date of note
614,326.50	285,673.50	30,000.00	255,673.50	5	60 Quar. beg. 1-1-57
	308,571.52		308,571.52		(\$1,428.48 of credit canceled)
	167,720.00		167,720.00		(\$280.00 of credit canceled)
97,000.00					
2,376,326.50	36,348,030.52	10,456,358.90	25,891,671.62		
	5,347.94	1,243.72	4,104.22		(\$277.06 of credit canceled)
	16,275.00		16,275.00		(\$2,925.00 of credit canceled)
	2,033.12	535.00	1,498.12		(\$366.88 of credit canceled)
	9,916.73	1,416.67	8,500.06		(\$1,483.27 of credit canceled)

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
LATIN AMERICA - continued				
El Salvador - continued				
Distribuidora de Automoviles, S. A. (Banco Agrícola Comercial de El Salvador, et al)	881	Buses (Blue Bird Body Co.)	1-18-57	7,750.00
Do	904	do	3-22-57	2,525.00
Do	905	do	3-22-57	7,460.00
Do	906	do	3-22-57	8,800.00
Do	915	do	5- 9-57	9,800.00
H. de Sola e Hijos	893	Soap and glycerine manufacturing equip- ment (The Sharples Corp.)	2-15-57	37,500.00
Republic of El Salvador Ministry of Public Health	A-5	Hospital equipment	2-28-56	98,500.00
Total				210,960.00
Guatemala:				
Cia. Minera de Huehuetenango, S. A. (Curtis F. Corzelius)	617	Materials and equipment for lead wiring	3- 3-55	500,000.00
Cementos Novella, S. A. (Estuardo Novella, et al)	761	Cement plant equipment	12-22-55	1,240,000.00
Fabrica de Gases Industriales	846	Acetylene generator, compressor, etc. (Southern Oxygen Co.)	10-12-56	1,925.00
Automotriz de Guatemala, Ltda.	578-1	Tractors and attachments (The Oliver Corporation)	8-11-55	60,000.00
Republic of Guatemala	633-1	Microwave system (International Gen. Elec. Co.)	7-28-55	675,000.00
Comercial MacDonald (Guatemala) S. A.	639-1	Motor trucks and equipment (Int'l. Harvester Export Co.)	7- 5-56	150,000.00
Cia. Guatemalteca de Maquinaria, Ltda.	652-1	Agricultural machinery (Deere & Company)	9-22-55 Revolved	50,000.00 7,807.48 57,807.48
Do	737-1	Agricultural machinery (Caterpillar Tractor Co.)	10-27-55 Revolved	200,000.00 120,862.24 320,862.24
Cia. Guatemalteca de Maquinaria, Ltda. (G. W. Daniels & Wilson Stanley)	583-2	Asphalt mixing plant and equipment (Barber-Greene Company)	11- 1-56	85,100.00
Total				3,090,694.72
Haiti:				
Societe Haitiano-Americaine de Developpement Agricole (Republic of Haiti)	295	Development of rubber and other tropical products	5- 1-41	5,000,000.00
Republic of Haiti	457	Irrigation and agricultural development	12-29-48	27,000,000.00
Total				32,000,000.00

AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Installments (Semiannually - Quarterly - Monthly)
\$	\$ 6,742.49	\$ 1,926.42	\$ 4,816.07		(\$1,007.51 of credit canceled)
	2,197.12	313.87	1,883.25		(\$327.88 of credit canceled)
	7,452.00	931.50	6,520.50		(\$8.00 of credit canceled)
	7,691.17	1,098.67	6,592.50		(\$1,108.83 of credit canceled)
9,800.00					
37,500.00					(Credit canceled)
47,300.00	57,655.57	7,465.85	50,189.72		
	499,943.80	187,607.07	312,336.73	6	3 beg. 12-1-57 (\$56.20 of credit canceled)
	1,238,897.60		1,238,897.60	5 1/2	10 Sa. beg. 2-1-58 (\$1,102.40 of credit canceled)
	1,197.59	364.80	832.79		(\$727.41 of credit canceled)
					(Credit canceled)
					Do
92,630.05	57,369.05		57,369.05		
452.69	57,354.79	7,807.48	49,547.31		
82,145.52	238,716.72	120,862.24	117,854.48		
	85,100.00	21,275.00	63,825.00		
175,229.16	2,178,579.55	337,916.59	1,840,662.96		
	5,000,000.00	1,550,500.00	3,449,500.00	3	40 Quar. beg. 9-15-57
3,066,305.22	23,933,694.78	262,675.50	23,671,019.28	3 1/2	50 Sa. beg. 9-16-60
3,066,305.22	28,933,694.78	1,813,175.50	27,120,519.28		

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
LATIN AMERICA - continued				
<u>Honduras:</u>				
Maquinaria y Accesorios, S. de R. L. (Banco Nacional de Fomento)	821	Farm machinery (Allis-Chalmers Mfg. Co.)	9- 5-56	\$ 17,000.00
Maquinaria y Accesorios, S. A. (Banco Nacional de Fomento)	920	Tractors and equipment (Allis-Chalmers Mfg. Co.)	5-23-57	5,500.00
Republic of Honduras	879	Construction of Inter-American Highway	1-17-57	1,650,000.00
Ministry of Finance	908	Crawler tractors with bulldozers (Allis-Chalmers Mfg. Co.)	4-11-57	91,200.00
Maquinaria y Accesorios, S. de R. L. (Commercial Bank)	640-4	Dumpsters and power shovel (Koehring Inter-American Co.)	3-29-56	66,000.00
Total				1,829,700.00
<u>Mexico:</u>				
Nacional Financiera, S. A. (United Mexican States)	323	Steel-mill equipment- Altos Hornos de Mexico	4-10-42	8,000,000.00
Do	362	Railway equipment- Mexican National Railways	3-21-45	19,000,000.00
Do	379	Electric power project	3-21-45	20,000,000.00
Do	427-A	Nueva Cia. Electrica Chapala, S. A.	10- 1-47	3,500,000.00
Do	427-D	Railway equipment	12- 3-47	7,000,000.00
Do	427-E	Two sugar mills	12- 3-45	5,000,000.00
Do	427-G	Ammonium sulfate plant	2-11-48	6,000,000.00
Do	427-H	Tampico-Ciudad Madero water works	2- 2-49	1,515,750.00
Do	427-J	Railway equipment- Mexican National Railways	8- 3-49	12,900,000.00
Do	427-K	Railway equipment- Ferrocarril del Pacifico	8- 3-49	5,000,000.00
Do	427-L	Coal mine equipment	4- 5-50	2,740,000.00
Nacional Financiera, S. A. (United Mexican States) Unallotted	487	Development of agric., transp., communi- cations, and electric power	8-31-50	29,700,000.00
Nacional Financiera, S. A. (United Mexican States)	487-A	Falcon Dam and power plant	12-15-50	11,500,000.00
Do	487-B	Anzalduas Dam	12-15-50	1,000,000.00 1,000,000.00
Do	487-C	Yaqui Alto Canal	12-15-50	17,500,000.00
Do	487-D	Steel-mill equipment- Altos Hornos de Mexico	5-31-51	5,000,000.00
Do	487-E	Rehabilitation of Mexican National Railways	8- 2-51	51,000,000.00
Do	487-F	Rehabilitation of Mexican Railway	8- 2-51	5,000,000.00
Do	487-G	Telecommunications system	3- 6-52	1,440,000.00
Do	487-H	Steel-mill equipment- Hojalata y Lamina	12-18-52	3,600,000.00

AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Installments (Semiannually - Quarterly - Monthly)
\$	\$ 13,641.50	\$ 2,409.00	\$ 11,232.50		(\$3,358.50 of credit canceled)
5,500.00					
1,650,000.00					
91,200.00					(Credit canceled)
1,746,700.00	13,641.50	2,409.00	11,232.50		
	7,500,000.00	7,500,000.00			Repaid (\$500,000.00 of credit canceled)
	19,000,000.00	18,800,000.00	200,000.00	4	20 Sa. beg. 6-30-48
	20,000,000.00	9,075,000.00	10,925,000.00	4	40 Sa. beg. 10-31-50
	3,150,000.00	2,681,365.36	468,634.64	3 1/2	20 Sa. beg. 6-30-50 (\$350,000.00 of credit canceled)
	7,000,000.00	6,319,394.74	680,605.26	3 1/2	20 Sa. beg. 12-31-48
	5,000,000.00	4,500,000.00	500,000.00	3 1/2	20 Sa. beg. 11-14-48
	5,500,000.00	3,354,505.00	2,145,495.00	3 1/2	20 Sa. beg. 6-30-51 (\$500,000.00 of credit canceled)
	1,515,750.00	909,451.68	606,298.32	3 1/2	20 Sa. beg. 12-31-51
	12,897,342.20	8,383,272.43	4,514,069.77	3 1/2	20 Sa. beg. 6-30-51 (\$2,657.80 of credit canceled)
	4,900,000.00	1,715,000.00	3,185,000.00	3 1/2	20 Sa. beg. 6-30-54 (\$100,000.00 of credit canceled)
	2,740,000.00	523,432.81	2,216,567.19	3 1/2	24 Sa. beg. 8-15-55 (Credit canceled)
	11,264,609.02	2,388,097.11	8,876,511.91	3 1/2	24 Sa. beg. 7-15-54 (\$235,390.98 of credit canceled)
1,000,000.00				3 1/2	24 Sa. beg. 7-16-58
1,000,000.00				5	Do
	17,500,000.00	3,710,000.00	13,790,000.00	3 1/2	24 Sa. beg. 7-15-54
	5,000,000.00	1,196,400.08	3,803,599.92	4	20 Sa. beg. 11-6-53
1,050,000.00	49,950,000.00	17,570,000.00	32,380,000.00	3 1/2	20 Sa. beg. 6-22-54
500,000.00	4,500,000.00	1,575,000.00	2,925,000.00	3 1/2	Do
	1,440,000.00	840,000.00	600,000.00	3 1/2	12 Sa. beg. 1-26-54
	3,600,000.00	720,000.00	2,880,000.00	4 1/2	20 Sa. beg. 12-31-55

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
LATIN AMERICA - continued				
<u>Mexico - continued</u>				
Nacional Financiera, S. A. (United Mexican States)	487-I	Rehabilitation of Mexican National Railways	10-11-56	\$ 23,260,000.00
Cia. Fundidora de Fierro y Acero de Monterrey, S. A.	539	Bar and rod combination mill	11-20-52	4,500,000.00
Do	801	Steel-mill equipment	6-28-56	26,000,000.00
Mexican Gulf Sulphur Co. and Cia. Azufre Mexicana, S. A.	494	Sulphur plant	4-12-51	3,972,500.00
Do	494	do	12-23-55	1,027,500.00
Cia. Minera Fernandez, S. A.	505	Production of manganese concentrates	8-23-51	750,000.00
Pan American Sulphur Company and Azufre Panamericana, S. A. de C. V.	516	Sulphur plant	2-21-52	4,414,000.00
Empaques de Carton Titan, S. A. (Valores Industriales, S. A. et al)	585	Machinery, supplies, and equipment	11-26-54	788,000.00
Do	786	Machinery, supplies, and equipment (Sandy Hill Iron & Brass Works)	4- 5-56	1,000,000.00
Do	794	do	5-18-56	250,000.00
La Consolidada, S. A.	611	Steel-mill equipment	2-17-55	662,000.00
Hojalata y Lamina, S. A. (Valores Industriales, S. A. et al)	702	do	6-30-55	2,055,000.00
Vidrio Plano, S. A.	714	Sheet glass reannealing equipment (Surface Combustion Corp.)	7-21-55	37,100.00
Vidrio Plano de Mexico, S. A. (Fomento de Industria y Comercio S. A. et al)	767	Sheet glass plant	1-20-56	75,000.00
Aceros de Chihuahua, S. A. (Cia. Fundidora de Chihuahua, S. A. et al)	726	Rolling mill equipment (E. W. Bliss Co.)	8-11-55	720,000.00
Compania Electrica Mexicana del Norte, S. A. (Norte)	760-A	Power construction program	12- 8-55	7,072,000.00
Compania Electrica Mexicana del Centro, S. A. (Centro)	760-B	do	12- 8-55	6,781,000.00
Compania Electrica Mexicana del Sureste, S. A. (Sureste)	760-C	do	12- 8-55	4,931,000.00
Compania Electrica Nacional, S. A. (Nacional)	760-D	do	12- 8-55	2,354,000.00
Compania de Electricidad de Tampico, S. A. (Tampico)	760-E	do	12- 8-55	535,000.00
Compania Electrica de Merida, S. A. (Merida)	760-F	do	12- 8-55	1,360,000.00
Cia. Industrial Electrica Mexicana, S. A. de C. V.	783	Electric power equipment	3-29-56	1,820,000.00
Fabricas Monterrey, S. A. (Valores Industriales, S. A. et al)	788	Machinery and equipment for production of bottle caps	4-26-56	100,000.00
Cooperativa Manufacturera de Cemento Portland, S. C. L. (Nacional Financiera, S. A.)	802	Cement plant equipment (F. L. Smidth & Co.)	6-28-56	75,500.00

See footnotes at end of table.

AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Installments (Semiannually - Quarterly - Monthly)
\$ 23,260,000.00	\$	\$	\$	5	20 Sa. beg. 6-15-59
	4,500,000.00	926,000.00	3,574,000.00	5	20 Sa. beg. 6-15-55
26,000,000.00				5	30 Sa. beg. 6-15-61
	3,972,500.00		3,972,500.00	5	7 Sa. beg. 6-30-56
	1,027,500.00		1,027,500.00	6	Demand
	745,000.00	83,662.84	661,337.16	5	9 Sa. beg. 6-30-54 (55,000.00 of credit canceled)
	4,414,000.00	1,371,333.36	3,042,666.64	5	12 Sa. beg. 8-10-55
	755,520.57	143,418.97	612,101.60	5 1/2	10 Sa. beg. 9-30-56 (532,479.43 of credit canceled)
400,000.00	600,000.00		600,000.00		
250,000.00					
	654,565.28	163,654.32	490,910.96	5 1/2	8 Sa. beg. 6-30-56 (57,434.72 of credit canceled)
160,198.60	1,894,801.40		1,894,801.40	5 1/2	16 Sa. beg. 10-15-57
	37,098.00	11,335.50	25,762.50		(\$2.00 of credit canceled)
	75,000.00		75,000.00		
	720,000.00	72,000.00	648,000.00		
7,072,000.00				5	34 Sa. beg. 12-15-60
6,781,000.00				5	Do
4,931,000.00				5	Do
2,354,000.00				5	Do
535,000.00				5	Do
1,360,000.00				5	Do
985,833.29	834,166.71		834,166.71	5	Do
					(Credit canceled)
75,500.00					



Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
LATIN AMERICA - continued				
<u>Mexico - continued</u>				
Cooperativa Manufacturera de Cemento Portland, S. C. L. (Nacional Financiera, S. A.)	803	Cement plant equipment (Fuller Co.)	6-28-56	\$ 217,500.00
Tecnica Industrial, S. A. (Cerveceria Cuauhtemoc, S. A.)	816	Bottling machinery and equipment (Barry Wehmiller Export Sales)	8-30-56	34,125.00
Cerveceria Cuauhtemoc, S. A.	835	Brewhouse equipment (The Phaudler Co.)	9-28-56	43,200.00
Sosa Texcoco, S. A.	824	Evaporating equipment (Whiting Corp.)	9- 6-56	17,700.00
Textiles Monterrey, S. A.	830	Textile machinery (Saco-Lowell Shops)	9-19-56	12,000.00
Malta, S. A.	834	Flour mill equipment (Allis-Chalmers Mfg. Co.)	9-28-56	7,200.00
Banco Nacional de Credito Agricola, S. A.	836	Tractors and agricultural machinery (Minneapolis-Moline Co.)	10- 4-56	4,800.00
Banco Nacional de Credito Agricola, S. A. (Nac. Financiera, S. A.)	838	Beef and dairy cattle	10-10-56	5,000,000.00
Do	927	do	6-14-57	5,000,000.00
Do	871	Agricultural tractors (Minneapolis-Moline Co.)	12-18-56	55,000.00
Government of the State of Sonora (Nacional Financiera, S. A.)	839	Pump and diesel engine equipment (Fairbanks, Morse & Co.)	10-11-56	30,000.00
Pavimentos, S. A.	850	Mixing machine and loader (Equipment Supply Co.)	10-19-56	6,000.00
Milprint de Mexico, S. A.	852	Plastic extruder (Modern Plastic Machinery Corp.)	10-26-56	2,550.00
Textiles del Norte, S. A.	853	Textile looms (Draper Corp.)	10-26-56	7,700.00
Cementos Portland Moctezuma, S. A.	858	Clinker mill and equipment (Kennedy-Van Saun Mfg. & Engr.)	11-16-56	12,500.00
Pasteurizadora de los Productores de Leche, S. A.	859	Pasteurizing plant (Roberts Engineering Co.)	11-16-56	6,000.00
Abastecedora de Construcciones de Tampico Jose Mandelbaum y Cia. S. en N. C. de C. V. (Fomento de Tampico, S.A.)	861	Electric furnace (Lectromelt Furnace Co.)	11-21-56	9,500.00
Banco Nacional de Credito Agricola S. A. (Nac. Financiera, S. A.)	878	Prefabricated buildings (Butler International Co.)	1-11-57	89,000.00
Frigorificos America, S. A. (Ramiro G. Uranga et al.)	883	Ice manufacturing plant (Roberts Engineering Co.)	1-29-57	4,350.00
Nacional Financiera, S. A. (United Mexican States)	887	Steel-mill equipment- Altos Hornos de Mexico	2- 7-57	16,000,000.00
Ingenio La Joya, S. A. (Banco de Industrial y Comercio, S.A.)	890	Steam turbines (Murray Iron Works Co.)	2-14-57	33,400.00
Chapultepec, S. A. (Jose de J. Clark Flores)	900	Hydraulic pipe line dredge (Ellicott Machine Corp.)	3- 7-57	150,510.00
Constructora Malta, S. A. (Trebol Compania Constructora, S. A.)	901	do	3-15-57	171,800.00

AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Installments (Semiannually - Quarterly - Monthly)
\$ 3,412.00	\$ 214,088.00	\$	\$ 214,088.00		
	30,467.26	3,656.08	26,811.18		(\$3,657.74 of credit canceled)
					(Credit canceled)
	17,626.57	2,203.33	15,423.24		(\$73.43 of credit canceled)
	8,382.43		8,382.43		(\$3,617.57 of credit canceled)
	5,595.20	1,177.92	4,417.28		(\$1,604.80 of credit canceled)
	3,932.63	786.53	3,146.10		(\$867.37 of credit canceled)
	4,843,929.39		4,843,929.39	5	4 Ann. beg. 12-1-57 (\$156,070.61 of credit canceled)
5,000,000.00				5	4 Ann. beg. 11-1-58 (Credit canceled)
					Do
	5,304.60	1,515.60	3,789.00		(\$695.40 of credit canceled)
	2,501.55		2,501.55		(\$48.45 of credit canceled)
	7,680.00	3,840.00	3,840.00		(\$20.00 of credit canceled)
12,500.00					
	6,000.00	1,333.32	4,666.68		
9,500.00					
	88,680.00		88,680.00		(\$320.00 of credit canceled)
	4,298.52		4,298.52		(\$51.48 of credit canceled)
16,000,000.00				5 1/2	30 Sa. beg. 1-15-60
					(Credit canceled)
	150,510.00	12,542.50	137,967.50		
	171,720.00		171,720.00		(\$80.00 of credit canceled)

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## CURRENT CREDITS

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
LATIN AMERICA - continued				
Mexico - continued				
Omnibus de Mexico, S. A. de C. V. (Banco Nacional de Fomento Cooperativo, S. A. de C. V.)	909	Motor coaches (The Fixible Co.)	4-11-57	\$ 157,000.00
Cia. Papelera Maldonado, S. A. (Jorge Maldonado, et al)	923	Equipment for paper mill (The Sandy Hill Iron & Brass Works)	6- 7-57	620,000.00
Bosques de Chihuahua, S. de R. L.	A-6	Swivel clam carry lift loader	2-28-56	2,700.00
Montes y Valdes, S. A.	640-1	Construction equipment (Koehring Inter-American Co.)	6-27-55 Revolved	75,000.00 15,246.00 90,246.00
Servicio Agrícola, S. A.	599-1	Agricultural equipment (New Holland Machine Co.)	9- 1-55 Revolved	10,000.00 4,638.68 14,638.68
Do	599-2	do	7-20-56	7,000.00
Equipos Agrícolas, S. A.	636-1	Land levelers, graders, ditchers, etc. (Eversman Mfg. Co.)	9-22-55 Revolved	10,000.00 7,609.05 17,609.05
L. M. Byerly, S. A.	636-2	do	1-12-56 Revolved	10,000.00 2,499.74 12,499.74
Equipos Agrícolas, S. A.	748-1	Agricultural sprayers and equipment (Food Mach. & Chemical Corp.)	9-27-56	2,700.00
Abastecedores de Maquinaria, S. A.	667-1	Agricultural and industrial machinery (J. I. Case Co.)	10- 6-55 Revolved	90,000.00 23,760.74 113,760.74
Concretos Premezclados de Mixcoac, S.A.	631-1	Concrete mixers (Blaw-Knox Company)	10-28-55	12,580.00
Concretos Alta Resistencia, S. A. de C. V.	750-1	Truck-mounted concrete mixers (Construction Machinery Co.)	1- 3-55	44,500.00
Do	750-2	Transcrete truck mixers (Construction Machinery Co.)	6- 5-56	45,500.00
Concretos Alta Resistencia S. A. de C. V. (Banco del Pais, S. A. de C. V.)	750-3	do	2-28-57	48,000.00
Equipos Mecánicos, S. A.	687-1	Excavators and related equipment (Bucyrus-Erie Co.)	11-17-55	135,000.00
Cerveceria Cuauhtemoc, S. A.	711-1	Warehouse trucks and equipment (The Yale & Towne Mfg. Co.)	12-22-55	22,700.00
Trebol Compania Constructora, S. A.	610-1	Hydraulic pipe line dredges (Ellicott Machine Corp.)	1- 5-56	75,000.00
Equipos, S. A.	588-3	Power shovels and earth moving equipment (Thew Shovel Co.)	1-27-56	75,000.00
Pozos y Equipos del Pacifico, S. A.	663-2	Diesel and gas engines (Cummins Engine Co., Inc.)	2-28-56 Revolved	90,000.00 12,083.78 102,083.78
Maquinaria General del Occidente, S. A. (Kemper Marley)	737-3	Tractors, equipment, and generators (Caterpillar Tractor Co.)	3- 9-56	275,000.00
Maquinaria Diesel, S. A. (Justo A. Odriozola)	737-4	do	5-18-56 Revolved	200,000.00 10,502.67 210,502.67

AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Installments (Semiannually - Quarterly - Monthly)
\$	\$ 156,775.50	\$	\$ 156,775.50		(\$224.50 of credit canceled)
620,000.00					(Credit canceled)
65,564.25	24,681.75	15,246.00	9,435.75		
	9,277.35	4,638.68	4,638.67		(\$5,361.33 of credit canceled)
	6,382.80		6,382.80		(\$617.20 of credit canceled)
5,699.25	11,909.80	7,609.05	4,300.75		
2,500.80	9,998.94	2,499.74	7,499.20		
	2,025.00	675.00	1,350.00		(\$675.00 of credit canceled)
47,759.00	66,001.74	23,760.74	42,241.00		
	12,230.40	5,940.48	6,289.92		(\$349.60 of credit canceled)
	44,460.00	14,820.00	29,640.00		(\$40.00 of credit canceled)
	45,240.00	7,540.00	37,700.00		(\$260.00 of credit canceled)
	47,871.00		47,871.00		(\$129.00 of credit canceled)
					(Credit canceled)
	22,643.25	22,643.25			Repaid (\$56.75 of credit canceled)
	74,860.50	74,860.50			Repaid (\$139.50 of credit canceled)
75,000.00					
62,556.28	39,527.50	12,083.78	27,443.72		
258,899.87	16,100.13		16,100.13		
36,332.74	174,169.93	10,502.67	163,667.26		

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Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
<b>LATIN AMERICA - continued</b>				
<u>Mexico - continued</u>				
Maquinaria Diesel, S. A. (Justo A. Odriozola)	636-3	Land levelers, graders, etc. (Eversman Mfg. Co.)	10-11-56 \$ Revolved	24,000.00 10,486.65 34,486.65
Casa Wiesley, S. A.	637-4	Power shovels, cranes, draglines (Baldwin-Lima-Hamilton Corp.)	5-17-56	120,000.00
S. C. de Ejidatarios y Obreros del Ingenio Emiliano Zapata	723-1	Cane shredder, etc. (Graendler Crusher & Pulverizer Co.)	6-14-56	32,000.00
Fairbanks, Morse de Mexico, S. A.	578-5	Agricultural and allied equipment (The Oliver Corporation)	8-16-56	150,000.00
Industrial Avicola "Santa Rosa" S. A. (Jose N. Toledo Contreras)	730-1	Incubator combination and parts (Buckeye Incubator Co.)	8- 9-56	6,200.00
Minneapolis de Torreon, S. A.	587-4	Agricultural Implements (Minneapolis-Moline Co.)	9-27-56	75,000.00
Agromecanica, S. A. (Alfred B. Holt)	737-5	Tractors, earth moving equipment (Caterpillar Tractor Co.)	2- 7-57	150,000.00
Productora Ferretera Mexicana, S. A. (Sociedad Mexicana de Credito Industrial, S. A.)	660-1	Polishing machine and surface grinder (Sabin St. Germain & Associates, Inc.)	2- 8-57	16,400.00
Banco Nacional de Credito Ejidal, S. A. de C. V. (Nac. Financiera, S. A.)	854-1	Cotton gin equipment (The Murray Co. of Texas, Inc.)	5-17-57	232,000.00
Total				341,750,292.31
<u>Nicaragua:</u>				
Empresa de Luz y Fuerza Eletrica S. A. (Republic of Nicaragua)	496	Diesel power generator	5-24-51	600,000.00
Republic of Nicaragua	870	Construction of Inter-American Highway	12-12-56	2,000,000.00
Ministry of Finance	917	Motor graders and Traxcavators (Caterpillar Tractor Co.)	5-16-57	38,200.00
Banco Nacional de Nicaragua	578-3	Tractors and attachments (The Oliver Corp.)	9-29-55	300,000.00
Republica de Nicaragua	747-5	Trucks (Mack Trucks, Inc.)	12-31-56	336,000.00
Total				3,274,200.00
<u>Panama:</u>				
Republic of Panama	501	Financing unfunded obligations of hotel	7-26-51	1,500,000.00
Do	924	Construction of Inter-American Highway	6-14-57	12,850,000.00
Heurtematte & Arias, S. A.	609-2	Tractors and equipment (Massey-Harris-Ferguson, Inc.)	4-26-56	30,000.00
Total				14,380,000.00
<u>Paraguay:</u>				
Republic of Paraguay	337	Highway construction	5-18-42	3,000,000.00
Do	570	Asuncion water supply system	9- 2-54	7,000,000.00

AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Installments (Semiannually - Quarterly - Monthly)
\$	\$	\$	\$		
10,491.99	23,994.66	10,486.65	13,508.01		
120,000.00					
	30,567.89		30,567.89		(\$1,432.11 of credit canceled)
150,000.00					
	6,180.00	1,030.00	5,150.00		(\$20.00 of credit canceled)
55,289.05	19,710.95		19,710.95		
55,216.82	94,783.18		94,783.18		
	16,351.56		16,351.56		(\$48.44 of credit canceled)
					(Credit canceled)
100,305,253.94	209,204,313.16	94,773,716.02	114,430,597.14		
	600,000.00	300,000.00	300,000.00	4	10 Ann. beg. 5-21-53
2,000,000.00				5 1/4	30 Sa. beg. 8-1-59
38,200.00					
225,709.32	74,290.68	43,878.60	30,412.08		(Credit canceled)
2,263,909.32	674,290.68	343,878.60	330,412.08		
	1,500,000.00	638,305.82	861,694.18	4	120 Mos. beg. 10-10-52
12,850,000.00				5 1/4	60 Quar. beg. 7-31-62
30,000.00					
12,880,000.00	1,500,000.00	638,305.82	861,694.18		
	3,000,000.00	2,878,629.01	121,370.99	4	20 Sa. beg. 6-6-49
4,137,596.96	2,862,403.04		2,862,403.04	5	40 Sa. beg. 6-15-59

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
LATIN AMERICA - continued				
Paraguay - continued				
Republic of Paraguay	691	Reconstruction of airport	6-9-55	800,000.00
Total				10,800,000.00
Peru:				
Corp. Peruana del Santa (Republic of Peru)	368	Electrical equipment (Westinghouse Elec. Intl. Co.)	6-12-45	450,000.00
Cerro de Pasco Corp.	483	Zinc refinery and power equipment	8-3-50	14,000,000.00 6,800,000.00
Southern Peru Copper Corporation	547	Copper mining and refining equipment (Toquepala)	11-4-54	100,094,777.39
Marcona Mining Company	548	Iron ore mining equipment	7-15-53	2,500,000.00
Banco Central de Reserva del Peru (Republic of Peru)	627	Hospital equipment (American Hospital Supply Corp.)	3-11-55	1,330,000.00
Carrocerías Metalicas, S. A.	774	Bus body parts	2-28-56	32,000.00
The Peruvian Corporation Ltd.	798	Diesel electric locomotives	6-21-56	1,550,000.00
Rayon Peruana, S. A. (Banco Comercial del Peru)	804	Fertilizer producing machinery (Panamerican Consulting Co.)	6-28-56	66,000.00
Do	867	Sulphuric acid plant (Panamerican Consulting Co.)	12-3-56	19,000.00
Servicio del Agua Potable de Lima	817	Water meters (Rockwell Manufacturing Co.)	8-30-56	141,200.00
Cia. Industrial Filotex, S. A. (Banco Continental, Lima)	820	Yarn dyeing machinery (Gaston County Dyeing Mach. Co.)	8-31-56	4,600.00
A. y F. Wiese, S. A.	825	Asphalt plant and equipment (Barber-Greene Americas, Inc.)	9-6-56	3,120.00
Universal Textil, S. A.	833	Textile machinery (Saco-Lowell Shops)	9-27-56	11,000.00
Sociedad Químico Industrial Lima, Ltda.	837	Oxygen producing machinery (Air Products, Inc.)	10-4-56	7,800.00
Consorcio de Equipos de Construccion, S. A. (Banco Gibson, S. A.)	860	Concrete batching plant (Heltzel Steel Form & Iron Co.)	11-16-56	33,200.00
Empresa Inca, S. A. (Banco Internacional del Peru)	868	Bus chassis with diesel engines (White Motor Co.)	12-3-56	16,500.00
Do	869	Bus bodies (Superior Coach Corp.)	12-3-56	7,500.00
A. y F. Wiese, S. A., Lima, Peru (Banco Wiese, Ltda)	877	Asphalt plant (Barber-Greene Americas, Inc.)	1-11-57	17,000.00
Manufactura de Metales y Aluminio "Record", S.A., Fabrica de Aluminio y Metales, S.A. (Frederico G. Moli)	889	Aluminum extrusion equipment (Lombard Corp.)	2-8-57	91,000.00
Nicolini Hermanos, S. A. (Peruvian Banks)	891	Wheat	2-14-57	2,250,000.00
Enrique Ferreyros y Cia. S. A. (Carlos Ferreyros)	894	Low bed machinery trailers (Martin Machine Co.)	2-19-57	6,000.00

AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Int. %	Repayment Terms Principal Installments (Semiannually - Quarterly - Monthly)
	Disbursed	Repaid	Outstanding		
\$ 121,964.24	\$ 678,035.76		\$ 678,035.76	4 5/8	10 Sa. beg. 11-15-56
4,259,561.20	6,540,438.80	2,878,629.01	3,661,809.79		
	444,158.84	444,158.84			Repaid (\$5,841.16 of credit canceled)
4,300,000.00	14,000,000.00		14,000,000.00	4 1/2	20 Sa. beg. 1-15-58
	2,500,000.00		2,500,000.00	4 1/2	20 Sa. beg. 7-15-60
82,000,000.00	18,094,777.39		18,094,777.39	5 1/8	30 Sa. beg. 8-15-61
	1,000,000.00	1,000,000.00			Repaid (\$1,500,000.00 of credit canceled)
81,200.00	1,248,800.00	436,800.00	812,000.00		
	31,971.42	7,992.86	23,978.56		(\$28.58 of credit canceled)
	1,550,000.00		1,550,000.00	5 1/4	20 Sa. beg. 10-1-58
	65,250.00	10,875.00	54,375.00		(\$750.00 of credit canceled)
	18,386.93		18,386.93		(\$613.07 of credit canceled)
					(Credit canceled)
	3,052.80	1,526.40	1,526.40		(\$1,547.20 of credit canceled)
	2,155.44	1,539.60	615.84		(\$964.56 of credit canceled)
					(Credit canceled)
					Do
	33,133.20		33,133.20		(\$66.80 of credit canceled)
16,500.00					
7,500.00					(Credit canceled)
91,000.00					
2,250,000.00				5 1/4	Drafts at 12 mos.
6,000.00					



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## CURRENT CREDITS

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
LATIN AMERICA - continued				
Peru - continued				
Fabritex Peruana, S. A. (Financiera Peruana, S. A.)	899	Textile looms (Crompton & Knowles Corp.)	3- 1-57	\$ 11,280.00
Sociedad Agrícola "Pucala" Ltda., S. A. (Stockholders or Comm. Bank)	907	Machinery and equipment for sugar mill (The Squier Corp.)	3-28-57	731,000.00
Cia. Nacional de Cerveza	910	Bottle-washing machinery (Barry-Wehmiller Export Sales Co.)	4-18-57	30,000.00
Do	911	Bottle-filling machinery (Crown Cork & Seal Co., Inc.)	4-18-57	7,500.00
Juan Magot, S. A.	581-1	Agricultural machinery (Minneapolis-Moline Co.)	4- 5-55	99,062.52
Comercial Industrial Peruana, S. A. (Banco Continental)	580-5	Tournapulls (LeTourneau-Westinghouse Co.)	6-28-56	16,000.00
Sociedad Agrícola "Pucala" Ltda., S. A.	581-1	Power plant equipment (The Worthington Corp.)	9-29-55	225,000.00
Consorcio de Equipos de Construcción, S. A. (Banco Gibson, S. A.)	581-4	Concrete mixers on trucks (Worthington Corp.)	10- 4-56	51,700.00
Do	581-5	Truck mixers (Worthington Corp.)	3-15-57	53,300.00
Corporacion Peruana del Santa	664-1	Clam shell excavator (Harnischfeger Corp.)	7-14-55	24,000.00
Compania Peruana de Cemento Portland	664-3	Power shovel (Harnischfeger Corp.)	11-17-55	63,000.00
Supermarkets, S. A.	711-2	Warehouse truck (The Yale & Towne Mfg. Co.)	6- 6-57	3,900.00
Enrique Ferreyros & Cia., S. A. (Carlos Ferreyros)	737-2	Tractors and generators (Caterpillar Tractor Co.)	3- 8-56 Revolved	500,000.00 76,072.66 576,072.66
La Comercial Importadora, S. A. (Banco Union, Lima, Peru)	747-7	Fire engines and pumps (Mack Trucks, Inc.)	6-27-57	73,400.00
Gross Equipment S. A.	748-2	Agricultural and industrial equipment (Food Machinery and Chemical Corp.)	1-11-57	30,000.00
A. y F. Wiese, S. A. (Banco Wiese, Ltda.)	709-1	Fire fighting equipment (Ward La France Intl. Inc.)	3- 1-57	24,300.00
Total				131,450,212.57
Uruguay:				
Republic of Uruguay	331	Hydroelectric development	4-22-42	2,667,000.00
Do	331	do	4-22-42	9,333,000.00
Do	345	Highway construction equipment	2- 2-43	20,000,000.00
Do	492-A	Electric locomotives and spare parts (International Gen. Elec. Co.)	3- 8-51	2,538,100.00
Do	492-B	Electric locomotives and spare parts (American Locomotive Company)	3- 8-51	321,440.00
Cia. Siderurgica del Uruguay, S. A.	557	Steel-mill equipment	2-25-54	2,475,000.00

AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Instalments (Semiannually - Quarterly - Monthly)
\$ 11,280.00	\$	\$	\$		
731,000.00					
30,000.00					
7,500.00					
37,198.80	61,863.72	29,062.52	32,801.20		
	15,441.09	3,860.34	11,580.75		(\$558.91 of credit canceled)
	224,580.00	28,072.50	196,507.50		(\$420.00 of credit canceled)
	51,660.00	6,457.50	45,202.50		(\$40.00 of credit canceled)
	53,280.00		53,280.00		(\$20.00 of credit canceled)
	23,277.00	11,638.50	11,638.50		(\$723.00 of credit canceled)
					(Credit canceled)
3,900.00					
181,806.41	394,266.25	76,072.66	318,193.59		
73,400.00					
30,000.00					
24,300.00					
89,882,585.21	39,816,054.08	2,058,056.72	37,757,997.36		
	2,667,000.00	400,050.00	2,266,950.00	4	30 Sa. beg. 6-15-51
	9,333,000.00	4,799,100.00	4,533,900.00	4	Do
	2,295,000.00	2,032,200.00	262,800.00	4	25 Sa. beg. 5-15-47 (\$17,705,000.00 of credit canceled)
	2,284,290.00	2,284,290.00			Repaid (\$253,810.00 of credit canceled)
	321,440.00	321,440.00			Repaid  (Credit canceled)

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
LATIN AMERICA - continued				
Uruguay - continued				
Administracion Nacional de Puertos	623-2	Self-propelled cranes (Schield Bantam Co.)	10-28-55	\$ 88,000.00
Horacio Torrendell, S. A.	587-3	Tractors and power units (Minneapolis-Moline Co.)	11-10-55	110,000.00
Total				37,532,540.00
Venezuela:				
Hotel Tamanaco, C. A. (Banco Obrero)	365-A	Goods and services for hotel construction	4- 2-48	2,337,697.00
C. A. la Electricidad de Caracas (Corp. Venezolana de Fomento)	451	Diesel electric generator units	9- 8-48	1,950,000.00
Do	469	Electrical equipment (International Gen. Elec. Co., Inc.)	11-23-49	5,158,000.00
Republic of Venezuela, Ministry of Public Works	740	Quarico River Dam construction (S. J. Groves & Sons Co. et al)	9-15-55	4,125,000.00
Republic of Venezuela	799	Dredging project	6-25-56	3,500,000.00
Cia. Anonima Venezolana de Ceramica	832	Wall tile kiln	9-19-56	28,000.00
Lorenzo Bustillos M. & Cia. Suc. C. A.	840	Industrial trailers (Trailmobile, Inc.)	10-11-56	6,450.00
Do	841	Air compressors, drills, and air tools (Ingersoll-Rand Co.)	10-11-56	6,250.00
Do	842	Wood and metal working machinery (John D. Williams Export Corp.)	10-11-56	3,450.00
Do	843	Generators and welding equipment (Hobart Brothers)	10-11-56	6,100.00
Lorenzo Bustillos M. & Cia. Suc. C. A. (Lorenzo Bustillos M. et al)	919	Industrial trailers (Trailmobile, Inc.)	5-17-57	11,100.00
"Simar" Sociedades Industriales Marcotulli, C. A. (Banco Nac. de Descuento)	847	Asphalt batching plant (Standard Steel Corp.)	10-18-56	11,500.00
S. A. Eugene Capucio y Cia.	896	Heavy construction and earth moving equip- ment (LeTourneau-Westinghouse Co.)	2-28-57 Revolved	20,000.00 4,561.41 24,561.41
Do	897	Mining equipment (Pioneer Engineering Works, Inc.)	2-28-57	11,500.00
Aerovias Venezolanas, S. A. (AVENSA) (H. L. Boulton & Co., S. A.)	918	Aircraft and spare parts (Fairchild Engine and Airplane Corp.)	5-16-57	1,200,000.00
Sanchez & Cia., S. A.	925	Crushing equipment and asphalt plants (Baldwin-Lima-Hamilton Corp.)	6-14-57	37,500.00
C. A. Venezolana de Pulpa y Papel (Banco Union, et al)	926	Construction of paper mill	6-14-57	3,500,000.00
Corporacion Venezolana del Motor, S. A.	A-8	Heavy duty trucks	2-28-56	12,000.00
Oficina Tecnica Stubbins, C. A.	583-1	Materials-handling equipment and ditchers (Barber-Greene Co.)	2-16-56	85,000.00
Do	594-1	Industrial and construction equipment (Chain Belt Co.)	2-16-56	120,000.00

## AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Installments (Semiannually - Quarterly - Monthly)
\$	\$	\$	\$		(Credit canceled)
110,000.00					
110,000.00	16,900,730.00	9,837,080.00	7,063,650.00		
	2,335,617.85	400,391.88	1,935,225.97	4	35 Sa. beg. 7-27-54 (\$2,079.15 of credit canceled)
	1,801,873.82	1,801,873.82			Repaid (\$148,126.18 of credit canceled)
	5,051,960.23	4,541,960.23	510,000.00	4	10 Sa. beg. 8-1-53 (\$106,039.77 of credit canceled)
	4,094,468.57	3,276,712.79	817,755.78	6	5 Quar. beg. 7-31-56 (\$30,531.43 of credit canceled)
					(Credit canceled)
	13,624.73	2,441.26	11,183.47		(\$14,375.27 of credit canceled)
	6,365.61	1,591.40	4,774.21		(\$84.39 of credit canceled)
	3,868.31		3,868.31		(\$2,381.69 of credit canceled)
	3,064.70	766.18	2,298.52		(\$385.30 of credit canceled)
	4,563.10		4,563.10		(\$1,536.90 of credit canceled)
11,100.00					
	8,942.74	3,193.80	5,748.94		(\$2,557.26 of credit canceled)
341.32	24,200.09	4,541.41	19,658.68		
1,161.70	10,338.30		10,338.30		
1,200,000.00					
37,500.00					
3,500,000.00				5 1/2	10 Sa. beg. 2 yrs. from date of note (Credit canceled) Do Do

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CURRENT CREDITS

Country and Obligor (Guarantors In Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
LATIN AMERICA - continued				
<u>Venezuela - continued</u>				
Cia. Anon. La Electricidad de Caracas	620-1	Steam boiler (Babcock & Wilcox Co.)	5-23-55	\$ 184,100.00
C. Adrianza & Cia., S. A.	609-1	Tractors and related equipment (Massey-Harris-Ferguson, Inc.)	8-11-55 Revolved	75,000.00 19,488.59 94,488.59
S. A. Eugene Capucio & Cia., Sociedad Tecnica y Comercial	642-1	Agricultural and electrical equipment (Fairbanks, Morse & Co., Inc.)	12-13-55	100,000.00
Do	640-3	Power shovels and mixers (Koehring Inter-American Co.)	1-27-56	50,000.00
Do	580-3	Tractors and earthmovers (LeTourneau-Westinghouse Co.)	3- 9-56	80,000.00
Cia. Anonima Tecnomat	637-3	Power shovels, draglines, etc. (Baldwin-Lima-Hamilton Corp.)	1-19-56 Revolved	100,000.00 7,514.20 107,514.20
Total				22,750,191.20
<u>Miscellaneous Latin America:</u>				
Machine Affiliates Trading Corp.	473	Machine tools	2-15-50 Revolved	1,500,000.00 317,491.76 1,817,491.76
Amtea Corporation	559	do	5- 6-54 Revolved	3,000,000.00 45,820.25 3,045,820.25
Total				4,863,312.01
Total Latin America				2,158,358,738.74
OCEANIA				
<u>Australia:</u>				
State of South Australia (Commonwealth of Australia)	535	Equipment for uranium mining and process- ing	10- 9-52	5,937,509.27
Stanhill Holdings, Limited	829	Textile equipment	9-14-56	350,000.00
Total				6,287,509.27

AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Repayment Terms	
	Disbursed	Repaid	Outstanding	Int. %	Principal Installments (Semiannually - Quarterly - Monthly)
\$	\$ 181,341.22	\$ 54,402.36	\$ 126,938.86		(\$2,758.78 of credit canceled)
75,000.00	19,488.59	19,488.59			(Credit canceled)
38,406.92	41,593.08		41,593.08		Do
77,457.44	30,056.76	7,514.20	22,542.56		
4,940,967.38	13,631,367.70	10,114,877.92	3,516,489.78		
1,489,909.21	327,582.55	317,491.76	10,090.79		
2,930,782.78	115,037.47	45,820.25	69,217.22		
4,420,691.99	442,620.02	363,312.01	79,308.01		
701,564,075.76	1,331,475,372.86	481,310,535.95	850,164,836.91		
	5,937,509.27	1,537,814.89	4,399,694.38	4	14 Sa. beg. 7-1-55
	5,937,509.27	1,537,814.89	4,399,694.38		(Credit canceled)

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## CURRENT CREDITS

Country and Obligor (Guarantors in Parentheses)	Credit No.	U. S. Products Financed (Participating Exporters in Parentheses)	Credits Authorized	
			Date	Amount
OCEANIA - continued				
New Zealand:				
Government of New Zealand	556	Materials, equipment, and services for lumber, pulp, and paper project	2-11-54	\$ 16,000,000.00
Frederic W. Smith, Ltd.	578-2	Agricultural and industrial equipment (The Oliver Corp.)	9-1-55 Revolved	120,000.00 72,468.97 192,468.97
Total				16,192,468.97
Total Oceania				22,479,978.24
Total active credits				5,572,379,694.43
Terminated credits				2,708,394,001.54
				8,280,773,695.97
Add: Total participation in credits by others				210,335,995.67
Total authorizations				8,491,109,691.64

AND LOANS -- Continued

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Undisbursed Balance	Status of Loans			Int. %	Repayment Terms	
	Disbursed	Repaid	Outstanding		Principal Installments (Semiannually - Quarterly - Monthly)	
\$ 3,000,000.00	\$ 13,000,000.00	\$ 1,300,000.00	\$ 11,700,000.00	4 3/4	20 Sa. beg. 11-15-56	
90,008.50	102,460.47	72,468.97	29,991.50			
3,090,008.50	13,102,460.47	1,372,468.97	11,729,991.50			
3,090,008.50	19,039,969.74	2,910,283.86	16,129,685.88			
1,535,632,561.12	3,831,124,975.12	1,227,980,960.23	2,603,144,014.89		(\$ 205,622,158.19 of credits canceled)	
	1,573,033,379.04	1,573,033,379.04			(\$1,135,360,622.50 Do	
1,535,632,561.12	5,404,158,354.16	2,801,014,339.27	2,603,144,014.89		(\$1,340,982,780.69 Do	



## CUMULATIVE STATEMENT OF LOANS AND AUTHORIZED CREDITS

February 1934 - June 1957, Inclusive

Authorizations			\$8,491,109,691.64
Authorizations taken over by others, without recourse to Eximbank, cumulative:			
		<u>Area</u>	
Latin America		\$ 28,317,200.04	
Europe		168,018,795.63	
Asia		<u>14,000,000.00</u>	210,335,995.67
Cancellations and expirations			1,340,982,780.69
	<u>Export-Import</u>	<u>Commercial</u>	
	<u>Bank Funds</u>	<u>Bank Funds</u>	
Disbursements	\$4,947,200,336.02	\$456,958,018.14	5,404,158,354.16
Repayments	2,369,489,506.42	431,524,832.85	2,801,014,339.27
Outstanding loans	2,577,710,829.60	25,433,185.29	2,603,144,014.89
Authorizations not disbursed			1,535,632,561.12
Total of outstanding loans and balance of authorizations not disbursed			4,138,776,576.01
Lending authority assigned by Bank under provisions of Public Law 30 - 83rd Congress - for cotton insurance			50,000,000.00
Uncommitted lending authority			811,223,423.99

EXPORT-IMPORT BANK OF WASHINGTON  
Credits Authorized July 1 to December 31, 1957

<u>Country and Obligor</u>	<u>Credit Number</u>	<u>Purpose (Name of Supplier in parenthesis)</u>	<u>Credit Authorized Date</u>	<u>Amount</u>	<u>Interest %</u>	<u>Repayment Terms</u>
<u>ASIA</u>						
(2) <u>India</u> National Rayon Corporation, Ltd.	949	For rayon tire cord plant (Rayon Consultants Inc.)	10- 4-57	\$ 1,800,000		
(1) <u>Indonesia</u> Republic of Indonesia	964	Aircraft and spare parts (Convair Division of General Dynamics Corp.)	11-22-57	1,781,000	5 1/2	10 Sa. beg. 7-31-58
(2) <u>Iran</u> Diesel White Co., Ltd.	663-3	Diesel engines (Cummins Diesel Exp. Corp.)	11-14-57	11,000 (increase & revolving)		
(2) Do	643-1	Truck chassis (The White Motor Company)	12-31-57	81,000		
(2) The Millard Company, Ltd.	747-6	Truck chassis (Mack Trucks, Inc.)	12-10-57	46,500 (increase)		
(1) <u>Japan</u> Government of Japan or The Bank of Japan	928	Agricultural commodities	7- 2-57	115,000,000	4 1/2	Drafts at 12 months
(1) Tohoku Electric Power Co.	932	Turbo generating unit (Intl. Gen. Elec. Co.)	7-23-57	7,300,000	5 1/2	16 Sa. beg. 3-1-60
(1) Fuji Iron & Steel Co., Ltd.	935	For expansion of steel mill	8- 1-57	10,300,000	5 1/2	20 Sa. beg. 12-15-59
(1) Tokyo Electric Power Co.	944	Turbo generating unit	9-12-57	4,800,000	5 3/4	30 Quar. beg. 4-5-59
(1) The Bank of Japan	947	Cotton	9-13-57	60,000,000	4 1/2	Drafts at 12 mos.
(1) Kyushu Electric Power Co., Inc.	962	Turbo generating unit (Westing- house Electric Intl. Co.)	11-14-57	5,000,000	5 3/4	34 Sa. beg. 3-1-60
(1) Yawata Iron & Steel Co., Ltd.	969	Expansion of steel mill	12-13-57	26,000,000	5 3/4	24 Sa. beg. 3-31-61
(1) The Chubu Electric Power Co.	970	Turbo generating unit	12-13-57	6,700,000	5 3/4	34 Sa. beg. 3-15-60

See footnotes Page 7.

DEBT CEILING INCREASE

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	Country and Obligor	Credit Number	Purpose (Name of Supplier in parenthesis)	Credit Authorized		Interest %	Repayment Terms
				Date	Amount		
	<u>Pakistan</u>						
(2)	Pakistan International Airlines	953	Aircraft and spare parts (Lockheed Aircraft Corp.)	10- 9-57	\$ 2,828,000		
(2)	Do	954	Aircraft spare parts (Curtiss-Wright Corp.)	10- 9-57	456,500		
			TOTAL ASIA		\$242,104,000		
	<u>EUROPE</u>						
	<u>Austria</u>						
(1)	Lambacher Flachsspinnerei	956	Textile machinery	10-24-57	16,500	6	6 Sa. beg. 6 mos. from dates of notes
(1)	Oesterreichisch-Alpine Montangesellschaft (ALPINE)	913	Steel mill equipment	10-31-57	8,150,000 (Increase)	5 3/4	27 Sa. beg. 8-15-62
	<u>Belgium</u>						
(2)	Van Thuyne's N. V.	886-1	Concrete block machine and attachments (Besser Co.)	11-29-57	38,000		
	<u>Denmark</u>						
(2)	Georg E. Mathiasen, Aktieselskabet	744-8	Steam generators (Clayton Manufacturing Co.)	8- 1-57	3,350		
(2)	Do	744-9	Steam generators, heaters, and dynamometers (Clayton Mfg. Co.)	8-22-57	20,000 (Revolving)		
	<u>France</u>						
(2)	Compagnie Nationale Air France	945	Jet aircraft, spare engines and parts (Boeing and United Aircraft)	9-12-57	46,000,000		
	<u>Iceland</u>						
(2)	Rafmagnsveita Reykjaví	579-4	Steam boiler (Combustion Engineering, Inc.)	11- 5-57	115,000		
	<u>Italy</u>						
(1)	FIAT, S.p.A.	931	Equipment for automobile production	7-23-57	5,000,000	5 1/2	10 Sa. beg. 6-15-59

	<u>Country and Obligor</u>	<u>Credit Number</u>	<u>Purpose (Name of Supplier in parenthesis)</u>	<u>Credit Authorized</u>		<u>Interest %</u>	<u>Repayment Terms</u>
				<u>Date</u>	<u>Amount</u>		
	<u>Spain</u>						
(1)	Red Nacional de los Ferrocarriles Espanoles (RENFE)	955	Diesel locomotives, tools, and equipment	10-17-57	\$ 8,000,000	5 3/4	20 Sa. beg. 3-31-60
	<u>Sweden</u>						
(2)	Anglo-Nordic Traktor A/B	580-7	Tournapull (LeTourneau-Westinghouse Co.)	8- 1-57	10,000		
			<b>TOTAL EUROPE</b>		<u>\$67,352,850</u>		

LATIN AMERICA

	<u>Brazil</u>						
(2)	Cia. de Armazens Gerais do Estado de Pernambuco	936	Tractors (Allis-Chalmers Mfg. Co.)	8- 6-57	69,600		
(1)	Acos Villares, S. A.	940	For expansion of steel foundry	8-22-57	2,320,000	5 3/4	12 Sa. beg. 1-15-60
(1)	Soc. Tecnica de Fundicoes Gerais, S. A.	943	For expansion of iron foundry	9- 5-57	2,558,000	5 3/4	12 Sa. beg. 5-15-60
(2)	Vemag S/A, Veiculos e Maquinas Agricolas	609-5	Tractors and graders (Massey-Harris-Ferguson, Inc.)	9- 5-57	56,000		
(2)	Figueras, S. A.	737-10	Diesel tractors (Caterpillar Tractor Co.)	9- 5-57	64,000		
(2)	Do	958-3	Disk plowing harrows (Rome Plow Co.)	11-15-57	30,000		
(2)	Cia. Brasileira de Maquinaria	951	Agricultural equipment (Allis-Chalmers Mfg. Co.)	10- 9-57	66,300		
(2)	Do	952	Diesel cane tractors (Thomson Machinery Co., Inc.)	10- 9-57	32,100		
(2)	Cia. de Armazens Gerais do Estado de Pernambuco (CAGEP)	776	Grain storage elevators (Black, Sivalis & Bryson, Inc.)	10-24-57	182,000 (Increase)		
(2)	Lion, S. A., Engenharia e Importacao	737-11	Tractors and sub-soilers (Caterpillar Tractor Co.)	11- 5-57	93,000		
(2)	Do	958-1	Disk plowing harrows (Rome Plow Co.)	11- 5-57	36,000		
(2)	Estabelecimentos James Frederick Clark, S. A.	737-12	Diesel tractor (Caterpillar Tractor Co.)	11- 5-57	6,300		

	Country and Obligor	Credit Number	Purpose (Name of Supplier in parenthesis)	Credit Authorized		Interest %	Repayment Terms
				Date	Amount		
	<u>Brazil - continued</u>						
(2)	Estabelecimentos James Frederick Clark, S. A.	958-2	Disk plowing harrow (Rome Plow Co.)	11- 5-57	\$ 550		
(2)	Sotreq S. A. de Tratores e Equipamentos	737-13	Diesel tractors (Caterpillar Tractor Co.)	11-15-57	89,000		
(2)	Do	958-4	Disk plowing harrows (Rome Plow Co.)	11-15-57	15,300		
(2)	Importadora de Ferragens, S. A.	958-5	do	11-22-57	1,200		
(2)	Do	737-14	Diesel tractors and attachments (Caterpillar Tractor Co.)	11-22-57	14,800		
(2)	Martin, Representacoes e Comercio, S. A.	737-15	do	11-29-57	22,100		
(2)	Do	958-6	Disk plowing harrows (Rome Plow Co.)	11-29-57	4,400		
(2)	Cia. Distribuidora Agro-Industrial	961-1	Diesel tractors and attachments (Allis-Chalmers Mfg. Co.)	11-29-57	18,900		
(2)	Do	965	Diesel cane tractor (Thomson Machinery Co., Inc.)	11-29-57	2,400		
(2)	Oscar Amorim, Comercio, S. A.	737-16	Diesel tractors and attachments (Caterpillar Tractor Co.)	12- 5-57	29,900		
(2)	Do	958-7	Disk plowing harrows (Rome Plow Co.)	12- 5-57	13,800		
(2)	Alaggio, S. A.	587-5	Tractors and harvester combines (Minneapolis-Moline Co.)	12-10-57	75,000		
(2)	Parana Equipamentos, S. A.	737-17	Diesel tractors and attachments (Caterpillar Tractor Co.)	12-13-57	38,000		
(2)	Do	958-8	Disk plowing harrows (Rome Plow Co.)	12-13-57	24,000		
(2)	Servicos Aereos Cruzeiro do Sul, S. A.	971	Aircraft and spare parts (General Dynamics-Convair)	12-31-57	2,105,525		
(1)	Cia. Brasileira de Material Ferroviario (COBRASMA)	972	Equipment for manufacture of axles and parts	12-31-57	1,620,000	5 3/4	12 Sa. beg. 12-15-59
(1)	Cobrasma-Rockwell Eixos S.A.	973	do	12-31-57	5,320,000	5 3/4	12 Sa. beg. 9-15-60
	<u>Chile</u>						
(1)	Banco Central de Chile	937	Capital goods	7-18-57	12,500,000	5 1/2	12 Quar. beg. 1-1-59
	<u>Colombia</u>						
(1)	Banco de la Republica	930	Refinance purchase of U. S. products	7-18-57	60,000,000	5 1/2	12 Quar. beg. 15 mos. after date of note

<u>Country and Obligor</u>	<u>Credit Number</u>	<u>Purpose (Name of Supplier in parenthesis)</u>	<u>Credit Authorized Date</u>	<u>Amount</u>	<u>Interest %</u>	<u>Repayment Terms</u>
<u>Costa Rica</u>						
(2) Beeche & Fait, Ltda., and Quiros & Ulate, Ltda.	747-8	Dump trucks (Mack Trucks, Inc.)	7-23-57	\$ 133,500		
(2) Machinery & Tractors, Ltd.	725-1	Semi-trailers (Fruehauf Trailer Co.)	8- 6-57	6,800		
(2) Do	747-9	Truck tractors (Mack Trucks, Inc.)	8- 6-57	16,100		
(2) Beeche & Fait, Ltda., and Quiros & Ulate, Ltda.	959	Concrete mixers (Chain Belt Co.)	10-31-57	22,000		
<u>Cuba</u>						
(1) Cuban Telephone Co.	960	Expansion of telephone system	10-31-57	17,500,000	6	30 Sa. beg. 12-15-59
<u>Guatemala</u>						
(2) F. Kong e Hijos, Ltda.	654-1	Plant for shortening & salad oils (Wurster & Sanger Intl. Inc.)	8-15-57	165,000		
<u>Honduras</u>						
(1) Cia. Azucarera Hondurena, S. A.	934	For expansion of sugar mill	8- 1-57	1,000,000	5 1/2	4 Ann. beg. 12-1-58
<u>Mexico</u>						
(2) Zinc Nacional, S. A.	929	Spray dryer (Bowen Engineering, Inc.)	7- 9-57	15,855		
(2) Cerveceria Moctezuma, S. A.	711-3	Lift trucks and parts (The Yale & Towne Mfg. Co.)	7-12-57	161,600		
(2) Do	885-1	Water purification equipment (The Permutit Company)	7-23-57	18,850		
(2) L. M. Byerly, S. A.	636-2	Land levelers, graders, ditchers, etc. (Eversman Mfg. Co.)	8- 6-57	10,000		
(2) Tractores e Implementos de Sinaloa, S. A.	636-4	Land levelers and scrapers (Eversman Manufacturing Co.)	8- 6-57	21,000	(Increase & Revolving)	
(2) Embotelladora la Favorita, S. A.	711-4	Industrial warehouse truck (The Yale & Towne Mfg. Co.)	8-15-57	2,800		
(2) Cerveceria Cuauhtemoc, S. A.	941	Tin can plant	8-23-57	350,000(P)		
(1) Cia. Fundidora de Fierro y Acero de Monterrey, S. A.	801	Expansion of steel mill	10-31-57	16,000,000	5 3/4	30 Sa. beg. 6-15-61
(2) Cerveceria Moctezuma, S. A.	957	Conveyor machinery (Alvey Conveyor Mfg. Co. & Alvey Conveyor Engineering Co.)	10-24-57	140,000	(Increase)	
(2) Do	968	Pasteurizers (Barry-Wehmiller Machinery Co.)	12-10-57	201,000		

DEBT CEILING INCREASE

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DEBT CEILING INCREASE

	<u>Country and Obligor</u>	<u>Credit Number</u>	<u>Purpose (Name of Supplier in parenthesis)</u>	<u>Credit Authorized</u>		<u>Interest %</u>	<u>Repayment Terms</u>
				<u>Date</u>	<u>Amount</u>		
	<u>Mexico - continued</u>						
(2)	Concretos Alta Resistencia, S. A. de C. V. et al	750-4	Truck-mounted concrete mixers (Construction Machinery Co.)	11-22-57	\$ 46,000		
(2)	Triplay de Parral, S. A.	967	Equipment for manufacture of plywood (E. V. Prentice Co.)	12-10-57	116,700		
(2)	Abastecedores de Maquinaria, S. A.	664-5	Diesel engines and generator sets (Harnischfeger Corp.)	12-31-57	54,000		
	<u>Panama</u>						
(2)	Empresas Panamenas, S. A.	580-9	Tournapulls with scrapers (LeTourneau-Westinghouse Co.)	9-26-57	23,000		
	<u>Peru</u>						
(2)	Republic of Peru	933	Hospital equipment (American Hospital Supply Corp.)	8- 1-57	280,000(P)		
(2)	S. A. Fabrica Nacional Textil "El Amazonas"	938	Textile machinery (Whitin Machine Works)	8-15-57	9,800		
(2)	Herbert Telge	789-2	Water pumps & related equipment (Jacuzzi Bros., Inc.)	8-23-57	30,000		
(2)	Enrique Ferreyros & Cia., S. A.	946	Fish meal plant (Standard Steel Corporation)	9-13-57	48,000		
(2)	Juan Magot, S. A.	942-1	Turbine and centrifugal pumps (The Deming Company)	9- 5-57	15,000		
(2)	Carrocerias Metalicas, S. A.	948	Bus body parts (Divco-Wayne Corporation)	10- 3-57	36,000		
(1)	Marcona Mining Company	963	Iron ore beneficiation plant	11-14-57	10,000,000	6	20 Sa. beg. 6-10-60
(2)	Comercial Industrial Peruana, S. A.	580-10	Tournatractor (LeTourneau-Westinghouse Co.)	12-13-57	13,000		
	<u>Venezuela</u>						
(2)	S. A. Eugene Capucio y Cia.	580-8	Drills, air compressors & related equipment (LeTourneau-Westinghouse Co.)	8-30-57	65,000		
(2)	Comanil, C. A.	642-2	Truck and industrial scales (Fairbanks, Morse & Co.)	9-10-57	31,000		

	<u>Country and Obligor</u>	<u>Credit Number</u>	<u>Purpose (Name of Supplier in parenthesis)</u>	<u>Credit Authorized</u>		<u>Interest %</u>	<u>Repayment Terms</u>
				<u>Date</u>	<u>Amount</u>		
(1)	<u>Misc, Latin America</u> American & Foreign Power	939	Construction programs of sub- sidiaries	8-22-57	\$ 25,000,000	5 7/8	21 Ann. install. beg. 10-1-62
			TOTAL LATIN AMERICA		<u>\$158,940,180</u>		
			TOTAL CREDITS AUTHORIZED		<u>\$468,397,030</u>		

EXPORTER CREDIT LINES

2 Increases	\$ 115,000
4 Authorized	<u>11,300,000</u>
	<u>\$11,415,000</u>

- (1) Designates credit authorized on request of Overseas purchaser of U. S. products.  
 (2) Designates credit authorized on request of U. S. exporter or financial institution.  
 (P) Designates Eximbank participation in credit extended by U. S. financial institution.



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<u>Country and Obligor</u>	<u>Credit Number</u>	<u>Purpose</u>	<u>Credit Authorized</u>	
			<u>Date</u>	<u>Amount</u>
<u>ALLOCATIONS UNDER CREDITS PREVIOUSLY AUTHORIZED</u>				
<u>AFRICA</u>				
<u>Union of South Africa</u>				
Merriespruit Gold Mining Company, Limited	498-Z	Mining equipment, materials and services	7- 2-57	\$ 126,683 (Increase)
Buffelsfontein Gold Mining Company, Limited	498-1-B	do	7- 9-57	723,900 (Increase)
Do	498-1-C	do	7- 9-57	900,600
Hartebeestfontein Gold Mining Company, Ltd.	498-1-A	do	10-17-57	1,416,023 (Increase)
<u>ASIA</u>				
<u>Indonesia</u>				
Republic of Indonesia	472-1	Cement plant	12-13-57	700,000 (Increase)
<u>Iran</u>				
Imperial Government of Iran	577-C	Diesel locomotives and steam generators	7- 9-57	10,000,000
<u>Philippines</u>				
China Banking Corporation				
<u>Approved transactions:</u>				
Transport Contractors, Inc.	538-A-5	Machinery, equipment, materials, and services	10-30-57	83,000
Ysmael Steel Mfg. Co.	538-A-6	do	11-14-57	68,000
Kaw Sek & Co.	538-A-7	do	11-26-57	19,000
Central Macaroni Co., Inc.	538-A-8	do	12- 4-57	22,000
Philippine Bank of Communications				
<u>Approved transactions:</u>				
Insular Yebano Tobacco Corp.	538-B-4	Machinery, equipment, materials, and services	9-16-57	88,000
Mahogany Products (Phil.) Inc.	538-B-5	do	11-25-57	35,000

<u>Country and Obligor</u>	<u>Credit Number</u>	<u>Purpose</u>	<u>Credit Authorized</u>	
			<u>Date</u>	<u>Amount</u>
<u>Philippines - continued</u>				
<u>Prudential Bank &amp; Trust Co.</u>				
<u>Approved transactions:</u>				
Crown Textiles Corp.	538-D-5	Machinery, equipment, materials, and services	11-19-57	\$ 41,000
<u>Philippine Bank of Commerce</u>				
<u>Approved transactions:</u>				
Ormoc Sugar Co., Inc.	538-F-1	Machinery, equipment, materials, and services	11-22-57	70,000
Paramount Textile Mills, Inc.	538-F-2	do	12- 6-57	250,000
Eastern Textile Mills, Inc.	538-F-3	do	12-12-57	111,000
<u>Central Bank of the Philippines</u>				
<u>Approved transactions:</u>				
International Textile Mills, Inc.	777-A-1	Capital goods and services	10- 9-57	788,427
P. Floro & Sons, Inc.	777-A-2	Equipment for a yarn mill	11-18-57	1,199,474
Luzon Stevedoring Co., Inc.	777-A-3	Equipment and services	11-22-57	1,224,140
Visayan Electric Co.	777-A-4	do	12- 9-57	1,170,410
Manila Bay Spinning Mills, Inc.	777-A-5	do	12-11-57	256,545
Superior Gas & Equipment	777-A-6	Machinery, equipment, construc- tion materials and services	12-20-57	141,645
Marikina Electric Light Co.	777-A-7	do	12-20-57	26,590
Cotabato Light & Power Co.	777-A-8	do	12-20-57	29,000
Pacific Pearl Button Craft	777-A-9	do	12-20-57	48,350
Mercelo Rubber & Latex Co.	777-A-10	do	12-20-57	31,843
General Textiles	777-A-11	Equipment and construction steel	12-31-57	852,762
<u>The First National City Bank of New York - Port Area Branch, Manila</u>				
<u>Approved transaction:</u>	777-B-1	Machinery, equipment, materials, and services	10-29-57	124,724

DEBT CEILING INCREASE

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<u>Country and Obligor</u>	<u>Credit Number</u>	<u>Purpose</u>	<u>Credit Authorized</u>			
			<u>Date</u>	<u>Amount</u>		
<u>LATIN AMERICA</u>						
<u>Argentina</u>						
Celulosa Argentina, S. A.	826-B-1	Equipment for pulp and papermaking facilities	12-20-57	\$ 6,500,000		
<u>Brazil</u>						
Cia. Paulista de Forca e Luz	523-A	Electric power development	11- 5-57	275,000		
				(Increase)		
Cia. Brasileira de Energia Electrica	523-C	do	11- 5-57	275,000		
				(Decrease)		
<u>Mexico</u>						
Cia. Electrica Mexicana del Centro, S. A.	760-B	Power construction program	10-17-57	29,280		
				(Increase)		
Cia. Electrica Mexicana del Sureste, S. A.	760-C	do	10-17-57	508,000		
				(Increase)		
Cia. de Electricidad de Merida, S. A.	760-F	do	10-17-57	537,280		
				(Decrease)		
TOTAL ALLOCATIONS				<u>\$27,048,116</u>		

Recapitulation of Authorizations  
July 1 to December 31, 1957

	<u>No.</u>	<u>Amount</u>
On request of Overseas purchasers of U. S. products	24	\$411,865,500
On request of U. S. exporters or financial institutions	64	56,531,530
	<u>88</u>	<u>\$468,397,030</u>
Total credit authorizations		
Exporter Credit Lines	<u>6</u>	<u>\$ 11,415,000</u>
Allocations under credits previously authorized	<u>34</u>	<u>\$ 27,048,116</u>

OFFICE OF THE TREASURER  
 ACCOUNTS DIVISION

Senator MARTIN. Just for information, I notice on page 3, "Reductions in number of uniformed forces, defense," \$328 million. Does that take into consideration increase in compensation in the Armed Forces?

Mr. BRUNDAGE. No; that is just a reduction in the numbers, and the pay that they are getting now. The increase comes in down below.

Senator MARTIN. All right; thank you.

Mr. BRUNDAGE. That comes in down below.

Senator MARTIN. Does the same apply to the item of \$615 million reduction of conventional weapons?

Mr. BRUNDAGE. That is more than offset by increase missile procurement flow; yes, sir.

Senator MARTIN. Thank you.

Senator MALONE. What do you call conventional weapons?

Mr. BRUNDAGE. It was the artillery used in World War II, and planes.

Senator MALONE. We used them in World War I, too.

Mr. BRUNDAGE. I hope we aren't buying anything we used in World War I.

Senator MALONE. I think you are. The Army had horse collars they used in the Mexican War stored up until 2 or 3 years ago. So, you are sending tanks and soldiers to all these nations and they are dead before the fight starts. Is that what you call the conventional weapons?

Mr. BRUNDAGE. The conventional weapons are the older equipment.

Senator MALONE. Are ships under the protection of the Air Corps looking for submarines 1,500 miles out from the shore—the surface ships that we are making, the flat tops—is that what you call conventional weapons that we have quit making?

Mr. BRUNDAGE. The conventional weapons that we have cut down are those replaced by the newer designs of missiles and the faster planes.

Senator MALONE. Those that are now obsolete since the World War, were makeshifts, the using flattops and keeping soldiers all over the world. Who do you think you are fooling?

Senator MARTIN. I wonder if the Senator would yield?

Senator MALONE. I want to know what he means by conventional weapons. I don't mind yielding.

Senator MARTIN. I want to say this: Military weapons have rapidly become obsolete. You don't fight a war with weapons you have on hand at the beginning of a war. War is a terrible thing, but it increases productivity. And when I say productivity, that is not only material output but also new discoveries and inventions. For example, in the line of medicine. War develops surgery and medicine more during a period of 2 or 3 years than probably 50 years of civilian life. The same applies to what we call the conventional weapons.

Mr. Chairman, but that is the situation, and it is hard for Mr. Brundage, or anyone else, to make an estimate of the direction or rate of obsolescence of military equipment.

Senator MALONE. I understand that perfectly, Mr. Brundage—but—

Mr. BRUNDAGE. This classification was made by the Department of Defense.

Senator MALONE. Let me finish, and then I will be glad to hear your answer.

Why do you continue for 25 years after the close of a war in which they were used what we call conventional weapons that nobody is ever going to use again? Just to keep some admirals or generals that can't do anything else on the job?

You have mentioned a very fine thing here, if you could just wipe everything out but your airpower and your missiles and your submarines and the things you are going to use, you don't need a debt-limit rise, you can put that money where you can really use it and lower the debt and the taxes.

But you come in here with a request for \$2 billion rise for something that is meant to keep people out of work in this country—that is what they are designed for, these four organizations that you are going into. They do nothing but loan money to American corporations and individuals going abroad to use that cheap labor and to the people in those nations. I didn't know that they were loaning money to nations, but I don't put it past them at all, because you have got the same crowd in these loaning agencies that you had 10 and 15 years ago. They haven't changed a thing.

And they haven't changed their viewpoint. Their viewpoint is, the more you scatter American capital all over the world to use the cheap labor and produce the stuff and bring it back under that free-trade act, the better off you are.

Now, you end up with a greater debt limit every year, but somehow or other, you fool yourself that you are saving money and making money. I don't know how you do it, but the thinking hasn't changed for 24 years.

Lord Keynes was quite a man beside a lot of people here that ought to know better.

The CHAIRMAN. Mr. Brundage, you have a reduction in Agriculture of \$651 million and then you have an increase in agriculture, an increase of \$305 million.

Mr. BRUNDAGE. We are separating the different programs at your request; some of them are decreasing and others are going up.

The CHAIRMAN. Reduction is made mainly, in Commodity Credit; is that right?

Mr. BRUNDAGE. That is right.

The CHAIRMAN. How can you control that?

Mr. BRUNDAGE. Well, we were providing for everything that we are required to do by law.

The CHAIRMAN. How have you reduced the Commodity Credit Corporation's operations by \$651 million?

Mr. BRUNDAGE. The detailed schedule gives a little more information, Senator. It is on page 4 of the accompanying schedule, \$432 million is the decrease reflected in purchases of commodities. The prices of certain products were estimated lower, and the produced quantities are expected to decrease, because of the soil bank, the conservation reserve part of the soil bank.

The CHAIRMAN. Part of the soil bank terminates with crop-year 1958, does it not?

Senator JENNER. Suppose, Mr. Chairman, that Congress decided that it shall not terminate, because we have a new program of some kind—of course, naturally that can't be reflected in this statement—in other words, you are anticipating that Congress will go along with this present proposal?

Mr. BRUNDAGE. That is right.

Senator WILLIAMS. That is the only basis you could operate on.

Mr. BRUNDAGE. That is right.

The CHAIRMAN. The soil bank termination is one of the things that Congress is nearly certain to go along with.

Are there any further questions?

Senator MALONE. Is he through reading his statement?

The CHAIRMAN. He has explained the reductions, and next are the larger increases.

Mr. BRUNDAGE. The largest increases are the: Development loan fund of the mutual security program, \$154 million.

These are expenditures, by the way, coming out of previous operations.

Atomic Energy Commission, \$250 million.

The CHAIRMAN. This development loan fund is in the category of foreign loan facilities, that you will furnish a report on?

Mr. BRUNDAGE. Yes.

The CHAIRMAN. It is a new fund. It is for the purpose of loaning under the mutual security program. They are soft loans.

Senator FREAR. That is handled by the Export-Import Bank, is it not?

Mr. BRUNDAGE. It is being supervised by a committee of three including the president of the Export-Import Bank, that is right.

Senator FREAR. That is a better term supervised.

Mr. BRUNDAGE. Atomic Energy Commission is going up \$250 million.

The National Science Foundation, \$68 million.

Veterans' compensation and pensions, \$125 million.

HHFA for housing grants and mortgages, \$283 million.

Agriculture conservation reserve, REA, and other programs, \$305 million.

Commerce, principally CAA and Maritime, \$189 million.

Defense missiles, atomic ships, SAC dispersal, research and development, and Cordiner pay proposals, \$2,015 million.

HEW, principally scientific education, \$156 million.

Development of natural resources, Corps of Engineers and Bureau of Reclamation, \$82 million.

Postal pay increase, \$160 million.

The CHAIRMAN. What percent is the postal increase?

Mr. BRUNDAGE. That is 6 percent.

Classified pay increase other than defense, \$179 million.

The CHAIRMAN. That is also 6 percent?

Mr. BRUNDAGE. That is also 6 percent minimum, with some release from the compression at the top grades.

Senator WILLIAMS. And they are also based upon the assumption that, whatever the debt, the increase would be 6 percent, and the effective date would be July 1?

Mr. BRUNDAGE. That is correct, Senator.

Senator WILLIAMS. And, on any effective date prior thereto, would be increases in these accounts?

Mr. BRUNDAGE. That is right. That would affect 1958.

Proposed provisions for defense and other contingencies, \$600 million.

Five hundred is Defense contingencies, and increase in other contingencies is \$100 million.

Other increases which are detailed in the accompanying statement, \$292 million.

Mr. Chairman, this analysis of changes from 1958 to 1959 shows several things which are important to this committee in its consideration of legislation to change the legal debt limit.

The CHAIRMAN. Could you point out in these increases the new programs that are recommended that do not now exist?

Mr. BRUNDAGE. I don't know as we separated the new programs.

The CHAIRMAN. Would you mind showing the new programs that would be started?

Mr. BRUNDAGE. We will look that up.

(The material referred to follows:)

#### NEW PROGRAMS

##### ESTIMATED EXPENDITURES FOR FISCAL YEAR 1959

	<i>Million</i>
Federal Civil Defense Administration: Civil defense assistance to States..	\$20
Department of Defense—Military:	
Cordiner report.....	508
Civilian pay adjustment.....	205
Health, Education, and Welfare: Promotion of science and general education.....	75
Civilian pay adjustments:	
Postal employees.....	160
Classified employees (other than DOD).....	179
Specific items covered by "Allowance for contingencies":	
8th winter Olympic games.....	4
Registration and safeguarding of union and welfare and pension funds.....	3
Aid to medical-dental schools.....	3
Area assistance.....	11

Mr. BRUNDAGE. First, it shows our efforts to achieve economies. Our recommendations for appropriations and for legislation will lead to even greater savings after 1959. In view of the \$3,709 million of decreases proposed in the 1959 budget, I do not think that further decreases, that would appreciably ease our debt limit problem, can be made without undue risk to our national defense or without drastic changes in basic legislation going far beyond the practical recommendations of this administration.

Second, the analysis shows that holding budget expenditures in 1959 to the estimated total of \$73.9 billion will require congressional cooperation—cooperation not to increase recommended appropriations and cooperation to enact proposed legislation leading to economies. If some of the estimates in the budget should be raised by congressional action, the margin within the debt limit for seasonal borrowing for flexible debt management and for possible emergencies would be even smaller than anticipated.

Third, we must recognize that, when we are talking about the budget expenditures and receipts, we are talking about estimates that fluctuate, but when we talk about the debt limit we are considering a legally fixed figure. A slight variation in budget results as compared with budget estimates, especially as to the timing of receipts, could cause us serious trouble. In the week of March 18, 1957, deposits totaled \$7.5 billion.

If there had been a heavy storm, and there would be a delay, it might have caused embarrassment.

I have already mentioned, as has Secretary Anderson, the need for larger cash balance and the desirability of being able to go to the

market for refinancing at favorable times of the market rather than on the exact date when the securities to be refinanced fall due.

I won't read the detailing, but it will be put in the record.

(The tables accompanying the prepared statement of Mr. Brundage are as follows:)

*Decreases and increases in expenditures, 1959 compared with 1958, as shown in 1959 budget document*

[In millions]

	Decreases		In- creases	Remarks
	Under exist- ing legisla- tion	Under pro- posed legisla- tion		
Legislative branch.....	\$13	\$0	\$23	
The judiciary.....	0	0	2	
Executive Office of the President.....	0	0	0	
Funds appropriated to the President:				
Mutual security program.....	60	0		Reflects reduced appropriations for defense support in 1957 and 1958.
Do.....			179	Primarily increased disbursements from the recently established development loan fund.
Other.....	103	0	0	Substantially all of this reduction is in expansion of defense production, reflecting decreased deliveries of aluminum and titanium.
Independent offices:				
Airways Modernization Board.....	0	0	22	To accelerate research and development program to increase capacity of the Federal airways.
Atomic Energy Commission.....	0	0	250	Primarily for increase in raw materials, weapons, and reactor development.
Central Intelligence Agency.....	0	0	6	Construction of new building.
Civil Service Commission.....	1	0	0	Reflects more current reimbursements for investigations.
Commission on Civil Rights.....	0	0	1	For full-year cost of new agency.
Export-Import Bank.....	343	0		1958 includes loan to Great Britain.
Do.....			1	Decrease in receipts under old RFC loans.
Farm Credit Administration.....	0	0		Small decrease in estimated receipts.
Federal Civil Defense Administration.....	29	0		Reduction of procurement for stockpile of emergency supplies, etc.
Do.....			26	Primarily for new program to assist States.
Federal Communications Commission.....	0	0	1	To handle increasing workload.
Federal Home Loan Bank Board.....	5	0	0	Reflects anticipated increase in receipts from fees, insurance premiums, etc.
Federal Power Commission.....	0	0	1	Reflects recent rise in program level.
Federal Trade Commission.....	0	0	0	
General Accounting Office.....	0	0	3	For increased operations in the field.
Interstate Commerce Commission.....	0	0	1	Increase in motor carrier, regulatory, and compliance activities.
National Advisory Committee for Aeronautics.....	0	0	6	Primarily for stepup in research and development involving missiles, space vehicles, etc.
National Capital Planning Commission.....	0	0	1	Reflects increase in spending on long lead time land purchases.
National Labor Relations Board.....	0	0	1	To reduce backlog in unfair labor practices cases.
National Science Foundation.....	14	0		Termination of major costs for scientific equipment for International Geophysical Year.
Do.....			68	Primarily for increased grants to expand and improve education in the sciences and for basic research.
Renegotiation Board.....	0	0	0	
St. Lawrence Seaway Development Corporation.....	25	0	0	Project nearing completion.
Securities and Exchange Commission.....	0	0	1	Increase in work programed.
Selective Service System.....	0	0	1	To build up pool of registrants and to process records of standby reserve.
Small Business Administration.....	29	0		Receipts from collections available for refinancing will increase volume of new loans about the same.
Do.....			1	Decrease in receipts reflecting progress in liquidation of old RFC loans.



*Decreases and increases in expenditures, 1959 compared with 1958, as shown in 1959 budget document—Continued*

[In millions]

	Decreases		Increases	Remarks
	Under existing legislation	Under proposed legislation		
Independent offices—Continued				
Smithsonian Institution.....	\$0	\$0	\$6	For construction of new Museum of History and Technology and preparation of exhibits.
Tariff Commission.....	0	0	0	
Tennessee Valley Authority.....	0	0	19	Primarily for construction of new power facilities to meet needs of area.
U. S. Information Agency.....	0	0	7	Primarily for extension and intensification of program and for completion of major transmitter.
Veterans' Administration.....	272	0		Decrease in direct housing loans, program expires June 30, 1958 (\$150); readjustment benefits, reflecting decline in number of eligible veterans (\$103); decreased workload and economies in general operating expenses.
Do.....			127	Substantially all of increase (\$125) is in compensation and pensions, which reflects both normal growth in requirements and full-year cost of rate increases granted last fall.
Other independent agencies.....	5	0	0	Various economies.
General Services Administration...	54	0		Most of reduction is in stockpiling program (\$45) where purchases from defense production program are not expected and deliveries under old contracts will decline.
Do.....			20	For increased progress on site acquisition and design under lease-purchase program and small amounts under various other programs.
Housing and Home Finance Agency.	35	0		Increased receipts from operations in Federal Housing Administration.
Do.....			283	Expenditures and purchases of special assistance mortgages by FNMA under prior approvals. College housing and public facility loans expenditures also rise as do contributions for public housing and several other activities.
Department of Agriculture.....	651	0		Largest reduction (\$432) is in CCC, reflecting decrease in purchases of commodities. Soil Bank's acreage reserve shows decrease of \$117 reflecting decision to terminate program at end of 1958 crop year. Farmers' Home Administration loan disbursements also decrease by \$55.
Do.....			37	Larger disbursements on Rural Electrification Administration loans.
Do.....			268	Majority of increase is in Soil Bank's conservation reserve program (\$190) in lieu of continuing acreage reserve.
Department of Commerce.....	7			Various savings and economies.
Do.....		31		To transfer financing of forest highways and public lands highways to highway trust fund.
Do.....			189	Primarily in Civil Aeronautics Administration for stepped up program for modernizing air navigation facilities; Maritime activities increase \$20 for progress payments on ship construction.
Department of Defense:				
Military functions.....	1,095	0		Primarily reductions of military strength (\$328) and lessening payments for procurement of conventional aircraft (\$615). Economies in operation and maintenance and procurement of conventional ammunition account for the bulk of the remaining reductions.
Do.....			2,015	Accelerated production of missiles, missile ships and atomic submarines account for about \$580; intensified research and developments, \$274; construction of facilities for SAC and ballistic missiles, \$133; and proposed pay adjustments, military and civilian, \$713.

## Decreases and increases in expenditures, 1959 compared with 1958, as shown in 1959 budget document—Continued

[In millions]

	Decreases		Increases	Remarks
	Under existing legislation	Under proposed legislation		
Department of Defense—Con. Civil functions:				
Corps of Engineers.....	\$30	\$0		Primarily on older construction projects approaching completion.
Do.....			\$65	For 1957 and 1958 new construction starts.
Other.....	7	0		Completion of Panama Canal lock overhauls and minor adjustments.
Do.....			11	Mostly for replacement of facilities to be transferred to Republic of Panama under treaty commitments and first expenditures on construction of Panama Bridge.
Department of Health, Education, and Welfare.		7		To revise basis of grants for school operation and construction in federally affected areas.
Do.....	40			Largest decrease is in public assistance grants as result of payment in 1958 of certain 1957 obligations. In addition, there are numerous minor reductions.
Do.....			156	Primarily proposed new programs to fulfill critical national needs and to strengthen scientific and general educational capacity (\$75) and increased rate of spending on public health grants for projects approved in prior years (\$60).
Department of the Interior.....	33	0		Various economies and reductions.
Do.....			49	Bureau of Reclamation increases \$17, of which \$10 is for 1957 and 1958 construction starts, and acceleration of liquidation of prior year obligations for Indian services account for \$13.
Department of Justice.....	0	0	5	Increases because of larger workload; for the FBI, prisons and other activities.
Department of Labor.....	43	0		Smaller numbers of veterans and Federal employees eligible for unemployment benefits.
Do.....			32	Mostly because of increased claims and benefit workloads in grants to States for unemployment compensation and employment service administration.
Post Office Department.....	2	700	0	Proposed postal rate increase.
Department of State.....	15	0		Decrease reflects nonrecurring 1958 contribution for U. N. Emergency Force and various minor reductions.
Do.....			16	Principal increase is in construction of new State Department building. Smaller increases for strengthening Diplomatic and Consular Service and other programs.
Treasury Department.....	60	0		Various reductions and economies.
Do.....			10	Primarily for operation by Coast Guard of new loran stations.
District of Columbia.....	0	0	3	Increased disbursements under prior year loans.
Do.....			5	Federal payment to District of Columbia.
Allowance for proposed legislation and contingencies:				
Pay adjustment:				
Postal.....	0	0	160	
Other (excluding Department of Defense).....	0	0	179	
Defense contingencies.....	0	0	500	
Other contingencies.....	0	0	100	
Total.....	2, 971	738	4, 858	

NOTE.—Amounts of decreases and increases arrived at from analysis of individual items where amount of change is \$500,000 or more, i. e., would round to \$1 million or more. Thus, changes of less than \$500,000 appear as zero. Figures may also vary slightly because of rounding.

Senator JENNER. Mr. Chairman, I notice in this review and summary that Mr. Brundage asked to bring here that there is no place or no mention of a retirement, apparently, at least not in this budget, of debt. Now, you are an expert in accounting; I understand that is your background. Did you ever see a budget prepared that didn't provide for payment of some of the debt at some time?

Mr. BRUNDAGE. Well, Mr. Senator, in the case of the Federal budget we apply the surplus to the retirement of debt, and as you know, we have reduced our debt over \$3 billion in the last 2 fiscal years, fiscal 1956 and fiscal 1957. Now, if we provide for the retirement of debt in the regular budget, and we should have a deficit, we would be borrowing in order to pay off debt; it wouldn't mean anything, you see.

Senator JENNER. In other words, you apply any surplus to the payment of the debt.

Mr. BRUNDAGE. That is right, sir.

Senator JENNER. But you don't anticipate too much of a surplus under this budget?

Mr. BRUNDAGE. I am afraid not.

The CHAIRMAN. Mr. Brundage, I would like to ask if the figure of \$73,900,000 excludes expenditures from the free use of foreign currency owed to and owned by the United States?

Mr. BRUNDAGE. Well, it is taken into consideration, but the foreign currencies are used for certain specific purposes, available for certain purposes.

The CHAIRMAN. It is not included in the expenditure total of \$73,900,000?

Mr. BRUNDAGE. No. I have some figures on that. They are not in that.

The CHAIRMAN. Those foreign currencies are generated by the money that we send abroad?

Mr. BRUNDAGE. By the sale of agricultural products and other transactions, that is right.

The CHAIRMAN. I would like you to furnish a statement as to how much in expenditures of these foreign currencies is not included in this present budget expenditure total. And to make it more specific, first, how much foreign currency is being generated abroad from all United States programs, free use and otherwise. And, second, how much of that total is being generated by the agricultural trade development and assistance programs. And there are several others here. I will pass it on to you so you can please furnish that information.

Mr. BRUNDAGE. I had a statement prepared.

Here it is.

The CHAIRMAN. Will you read?

Mr. BRUNDAGE. It is quite a long one.

The CHAIRMAN. You might read the total of the expenditures and the full statement will be placed in the record.

(The following information is presented in response to the questions of the chairman with respect to foreign currencies:)

Questions 1 and 2. How much foreign currency is being generated abroad from all United States programs, free use and otherwise? How much of that total is being generated by the Agricultural Trade Development and Assistance Act programs?

Answer. Collections of foreign currencies during the fiscal year 1957, as reported in the Treasury Department's Report on Foreign Currencies in Custody of the Treasury Department, are listed below. Amounts are stated in millions of dollar

equivalents, converted at exchange rates as indicated. "Agreement rates" are the rates of exchange specified in the agreement which generated the currencies; "Treasury selling rates" are the most favorable rates at which currencies could be purchased from other sources by the agencies.

Available in whole or in part for expenditure without charge to dollar appropriations (valued at agreement rates):		1957
Mutual security agricultural sales proceeds .....	\$422.8	
Agricultural Trade Development and Assistance Act .....	1,011.1	
Available only for sale by Treasury to agencies and for congressional travel (valued at Treasury selling rates):		
Surplus property sales proceeds and lend-lease recoveries .....	53.5	
10 percent mutual security counterpart .....	10.6	
Informational media guaranty program .....	5.5	
Contributions for administration of military assistance abroad .....	11.2	
Contributions for United States forces in Japan .....	83.1	
Interest on deposits .....	3.9	
Other United States-owned currencies .....	25.2	
Total collections, United States-owned currencies .....	1,626.9	
Currencies held in trust (valued at Treasury selling rates) .....	9.1	
Total .....	1,636.0	

Approximately the same volume of receipts as in 1957 is anticipated for each of the fiscal years 1958 and 1959.

Although the term "counterpart" is sometimes used to describe all currencies received by the United States without payment of dollars, it technically applies only to deposits, under section 142 (b) of the Mutual Security Act, of foreign currency equal to the local sales value of the non-military-commodity aid provided to a country or the commensurate value of our dollar aid expenditures. At least 90 percent of the counterpart currencies are retained by the foreign country and are excluded from the collections shown above.

Mr. BRUNDAGE. This information is in the budget.

The CHAIRMAN. It is not included in the total of \$73,900,000; is that right?

Mr. BRUNDAGE. That is correct. The receipts—this is as of the date—all these figures were taken as of the most recent completely available date, and that was September 30, 1957. The total amounts of United States-owned local currency in the Treasury accounts as of that date were, in the first category, receipts from disposal of surplus agricultural commodities under Public Law 480, sales under title I, were \$1,195,230,000.

Senator MALONE. Is that dollars?

Mr. BRUNDAGE. That is expressed in dollar equivalents, yes.

Senator MALONE. Now, is that based on their fixing the price of their currency in terms of the dollar, or the market price of their currency?

Mr. BRUNDAGE. These are the conversion rates used by the Treasury; they differ.

Senator MALONE. And are they the rates set by the foreign nations, or are they the market price for their currency?

Mr. BRUNDAGE. The official rates of exchange, I think, in many cases; and in others they are the principal import rates, the rates at which most goods imported into those countries are purchased. I don't think it is the free market.

Senator MALONE. I see. I have been to all of these nations and one of the things I wanted to find out was how they do this. At the time I was there, for a dollar (which you were required to turn in at the central bank) you got 500 bolivianas, so there is a considerable difference. They would steal two-thirds of the dollar the first "go

round." That seemed all right to them because our State Department approved. It is not their fault; it is our fault. That is all I wanted to know. How would you recompute this, for the purpose of the information of this committee, on the exchange price of their money with the dollar and compare it? For example, let us take the franc in France. When I was there the first time during the First World War it was about five to the dollar. I was there the second time in 1947, and it was officially about 300 to the dollar, but on the streets you could get whatever you wanted for it, up to 500 francs. So it doesn't make any sense to take their estimate of their money. That is the way they have a dollar shortage—you have a dollar shortage, and I have one generally, just spending my income—but a nation can have it by fixing a price of their currency higher than the market, and nobody but a silly Congress will pay it. You understand that.

So I would like very much, for the information of this committee, if you would just look up the exchange price and compare the amount of money that we have of nations' currency on the world exchange.

I know that idea is entirely foreign to our State Department, Treasury, or anyplace else, and has been for 24 years. But I would like to have it.

Mr. BRUNDAGE. In some countries there are so many rates that I don't know what you call a free-market rate.

Senator MALONE. I know what it is, and you will, too, if you look at it. They call it a free-market rate or black-market rate.

Mr. BRUNDAGE. I have been abroad many times, and I have found it very difficult.

Senator MALONE. It is not difficult to see the difference between between the free-market rate and what they fix on our currency.

Mr. BRUNDAGE. We can give you a free market.

Senator MALONE. Chile, for example, has seven different prices on their currency, used according to what they wanted imported or didn't want imported, or whether they wanted to sell something or didn't want to sell something. It is not hard to understand.

The CHAIRMAN. You say it is \$1.2 billion.

Mr. BRUNDAGE. That is the biggest amount. There are some small receipts from other sources under the assistance programs.

The CHAIRMAN. That does not come into the Treasury of the United States?

Mr. BRUNDAGE. No; those all come into the Treasury, receipts under assistance programs of \$23.6 million.

The CHAIRMAN. I mean this \$1.2 billion which is not included in the budget as an expenditure; where is it?

Mr. BRUNDAGE. Well, it was treated as an expenditure, you see, when CCC bought the commodities. And so the commodities were exchanged for these foreign currencies—unless you brought it in, you couldn't treat it again as an expenditure.

The CHAIRMAN. But you could take it as a credit, then, couldn't you? There is over \$1 billion; where is that money?

Mr. BRUNDAGE. Senator Byrd, when you ask me if we could take this as a credit, I say then the question would arise if you would accept taking it as a credit at the official rate—I judge you wouldn't.

Senator MALONE. No foreign nation ever takes anything at an official rate. But we are the fall guys. We are the ones that pick up the check. But all we have to do is get our feet on the ground and

start being on the side of the taxpayers of America and talk about this money in terms of its real value.

Now, then, we keep the money, we don't accredit it to anything; why don't we collect the \$10? I mean, after all, I say it is foreign trade. You are giving it away. You know that just as well as I do.

Mr. BRUNDAGE. Under the law that Congress passed, under Public Law 480—

Senator MALONE. We understand that. It has been going on for 24 years.

Senator ANDERSON. Under this Public Law 480 program there was a specific provision that it be taken in soft currencies, was there not, and the Congress so directed?

Mr. BRUNDAGE. Yes.

Senator MALONE. Just like free trade and billions to Europe.

Senator ANDERSON. But the agricultural commodities were spoiling, and it was a matter of giving them away or selling them for soft currencies, and the decision was reached to sell them for soft currencies.

The CHAIRMAN. But this \$1.2 billion is converted into dollars, isn't it, the \$1.2 billion that you have on hand is converted into dollars?

Mr. BRUNDAGE. It isn't converted into dollars, no, it isn't convertible into dollars, it was merely—

The CHAIRMAN. The figure is—

Mr. BRUNDAGE. It is merely a converted estimate in order to get a figure for it; yes. It is a number of local currencies all over the world.

The CHAIRMAN. At the current rate of exchange, that represents \$1.2 billion?

Mr. BRUNDAGE. At the official or principal import rates of exchange.

The CHAIRMAN. The point I would like to know is, who controls that money; what is done with it?

Mr. BRUNDAGE. The Treasury has custody of it, and by law it may be used for the following purposes:

- A. To help develop new markets for United States agricultural commodities;
- B. To purchase strategic and critical materials for supplemental stockpile;
- C. To procure military equipment, facilities, and services for the common defense;
- D. For purchase of goods and services for friendly countries;
- E. For promoting balanced economic development and trade among nations.

And that is taken from the act.

- F. To pay United States obligations abroad;
- G. For loans to promote multilateral trade and economic development;
- H. For financing international educational exchange activities;
- I. For translation, publication, and distribution of books and periodicals abroad;
- J. For assistance to American-sponsored schools abroad as authorized by section 203 of the United States Information and Education Exchange Act of 1948.

The CHAIRMAN. Who signs the checks for paying this money out?

Mr. BRUNDAGE. The various agencies such as the ICA, Defense, State Department, and Agriculture Department are responsible for these kinds of activities, but they all have to go to the Treasury for it.

The CHAIRMAN. Do they go through the Treasury?

Mr. BRUNDAGE. Yes.

The CHAIRMAN. They are not signed in these other countries?

Mr. BRUNDAGE. I suppose it would be Treasury representatives abroad. But they have to go to the Treasury for the money.

The CHAIRMAN. Does it go officially through the Budget?

Mr. BRUNDAGE. Yes, sir; it goes through the Bureau of the Budget.

Senator MALONE. Mr. Chairman, I have to leave. Could I ask a couple of questions?

In the first place, we all understand that the way we trade horses is on the value that the other man puts on his horse. We have a lot of people in my State that like to value the horse themselves when they make a horse trade, or they don't trade. We understand that. And because we permit this, of course, we have before us a continual rise in the debt limit and a continual rise in the money that goes abroad and all that.

I would like to ask you a question, and if you don't have the answer, would you just provide it for the record. What is the total of all the domestic increases that you estimate for domestic purposes? We talk about flood control and reclamation; we talk about veterans; we talk about rural electrification, but what do these increases that you outline here all amount to in money?

Mr. BRUNDAGE. You mean for the year?

Senator MALONE. Yes.

Mr. BRUNDAGE. Well, it is in the detailed statement; I can put it together for you.

Senator MALONE. Put it together for the record, the total amount. What would you estimate it roughly to amount to?

Mr. BRUNDAGE. I don't know; I have some figures in my mind I couldn't—

Senator MALONE. I don't blame you. These must have you pretty well mixed up.

Senator JENNER. That table here shows 4,858 million; is that correct?

Mr. BRUNDAGE. I don't know whether that would include all of the items that Senator Malone was referring to.

Are you including defense in there?

Senator MALONE. I don't know. You get it for us and put it in the record.

If it is \$4 billion or a little over, that is just about the amount of money we are asked to appropriate this year to give to foreign nations; isn't it?

Mr. BRUNDAGE. The total increases for all programs are \$4,858 million.

(The material referred to follows:)

[In millions]

Total increases in expenditures, between 1958 and 1959, per previous schedule.....	\$4, 858
Of which the following might be designated "foreign:"	
Mutual security program.....	\$179
U. S. Information Agency.....	7
Department of State.....	16
	202
Remainder.....	4, 656
Of which the following are directly related to the military:	
Department of Defense.....	\$2, 015
Defense contingencies.....	500
	2, 515
Remainder (nonmilitary, domestic).....	2, 141

Senator MALONE. It is about \$4 billion that we are asked to give to foreign nations this year.

Mr. BRUNDAGE. To authorize; yes.

Senator MALONE. Well, I never heard of anything being authorized—

Mr. BRUNDAGE. We already have authorized more than \$4 billion.

Senator MALONE. I never heard of anything being authorized that you didn't finally spend. So it just means that we are going to give away the amount of money to foreign nations that you estimate may be the increase in domestic expenses if we go through with what—

Mr. BRUNDAGE. Both military and economic.

Senator MALONE. How much is military?

Mr. BRUNDAGE. I think it is \$2.2 billion.

Senator MALONE. \$2.2 billion from the \$4.8 billion, then, would be about \$2.6 billion, wouldn't it?

Mr. BRUNDAGE. Yes.

Senator MALONE. Well, about \$2.5 billion is domestic increases that you are talking about, not including national defense. And of course I have already told you, and it can be easily proven, you are spending \$15 billion that is not available at all, and have been for several years. There is no talk about trying to cut any of it out, we didn't hear anything from you on that account. But what I would like to know is how much money you are trying to save on domestic affairs.

You talk about veterans, you talk about rural electrification, you talk about flood control, you talk about reclamation, you talk about power development, I think when you get all through with it you find out that we are giving away more money than anybody has ever proposed that you spend while few expenditures have been made on flood control or reclamation or power or veterans, but the policy hasn't been set by Congress. Isn't that true?

Mr. BRUNDAGE. Yes.

Senator MALONE. In other words, on your flood control through the Middle West and the Ohio River, for 75 years we have been building flood-control projects when the Army engineers report shows that the benefits exceed the costs. We don't always build them when they say that, but we don't consider them unless they do. Isn't that true?

Mr. BRUNDAGE. That is right.

Senator MALONE. Then when you talk about reclamation and irrigation of public lands and other things, the policy has been set for nearly 60 years that you repay the money without interest, isn't that true?

Mr. BRUNDAGE. Yes.

Senator MALONE. It has been going on for that long.

Now, in the matter of expenditure for power or any commercial production, we set the policy on Hoover Dam (then Boulder Dam) and we set the rate of interest we pay at least as high as and probably higher than the Government pays for the money, isn't that true?

Mr. BRUNDAGE. Yes.

Senator MALONE. Then all of these things that you are trying to save money on are domestic things, and all the things that you are trying to spend money on are foreign things.

Mr. BRUNDAGE. That is not true.



Senator MALONE. You have got foot soldiers in 73 nations. They can't be there for anything at all except to hold up the economy of those nations, because they will be dead when the fight starts. They are sacrificial troops; everybody knows that.

Mr. BRUNDAGE. There is a large group that is afraid of the so-called peripheral wars.

Senator MALONE. Yes, and the man that started that last war in Korea ought to have been impeached. He would not let them win it and would not let them lose it. I have been in Korea; I was there before that war started. I would hate to try to describe to you what I think of anybody that will start a peripheral war with the weapons we now have. I think we would impeach the next man that did it.

Let me ask another question or two here. What you are asking for this year is approximately \$4 billion for foreign aid. That is about right; isn't it?

Mr. BRUNDAGE. That is right.

Senator MALONE. How much are you asking for—is that \$2 billion in addition to the \$5 billion already authorized, making it \$7 billion authorized for the Export-Import Bank?

Mr. BRUNDAGE. Two billion in addition to what you have authorized, yes.

Senator MALONE. And there is authorized \$5 billion.

Mr. BRUNDAGE. That is right.

Senator MALONE. Now, take the International Monetary Fund. How much has that authorization been as far as we are concerned? How much money do we put in it? We put in about 36 percent of it, I think.

Mr. BRUNDAGE. Yes.

Senator MALONE. How much?

Mr. BRUNDAGE. I don't know right now.

Senator MALONE. I ask that you make it a part of the record.

The CHAIRMAN. He is going to make a complete statement of it.

Senator MALONE. I would like to know the total amount we have authorized annually since their inception for the Export-Import Bank, the International Monetary Fund, the International Bank organized by Mr. Harry Dexter White, and the International Finance Corporation. All we did was change one letter. We had an RFC that spent money in this country, but we finally got tired of that, because we could see what it was doing.

(The material referred to follows:)

U. S. GOVERNMENT SUBSCRIPTIONS TO FINANCIAL INSTITUTIONS MAKING LOANS  
ABROAD

*Export-Import Bank of Washington—Growth of the bank in terms of capital structure and lending authority*

Year	Capital structure	Lending authority
1934	Common, \$1,000,000; preferred, \$10,000,000 .....	No statutory limit.
1936	Common, \$1,000,000; preferred, \$20,000,000 .....	Do.
1939	Common, \$1,000,000; preferred, \$45,000,000 .....	Not to exceed \$100,000,000.
1940	Common, \$1,000,000; preferred, \$74,000,000 .....	Not to exceed \$700,000,000.
1941	Common, \$1,000,000; preferred, \$174,000,000 .....	No change.
1945	Common, \$1,000,000,000; authority to borrow up to \$2,500,000,000 from Treasury.	Not to exceed \$3,500,000,000.
1951	Common, \$1,000,000,000; authority to borrow up to \$3,500,000,000 from Treasury.	Not to exceed \$4,500,000,000.
1954	Common, \$1,000,000,000; authority to borrow up to \$4,000,000,000 from Treasury.	Not to exceed \$5,000,000,000.

## CAPITAL STRUCTURE

In the early years of the bank's history its capital was supplied by the Reconstruction Finance Corporation. As the bank expanded, it secured the necessary funds through the sale of its preferred stock to the RFC. At the end of 1938 the preferred stock issue was \$45 million, and it reached its peak of \$174 million in 1941. These stock issues were replaced in 1946 by the Treasury's holdings of \$1 billion, and the bank was authorized to borrow \$2.5 billion from the Treasury. Its borrowing authority was raised to \$3.5 billion in 1951, and to \$4 billion in 1954.

The bank did not borrow directly from the Treasury until late in 1946. Since that time it has operated on the funds supplied to it by the capital stock holdings of the Treasury, and its borrowings, together with the funds supplied from its surplus accumulation.

## INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

The United States total subscription is 31,750 shares, totaling \$3,175 million, 34.26 percent of the total. Of this, \$635 million was paid in gold or dollars at the establishment of the bank in 1947, the remainder is subject to call by the bank only when required to meet obligations of the bank created by borrowing or guaranteeing loans.

## INTERNATIONAL MONETARY FUND

The United States quota is \$2,750 million. This entire amount was paid in on establishment of the fund in 1947: \$687,500,000 in gold, the remainder in cash or non-interest-bearing demand notes on the Treasury. On January 31, 1958, the fund held \$733 million of United States Treasury notes, the remainder having been drawn by the fund for purchase by members.

## INTERNATIONAL FINANCE CORPORATION

The United States has subscribed \$35,168,000 of the authorized \$100 million capital of the Corporation. This amount was appropriated in 1957 and the United States is not further obligated.

## DEVELOPMENT LOAN FUND

Three hundred million dollars was appropriated within the mutual security program in fiscal year 1958 for the Development Loan Fund. A request for an additional appropriation of \$625 million, as authorized by the Congress, is included in the 1959 budget.

Senator MALONE. Now we have an IFC, which is an International Finance Corporation, spending money like drunken sailors all over the world; loaning it in addition to these other 3 organizations; the 4 of them, as you have testified, loaning money to Americans to build plants in foreign nations, to use the cheap labor and come back under the 1934 Trade Agreements Act, as extended—and thank God it expires in June of this year—to destroy the jobs of the men working in this country and to destroy the investments in this country. They are doing it right under your eyes.

And I hear people talking on the Senate floor all the time about a great depression. There is only one thing causing the depression, and that is we do not have any domestic market left except the money we appropriate, \$40 billion or \$44 billion, and spend to buy these American goods right here in this country, and then, as you testified, you loan the money from the Export-Import Bank, and you are very careful each time to say it is to buy machinery to ship abroad. And for what? To install that machinery where the labor is cheaper and send the goods back, and our boys are on the street. If we quit spending the national defense money at the rate of \$42 billion a year for as much as 60 days, you wouldn't have any economy in the United States. And you think Khrushchev and Bulganin were kidding when they said that they wanted us to destroy ourselves. And when

Lincoln said, if we are ever destroyed, it will not be from without, it will be from within.

We are doing it with men just like Waugh and the rest. They are making a life's work of doing this very thing that Harry Dexter White and Alger Hiss and all that crowd started. Alger Hiss served a term in the penitentiary. We ought to give him a medal if we are going to continue doing everything that he wants done, and we have been. White is dead, but we are still carrying on the very thing that he and his crowd recommended earlier in the Roosevelt administration.

So don't blame Mr. Eisenhower, don't blame Mr. Truman, and don't blame Mr. Roosevelt. Let's blame the Congress that votes for it. All the Congress has to do this year is to sit still or this market situation, and in June of this year the control of it returns to the Congress of the United States, where the Constitution, in article I, section A, puts it. Within 6 months after the 1934 Trade Agreements Act expires, the President can request these nations to cancel these multilateral trade agreements made in Geneva by 37 nations that are destroying us by the division of our markets among them.

It will then come right back to the Tariff Commission whose regulations state specifically in section 336 of the Tariff Act of 1930 that they shall set a tariff or duty to make up the difference in the cost of producing an article in this country, and a like article in the chief competing nation. The act provides that the tariff or duty be flexible and kept that way.

I don't suppose you have ever read that act. And from your talk here, you have all got religion. It is a 24-year-old religion, and I am not for any of it, and I am not about to vote for it, and I don't want you to go away from here thinking I am.

And I am sorry, Mr. Chairman, that I do have to go to another matter.

The CHAIRMAN. I am glad the Senator has clarified his position. Senator MALONE. I think I have.

Senator ANDERSON. Mr. Brundage, I wonder if I could draw your attention to what you were asked on page 187 of the previous hearing. The Chairman, Mr. Byrd, said, "What we want is a direct statement signed by you." He made it clear what it was to be. He said, "I want to find out what Congress ought to do, and what the States ought to do," and so forth.

On page 189, there is a clearer statement by him. He said that, "What is required of Congress" and then "What you have proposed in the way of savings."

And I tried to supplement what he said on page 199. I said:

I think we ought to find out what savings are going to be suggested, what savings are being made within the power of the Federal Government, and then go on with the things that Congress ought to do.

And then, Senator Martin said, "Should there not be separate lists?" And I agreed with him. I said, I thought there ought to be one list that showed what the administration proposes to do, that is to save money, and then one list that shows the burden placed on Congress to save money.

Would you mind going through this with me to this supplementary list and show what saving the administration is proposing and what savings Congress could bank?

Mr. BRUNDAGE. The first column of our table which accompanies my statement shows the decreases proposed under existing legislation, and the second column shows the decreases under proposed legislation, which would require the action of Congress.

Senator ANDERSON. Do I understand, then, that the administration is proposing savings of \$2,971 million?

Mr. BRUNDAGE. That is right, without any action required by Congress.

Senator ANDERSON. \$2,971 million, without any action by Congress?

Mr. BRUNDAGE. Required, yes.

Senator ANDERSON. Even this proposed \$738 million that Congress itself could do?

Mr. BRUNDAGE. That is right.

Senator ANDERSON. And then you proposed increases of \$4,858 million?

Mr. BRUNDAGE. Yes.

Senator ANDERSON. So, the overall is an increase——

Mr. BRUNDAGE. Those practically all require the action of Congress on the appropriations, at least.

Senator ANDERSON. Now, of the savings, I notice \$14 million to the National Science Foundation. Is the budget proposed to cut the National Science Foundation \$14 million?

Mr. BRUNDAGE. For their geophysical year expenditures. The geophysical year runs out at the end of 1958. So we only have 6 months' expenditures for the geophysical year.

Senator ANDERSON. And you think that the compilation of the material gathered by the satellites will not be important in the last part of the year?

Mr. BRUNDAGE. This is what—this is their own estimates.

We also gave them an additional \$68 million for their new programs, you see, for the basic research program, and for improving education in the sciences.

Senator WILLIAMS. Again \$14 million savings is only as compared to expenditures in the same Department last year.

Mr. BRUNDAGE. That is right.

Senator ANDERSON. Now, the Veterans' Administration, \$272 million, are you trimming the Veterans' Administration \$272 million in the coming year?

Mr. BRUNDAGE. There are programs under these specific heads that are to be reduced. The direct housing loans, the program expires on June 30, 1958, that is \$150 million.

Senator ANDERSON. Do you anticipate that Congress will not renew it? Will the administration not ask the Congress to renew it?

Mr. BRUNDAGE. We are not asking for a renewal, because, to the extent necessary, it is being taken over by the housing agency.

Senator ANDERSON. Does that finally save money for the budget, because it is taken by a different agency? Doesn't a "rose by any other name still smell as sweet"?

Mr. BRUNDAGE. We think it ought to be all in one agency.

Senator BENNETT. May I comment on that.

The direct GI loan program is a drain on the Treasury. The FHA program represents a guaranty of private financing. So the effect on the Treasury, if this should happen as they anticipate, should be a reduction of some amount in terms of drain on the Treasury.

Senator ANDERSON. I am only trying to find out if he thinks that Congress is going to stop these direct loans to veterans and for housing.

Mr. BRUNDAGE. They don't have to stop them, they terminate with the act, unless you take some positive action to increase the budget, they will terminate.

Senator ANDERSON. I will put it in your language.

Do you think that Congress will not take some positive action?

Mr. BRUNDAGE. I don't see why they should take such action, I think it would be foolish.

Senator ANDERSON. Do you think the veterans are getting all the housing they need without it?

Mr. BRUNDAGE. I think they are. We have tried to gear our present general housing program to take care of their needs specifically.

Senator ANDERSON. With reference to this \$1.2 billion that the chairman was talking about a minute ago, are those counterpart funds, or do they only include counterpart funds? Are the \$1.2 billion of soft currency all to be classified as counterpart, or only part?

Mr. BRUNDAGE. Part is counterpart.

Senator ANDERSON. That is not all counterpart funds? That is all that is controlled by the Treasury? Will you tell me what the \$1.2 billion is?

Mr. BRUNDAGE. Those are foreign currencies under the control of the Treasury.

Senator ANDERSON. Are they counterpart funds?

Mr. BRUNDAGE. It includes counterpart funds.

Senator ANDERSON. How much is counterpart funds, a small amount or almost all of it?

Mr. BRUNDAGE. It includes about 10 percent of counterpart funds. It excludes those that have been retained according to law by the other countries for their own development purposes.

Senator ANDERSON. Now, does the Treasury report to the Congress what happens to these funds?

Mr. BRUNDAGE. I think so; yes. They report annually.

Senator ANDERSON. Then why wouldn't this be in the budget somewhere? You must get something for it. A congressional committee going abroad uses this money; doesn't it?

Mr. BRUNDAGE. We give the details in the budget.

As I explained to the chairman, you see, this developed out of transactions that have already required the use of dollars either for——

Senator ANDERSON. Then when we ship abroad some cotton or some wheat, you get back some of these soft currencies?

Mr. BRUNDAGE. That is right.

Senator ANDERSON. Under Public Law 480.

Mr. BRUNDAGE. Now, if we were to take up the foreign currencies the immediate question arises, at what figure would you take it up, the official rate or the free market or any other rate, there are all kinds of rates.

Senator ANDERSON. We all recognize——

Mr. BRUNDAGE. And then what are you going to do with it? And you would have to charge it off again, so it isn't brought back at any figure.

Senator ANDERSON. What report does the Treasury make to the Congress on the disposition of these moneys once you get your hands on them?

Mr. BRUNDAGE. They report annually. And we have a report in the Budget document on page 94 and on page 296, I will be glad to read it in the record, if you like.

Senator ANDERSON. Does it show what happened to the soft currency after received? Does it show how you got the soft currency?

I am trying to find out what happened to it after you got it. Is that reported to the Congress?

Mr. BRUNDAGE. Yes; it is reported to the Congress.

Senator ANDERSON. So that the committee in considering what happens to this \$1.2 billion could find what took place with it?

Mr. BRUNDAGE. That is right.

Senator ANDERSON. It shows how much is furnished to congressional committees abroad, for example?

Mr. BRUNDAGE. That is right.

Senator ANDERSON. It is hard to get that information sometimes.

Senator BENNETT. In detail, Senator, not in gross.

Mr. BRUNDAGE. The totals are given in the Budget document.

Senator ANDERSON. Is it used to purchase goods in other countries?

Mr. BRUNDAGE. Yes, sir.

Senator ANDERSON. And you report how much that is?

Mr. BRUNDAGE. Yes.

Senator ANDERSON. Should those expenditures be added to the budget if this money disappears?

Mr. BRUNDAGE. They have been included——

Senator ANDERSON. Is this dropped out as an accountant would drop out a bad debt—he may recover it sometime—is it dropped out or is it in the budget?

Mr. BRUNDAGE. It is explained in the budget, but it isn't included in the budget dollar total figures, because if you buy, as you say, a bale of cotton, and that goes under the cost of the CCC——

Senator ANDERSON. When you sell a bale of cotton——

Mr. BRUNDAGE. When you sell it and get a foreign currency, that will be used abroad for some other country; it is not going to be brought back in again.

Senator ANDERSON. It is controlled still——

Mr. BRUNDAGE. It is controlled still by the Treasury and the Bureau of the Budget; we keep track of it but we don't bring it back as an asset.

Senator ANDERSON. Nor do we ever account for its expenditure.

Mr. BRUNDAGE. We do account for it.

Senator ANDERSON. I don't mean that, in the budget figure.

Mr. BRUNDAGE. It does not come in again; that is right.

Senator ANDERSON. Don't you think it ought to?

Mr. BRUNDAGE. Well, I discussed that a good deal, and I can see more disadvantage to it than gain, because we would have to bring it back at a——

Senator ANDERSON. As long as you dispose of it. But when you have made disposition of it don't you think you ought to find out what we got in exchange for it and therefore put some value in it?

If I have in my profit-and-loss statement bad debts, charge off a whole group of bad debts. But will the Bureau of Internal Revenue allow me to ignore what comes to me in recoveries? I put that back in the next year's earnings; don't I?

Mr. BRUNDAGE. If this comes back through the purchase of military equipment or something like that you can identify through United States value, but if it goes to——

Senator ANDERSON. If you buy back military goods, does that show up as a military expenditure, or does it not show up at all?

Mr. BRUNDAGE. Part of it is accounted for as military procurement under our ICA program called offshore purchases, and that appeared. But if it comes out of the agriculture stocks into foreign currencies, it does not.

Senator BENNETT. Would the Senator yield? I am trying to work on this same problem.

If the Department of Defense has an overall budget figure, if it acquires, say, by happy accident, some of the armament that it had expected in its original budget calculation to buy in the United States, if it acquires that in France, does the amount it spends in France—is the original budget figure reduced by the amount it spends in France, or when it accounts for the total original dollar budget figure, does it take into account the French francs that it spent to supplement or substitute what it might have spent in dollars, or is that just added?

Mr. BRUNDAGE. That is in addition—for instance, some of the military housing we have to spend dollars for, but some comes out of the counterpart funds, and they don't cost us any additional dollars on top of what we originally pay for what we supply to the foreign country.

Senator ANDERSON. The Senator from Utah has helped me get what I was trying to get.

As I understand it, in Japan we have a figure for military housing we use plywood available over there, and we used counterpart funds to buy it. Did the military reduce their other budget because they saved money on that?

Mr. BRUNDAGE. Presumably we would have reduced their requirements for dollars, because they were able to use this counterpart fund.

Senator ANDERSON. I am not interested in the "presume." Actually, they did not.

Mr. BRUNDAGE. Well, we wouldn't put it in the budget as a cost in dollars, because we were only going to use the counterpart fund, but that would not be charged against them in the budget.

Senator ANDERSON. In other words, if they had a budget that called for X billions of dollars, and they were able to save \$50 million by getting plywood in Japan, their budget is X plus \$50 million, because they went right ahead and spent all the money appropriated by Congress, or could, that is right?

Mr. BRUNDAGE. Well, they couldn't spend it for the same thing——

Senator ANDERSON. Do they not have leeway in the way they spend their money?

Mr. BRUNDAGE. Yes.

Senator ANDERSON. Then they could spend it?

Mr. BRUNDAGE. Yes, they use it for something.

Senator ANDERSON. Isn't that what I said, that it would be X plus \$50 million, isn't that using it for something else?

Mr. BRUNDAGE. Well, yes.

Senator ANDERSON. Therefore, this money does really involve some increases in budget if it is to be used that way? I am not trying to criticize the expenditures—I am voting for this S. 400——

Mr. BRUNDAGE. I am just trying to explain it, because it is a little complicated, because it goes through several different ways. Some of these currencies the CCC actually will recover dollars for, they are apportioned. Defense pays for them, and the other agencies pay to the Treasury for the foreign currency. And that amount goes in the budget totals. But if they don't pay for it in dollars, it doesn't. But these other uses are shown in information tables in the budget document.

Senator ANDERSON. The fifth page of this tabulation shows a decrease in the Department of Defense of \$1,095 million, an increase of \$2 billion, with accelerated program, therefore the total budget goes up about \$1 billion.

Mr. BRUNDAGE. They used in addition to this—we don't know what the figure will be in 1959, but they are using in 1958 an estimated \$67 million of foreign currencies without reimbursing CCC for military assistance and \$61 million for economic, technical, and other assistance.

Senator ANDERSON. I was talking about page 5 of the tabulation, Mr. Brundage. We are on different sheets.

Mr. BRUNDAGE. This is on page 94 of the budget.

Senator ANDERSON. It shows on there that the Department of Defense—the chairman asked you to show us how much you saved, and then show us where the Congress can save, and we will see where we come out.

Mr. BRUNDAGE. That is right.

Senator ANDERSON. Now, you show us how the administration saves by cutting down the Department of Defense \$1 billion one place and increasing it \$2 billion in the other.

Mr. BRUNDAGE. For something else?

Senator ANDERSON. Yes, for something else, instead of buying conventional aircraft they are going to buy some missile ships and construct facilities for SAC, and proposed pay adjustments—those are all part of the normal business.

Mr. BRUNDAGE. I thought it would be responsive to your request to do it by program, so that is why we did it.

Senator ANDERSON. So it would be fair to say that of the \$2.9 billion you indicated the administration was going to save—and you put \$1 billion of it right there—you increase the expenditures 2 billion and save the \$1 billion. Have you tried to figure up somewhere how much the Department is going to save overall? Wouldn't it be fair to say that you aren't going to save, that you are going to increase?

Mr. BRUNDAGE. What we were trying to do was to show, as the President said—he felt that we had to spend these additional billions on defense, and he was going to try to save two ways, he was going to try to save on defense itself out of less urgent items, with less priority and he was also going to cut down on our domestic programs, and that is what I tried to show here.

Senator ANDERSON. Exactly. Now, the whole increase in defense is only \$1 billion.

Mr. BRUNDAGE. Net.

Senator ANDERSON. And the increase is some \$2 billion. So actually we are adding \$1 billion in defense and \$1 billion elsewhere, so we are not saving it, are we? That is the point I was trying to get to. I wouldn't worry so much about the expense of \$1 billion for defense if we were saving \$1 billion, but actually we are spending \$1 billion more, are we not? Your own figures show that.



Mr. BRUNDAGE. I think we are doing both, I think we are spending \$2 billion more, and we are saving \$1 billion elsewhere, that is what I am trying to say.

Senator ANDERSON. Let me put it this way. Supposing I have a double-heating system in a home that I maintain somewhere, and it burns not only oil, but it burns natural gas. I have them both, in case the gas line breaks. Now, say that my normal gas fuel bill is \$50, and I don't spend anything for oil, and the next month I spend \$40 for natural gas and \$25 for oil, would you say I have saved \$10 or have I increased \$15?

Mr. BRUNDAGE. Well, it depends on how you want to break it down, if you want to save one and increase the other, yes.

Senator ANDERSON. What I am up against is that you made a total savings that the administration hopes to put through of \$2.971 billion, and you expect to increase expenditures \$458 million. So in reality you are \$2 billion higher, of which \$1 billion is a defense item and \$1 billion is a nondefense item.

Mr. BRUNDAGE. Well, you have to include the decreases under proposed legislation, you add those together—

Senator ANDERSON. Those are the savings that Congress can make. There were to be two things, one that the administration could do and one that the Congress could do.

Now, the Congress could save you \$738 million on the proposed legislation, but the administration proposes to save \$2 billion and spend \$4 billion. So it doesn't really end up with a saving; does it?

Mr. BRUNDAGE. Well, I think it does, yes.

Senator ANDERSON. I have saved a lot of money I didn't know about, then.

Mr. BRUNDAGE. I think I have saved if I don't go to a show even if I have to—

Senator ANDERSON. You spend \$4 for dinner and don't go to a show but you only intended to spend \$2 for a show, you have saved \$2?

Mr. BRUNDAGE. If I had to spend it on a doctor bill I would have saved it on the show, because there are certain things that you have to do because they are paramount and important; I think the other things are of less importance.

Senator ANDERSON. I didn't go into the question of what was paramount and important, I merely took your totals at the end on page 7 of this statement, and the total shows under existing legislation how much you propose to save in the administration, it runs \$2.971 billion. Then in the third column this shows what you intend to spend in excess and it runs \$4.8 billion of which \$1 billion is defense; there is \$1 billion of nondefense that the administration also expects to exceed. And the statement had been repeatedly made that if we are going to spend more on defense, we are going to save it somewhere.

Mr. BRUNDAGE. The other \$1 billion is largely below the line here. It is the postal pay increase, the other pay increase, and the contingencies; you see, \$600 million of that isn't spent, it is merely reserved.

Senator ANDERSON. Would you show me that in the column where this says increased?

Mr. BRUNDAGE. Down at the very end.

Senator ANDERSON. The defense contingency \$5 million and the other contingency is \$100 million.

Mr. BRUNDAGE. The postal pay is \$160 million, the other pay is \$179 million, the Defense contingency is \$500 million, the other contingencies are \$100 million. I would say the contingencies are not expenditures, they are reserves for possible expenditures.

Senator ANDERSON. They run \$900 million?

Mr. BRUNDAGE. Yes. \$939 million.

Senator ANDERSON. That is what I am trying to get to. So there is to be no saving, even with those contingencies in there?

Mr. BRUNDAGE. You take your defense out and you will find there is more —

Senator ANDERSON. All right, I take it out. Unless these figures are incorrect on defense items, you are going to save \$1,095 million and spend \$2,015 million; so it is about \$1 billion more, isn't it?

Mr. BRUNDAGE. If you take Defense and these contingencies out, we are proposing to save more than we are spending.

Senator ANDERSON. Very well, I will take them both. You subtract \$1,095 million from \$2,015 million, and what have you got—\$920 million.

Senator BENNETT. That is right.

Senator ANDERSON. And add \$900 million to that; is that \$1.8 billion?

Senator BENNETT. It is \$940 million but that doesn't matter.

Senator ANDERSON. All right. Is that \$1.840 billion or so?

Mr. BRUNDAGE. If you take the Defense out, which is \$1,095 million for the decrease, and \$2,015 million for increases, and these items at the bottom of the line, you will see that they just about offset, and you add your decreases under proposed legislation, you will find that the decreases outside of Defense and outside of these reserves are about \$800 million more than the increases.

Senator ANDERSON. That is what I wanted you to say, that you are not saving, you are going to spend \$800 million more regardless of the Defense budget.

Mr. BRUNDAGE. No, I say it is \$800 million less.

Senator ANDERSON. Well, we had better start with our arithmetic again.

Mr. BRUNDAGE. The savings are \$800 million more than the increases.

Senator ANDERSON. There is something wrong here somewhere; isn't there?

You subtracted \$1,095 million from \$2,015 million and got \$920 million; didn't you?

Mr. BRUNDAGE. Take \$1,095 million off \$2,971 million, and you get—

Senator BENNETT. Off the totals at the bottom?

Mr. BRUNDAGE. Of the total, and you get two—

Senator ANDERSON. How could you get two—

Mr. BRUNDAGE. \$1,971 million. You have got to add your \$738 million to the \$2,971 million, and that gives you \$3,079 million.

Senator JENNER. Subtract it from 48 billion.

Mr. BRUNDAGE. You take out the \$1,095 million for Defense, and that gives you \$2,614 million. You take the two—

Senator ANDERSON. Start again, now. I hate to bother the rest of the committee with this, but a short cut certainly would be to take this \$920 million increase in Defense, to which you added \$920

million or \$930 million more, that is a billion eight hundred and something million, if you subtract that from the increases, it is still larger than the savings, right or wrong?

Mr. BRUNDAGE. Well, it doesn't work out that way for me.

Senator BENNETT. May I try it.

Senator ANDERSON. Yes; I would be happy to have the able Senator from Utah try it.

Senator BENNETT. Let's turn to page 7, \$2,971 million, take out the \$1,095 million, Defense, leaves \$1,896 million.

Senator ANDERSON. That is right.

Senator BENNETT. And on the other side, \$4,858 million, take out the \$2,015 million, and for the purposes—and I think this is the way Mr. Brundage is thinking of it—also take out the \$940 million which is made up of the four figures at the bottom of the page.

Senator ANDERSON. That is right.

Senator BENNETT. That is \$2,955 million, to be deducted from \$4,858 million, the difference there is \$1,903 million.

Senator ANDERSON. Therefore, the increases are greater than the savings—

Senator BENNETT. By \$7 million.

Senator ANDERSON. Never mind the "by," they are trying to say they are going to save it, and the figures show they aren't going to save it. If you are going to say that this money is going to be saved, you ought to try to save it.

Mr. BRUNDAGE. I don't see how you can ignore the proposals we are making for a postal rate increase, for instance.

Senator ANDERSON. I wouldn't say that we ignore it. I know you are going to recommend that Congress do it, but so has every administration for 25 years. And after I have seen the same thing happen over and over again, I begin to conclude that it is difficult. Now, it may not be.

Mr. BRUNDAGE. It seems to me that that is just as much a proposal of the administration's as a proposal to increase the—

Senator ANDERSON. I think it is like balancing your personal budget by saying, at the beginning of the year, this year I am not going to be sick, and I am not going to have to have this or this, when the probabilities are that the things that have been happening to me over a period of 60 years will happen to me again. I only wanted to point out to you that, taking our own figures, Mr. Brundage, after you take out the \$2 billion that is going to be saved in defense—I mean it is going to be increased—and taking out the amount that is going to be saved, and taking out all the contingencies, the increases are still greater than the decreases, and you are not going to save money. If you are to save I think the increases have to be greater than the decreases.

Mr. BRUNDAGE. I don't see how you can ignore, as I say, the proposed decreases to include the postal pay rates, because that is just as much our recommendation. We are proposing to spend more money on the additional volume of mail we are going to have to handle this next year. We are proposing to pay for part of that, not only by charging for the stamps which you have to put on it now, but for increasing the stamps—the sales. To me that is the same kind of a proposal.

Senator ANDERSON. Exactly. I was merely trying to get back to what the chairman laid down in your original appearance. The

chairman said, "You list the things that the administration is going to do to save money, and then you list the things the Congress ought to do to save money." An increase in the postal rate is a thing that Congress ought to try to do to balance the budget. And as the Senator from Arizona, Senator Hayden, has pointed out over the past 10 years, that will total up to \$5 billion. We wouldn't need the \$5 billion debt limit increase if we had voted the postal increase years ago.

Leave out the postal rates, because that is something contingent on Congress. The savings that were asked for were the things that the Administration was willing to do to cut down. And I don't see those, because when I get through with all your figures, the administration still wants more money, regardless of defense, than it wanted before.

Now, you are just right up against that. If you have got another set of figures, I would like to look at it, but I know what this set of figures proves.

(Mr. Brundage submitted later the following summarization to help clarify his statements in the preceding colloquy:)

[In millions]

Total expenditure increases shown (these consist of those under both existing and proposed legislation)-----	\$4, 858
Less:	
Department of Defense, military functions-----	\$2, 015
Atomic Energy Commission-----	250
Allowance for proposed legislation and contingencies-----	939
	<hr/> 3, 204
Equals remaining increases under both existing and proposed legislation-----	1, 654
Total expenditure decreases shown under existing legislation-----	2, 971
Less Department of Defense, military functions-----	1, 095
	<hr/> 1, 876
Equals remaining decreases under existing legislation-----	1, 876
Plus decreases under proposed legislation-----	738
	<hr/> 2, 614
Equals total remaining decreases under both existing and proposed legislation-----	2, 614

Senator WILLIAMS. How much were the annual expenditures under the Federal aid proposal that was sent down the other day, the Federal aid to education?

Mr. BRUNDAGE. The Federal aid to education was about—it was split between the Science Foundation and HEW.

Senator WILLIAMS. Is this in this computation?

Mr. McCANDLESS. The amounts are included in there.

Senator WILLIAMS. They are all included in there?

Mr. McCANDLESS. Yes.

Senator WILLIAMS. That is the question I wanted to know.

Mr. BRUNDAGE. It is in several places; about 250 expenditures in 1959, I think.

Senator WILLIAMS. The point that I was wondering is, are they in there?

Mr. BRUNDAGE. Yes, sir; they are shown under the National Science Foundation and under the Department of Health, Education, and Welfare.

The CHAIRMAN. There are several Senators that have indicated they may want to ask more questions. When do you think you can get the information that has been requested this morning?

MR. BRUNDAGE. I think it is probably available. I should think about Friday.

The CHAIRMAN. By Friday.

Is that satisfactory to the committee?

Senator JENNER. Yes, sir.

Senator BENNETT. Then the session to consider the bill will be postponed beyond Friday?

The CHAIRMAN. Yes. That is assuming that there is no emergency.

MR. BRUNDAGE. I can try to get it for you tomorrow, if you want it.

The CHAIRMAN. Could you get it for Thursday? I think the committee is very much concerned about all these loaning operations that are beyond budgetary control.

Of course, you say in response to my question that this foreign currency goes through the budget, but it is just technically through the budget, all you do is report it, it doesn't go through the budget at all.

MR. BRUNDAGE. The requests have to go through the Bureau of the Budget.

The CHAIRMAN. I understood you to say that it went through the budget.

MR. BRUNDAGE. It is in the budget document.

The CHAIRMAN. It is mentioned in the budget, but it does not go through the budget.

Senator WILLIAMS. Would it be possible to get that Thursday so we can have our executive session Friday?

MR. BRUNDAGE. I will try it.

The CHAIRMAN. I have a few other things. I want you to do this.

First, define new obligational authority, and list the various kind of spending authority, such as appropriations, authority to spend out of the debt, and so forth, and give the amounts requested in each category.

(The material referred to follows:)

#### NEW OBLIGATIONAL AUTHORITY

New obligational authority is the total of authorizations becoming available in a given fiscal year which allows Federal agencies to incur new obligations for the payment of money. These authorizations, enacted by the Congress, must precede all budget obligations and expenditures. They are enacted in several forms, including:

*Appropriation.*—Authorization to expend money for a stated purpose. This is the most common form of new obligational authority.

*Reappropriations.*—Actions to continue available part or all of the unused balances of prior appropriations which would otherwise expire.

*Authorization to expend from debt receipts.*—Authority granted Government enterprises to spend money they borrow from the Treasury or from the public.

*Contract authorization.*—Authorization to make a contract before an appropriation is made to cover it, usually for construction which will extend over a considerable time. A subsequent appropriation to pay for the contract is necessary.

#### *New obligational authority by type*

Description	[In millions]	1959 estimate
Appropriations.....		\$71, 329
Reappropriations.....		60
Authorizations to expend from debt receipts.....		800
Contract authorizations.....		265
Total.....		72, 452

NOTE.—Detail does not add to total due to rounding.

The CHAIRMAN. Second, list and explain the various kind of appropriations, such as permanent, annual, multiyear, no year, reappropriations, etc., and give the amounts requested in each category. (The material referred to follows:)

<i>Type</i>	<i>Appropriations</i>	<i>1959 estimate</i>
I. Current appropriations.....		\$62, 995
A. Current ordinary appropriations: Ordinary appropriations are authorizations granted currently by the Congress, both to incur obligations and to make expenditures in a definite, specified amount. Such appropriations may be subdivided into 3 classes, as follows:		
1. One-year appropriations: These are appropriations which are available for the incurring of obligations within only 1 fiscal year, and which expire for this purpose at the end of that time. Such appropriations remain available for the making of expenditures in payment of such obligations for 2 additional years. This is the commonest form of budget authorization.		
2. Multiple-year appropriations: These are appropriations which are available for obligation for a specified period of time in excess of 1 year. Such appropriations remain available for the making of expenditures in payment of such obligations for 2 additional years. This type of appropriation is used occasionally for programs of an unusual seasonal nature or programs of a nonrecurring type which do not fit precisely within a fiscal year.		
3. No-year appropriations: These are appropriations which are available for obligation and expenditure until the purpose is accomplished, and which do not expire at any fixed time. This type of appropriation is used primarily for certain kinds of benefit payments, and for construction of projects where a time limit would not add appreciably to the system of expenditure control.		
B. Current indefinite appropriations: Current indefinite appropriations are authorizations granted currently by the Congress, both to incur obligations and to make expenditures in an indefinite amount. Although such appropriations are found in appropriation acts, the amount of each is not specified in the act but is determined otherwise. Often the amount of the appropriation is equal to the amount of receipts (or a percentage thereof) from a specified source. In some cases the amount of the appropriation is determined by financial needs. These appropriations may have varying periods of availability, just as do ordinary current appropriations.		
II. Permanent appropriations.....		\$8, 334
Permanent appropriations are those in which additional amounts become available from year to year under standing law, without new action by the Congress. The law may provide for such appropriations to operate for a specified number of years and then stop, but in most cases the law provides for them to operate indefinitely until it is amended or repealed. Some permanent appropriations are found in ordinary legislation; others were enacted originally in appropriation acts which provided not only for the amount to become available in the year of the act, but also for additional amounts to become available in succeeding years.		
Permanent appropriations are customarily subdivided into two principal groups:		
1. Permanent definite appropriations: These are appropriations where the amount becoming available for obligation and expenditure each year is specified in the law.		
2. Permanent indefinite appropriations: These are appropriations where the amount becoming available for obligation and expenditure is not specified in the law, but is determined by the amount of receipts from a specified source, by the amount of financial requirements, or by other means.		
Permanent appropriations may have varying periods of availability, just as do ordinary current appropriations.		

Type	1959 estimate
III. Reappropriations.....	\$60
In some cases, part or all of the unobligated balance of a prior 1-year or multiple-year appropriation is continued available for obligation and expenditure after it would otherwise expire. Such actions are called reappropriations. They are usually enacted in appropriation acts, but sometimes occur in other laws. They may be definite or indefinite in amount.	
IV. Appropriations to liquidate contract authorizations.....	(133)
Appropriations to permit the payment of obligations incurred under previously granted contract authorizations are called "appropriations to liquidate contract authorizations." Such appropriations appear in appropriation acts and are often included in the same paragraph as an ordinary current appropriation. They are authorizations to make expenditures only, and are not part of new obligational authority.	
Total.....	71, 389

Figures given above are taken from table 7, pages 14 and 15, of the 1959 Budget Document.

The CHAIRMAN. Third, explain what is meant by "Unexpended balances" (obligated and unobligated). List the various categories such as balances in appropriations, authority to spend out of the debt, and give the amount in each category to be available in fiscal year 1959. (The material referred to follows:)

#### UNEXPENDED BALANCES

Amounts of enacted obligational authority which have not yet resulted in expenditures and are carried forward from one fiscal year to the next are called unexpended balances. These balances are not cash on hand, but represent authority to draw on future receipts of the Treasury as needed to pay bills.

The unobligated portion of unexpended balances represents authority which has not yet been committed. It is the difference between total unexpended balances and net obligations outstanding. Obligated portion of unexpended balances represents amounts committed to pay bills which will come due upon completion of contracts already signed, or in some cases, amounts now owed by the Government for services or deliveries recently received.

#### *Summary of balances available at start of the fiscal year 1959*

[In millions]

Description	1959 estimate	
	Obligated	Unobligated
Appropriations.....	\$30,882	\$9,238
Authorizations to expend from debt receipts.....	6,084	17,949
Contract authorizations.....	434	1,017
Revolving and management funds.....	525	3,068
Balances available at start of the fiscal year 1959.....	37,924	31,282
Total.....	69,206	

#### A. CURRENCIES SUBJECT TO SECTION 1415

Since such currencies may be used only in accordance with authorizations obtained through the appropriations process, budgetary planning and controls are related to those for dollar-financed programs. Budgetary preparation and presentation for dollars and foreign currencies are simultaneous. In fact, they are one and the same because up to the present appropriation acts have effectuated section 1415 by appropriating dollars for the using agency to purchase currencies

from the Treasury. However, section 1415 does allow the alternative of specifying in an appropriation act an amount of currency which may be used without purchase from appropriated dollars. It should also be noted that the use of these currencies may be further limited by law or international agreement.

In any case, section 1415 results in adequate budget review and control of total agency programs by agency management, the Bureau of the Budget, and the Congress through the appropriation process. They are reflected in budget totals as appropriated dollars and appear as budget expenditures as purchases are made from the Treasury. Receipts from such sales are credited to miscellaneous receipts of the Treasury or to the revolving fund owning the currencies. No problems have arisen in connection with apportionments, budget schedules, and reporting.

#### B. CURRENCIES AVAILABLE FREE TO AGENCIES FOR UNITED STATES USES

As previously indicated, certain currencies accruing under the Mutual Security Act (including country-owned counterpart) and Public Law 480 may be used for specified purposes without charging dollar appropriations. These two laws specifically exempt much of the currencies generated under them from section 1415. The currencies fall into two groups insofar as budgeting is concerned: (1) Those used by agencies to increase programs primarily of interest to the United States and of less interest to the foreign countries whose currencies are being used, and (2) those currencies of a country used to finance programs in that country of primary interest to it. The first category are usually called United States uses, the second category, country uses.

Currencies available for free United States uses are subject to budgetary review and control, however, Agencies must request allocations and apportionments from the Bureau of the Budget. The Bureau examines these requests in much the same way that a dollar budget request is examined. The Director of the Bureau of the Budget then allocates the currencies. Later, the currencies are apportioned by the Bureau after further review just as with appropriated funds.

Informational budget schedules are included in the budget document showing the availabilities and uses of these currencies. These schedules are placed immediately after the agency programs to which they relate, thus providing the Congress the opportunity to review the use of these currencies during the appropriation process.

#### C. CURRENCIES AVAILABLE FREE FOR COUNTRY USES

So-called country-uses currencies consist of those accruing under the Mutual Security Act (including country-owned counterpart), which can be used for mutual security purposes, and those accruing under Public Law 480, which are earmarked for the sales agreement for procurement of military equipment, materials, facilities, and services for the foreign country and for loans or grants for the promotion of economic development in the country whose currencies are being used. These country-use earmarkings are the heart of the bargain from the standpoint of the country making the Public Law 480 purchase. Even though we legally own the sales proceeds, the agreement restricts our action in their use.

Those country-use currencies generated under Public Law 480 are allocated by the Director of the Bureau of the Budget and apportioned by the Bureau in the same manner as United States uses currencies. Similarly, their availability and usage is indicated in informational schedules in the budget document.

The currencies generated under agricultural sales provisions of the Mutual Security Act are not subject to the allocation process since they can be used only for mutual security purposes. Because of this and because these currencies are in effect purchased with the mutual security appropriations that buy the commodities which generate the currencies, the Director of the Bureau of the Budget has elected to apportion them indefinitely and automatically as they are collected. Information as to the use of these currencies is included in the informational schedules in the budget.

Country-owned (90 percent) counterpart currencies are neither allocated, apportioned, nor included in the informational budget schedules. Although these currencies are used for the same country-use purposes as many of the currencies the United States owns, they remain in foreign-government accounts. They are not owed to or owned by the United States.

The CHAIRMAN. And there are some questions here that I will pass over to you with respect to the foreign currency. Do you think you can get that information by Thursday or Friday?



(The questions proposed by the chairman and the answers furnished by the Director follow:)

Question 1. Under the law, as I understand it, some of these currencies may be used free—that is, without repayment with appropriated funds which go through the budget. What is the total of expenditures from these free-use currencies in fiscal year 1959 by such programs as Export-Import Bank, Defense Family Housing, Foreign Agricultural Service, General Services Administration, Mutual Security, State Department, United States Information Service, etc.

Answer. Expenditures of foreign currencies without charge to dollar appropriations, as reported in the 1959 budget, are as follows (in millions of dollar equivalents, with currencies used for the mutual security program valued at agreement rates, and all other currencies valued at Treasury selling rates):

	Actual, 1957	Estimate, 1958	Estimate, 1959
Mutual security program:			
Military assistance.....	\$38.7	\$100.0	\$56.0
Defense support.....	299.6	287.3	176.6
Economic, technical and other assistance.....	118.3	373.5	442.4
Export-Import Bank.....		1.5	10.0
General Services Administration.....			
U. S. Information Agency.....		0.9	2.3
Department of Agriculture (Foreign Agricultural Service).....	2.0	8.5	9.6
Department of Defense (family housing—to be repaid to Commodity Credit Corporation in subsequent years).....	15.9	45.0	25.0
Department of State:			
Educational exchange program.....	0.5	3.9	6.3
Congressional travel (actual through Sept. 30, 1957).....	0.3	0.1	
Total expenditures of foreign currencies without charge to dollar appropriations.....	475.2	820.8	728.3

Question 2. Under the law, as I understand it, we must appropriate new money to the Commodity Credit Corporation to compensate for its losses under the Agricultural Trade Development and Assistance Act, including the free use. How much will the appropriation for this purpose be in fiscal year 1959?

Answer. Appropriations to reimburse CCC for its costs are ordinarily made the second year after the costs are incurred—that is, an appropriation would ordinarily be made in 1959 to reimburse CCC for its 1957 costs, plus interest to the date of reimbursement. This year, however, no appropriation for 1959 was proposed. Instead, a 1958 supplemental appropriation in the amount of \$1,290,841,000 was transmitted to Congress on January 22, 1958, as part of a total request of \$2,235,131,868 to provide additional funds required by CCC in 1958.

Question 3. Now with questions I have asked as a guide, will you please discuss the budgetary aspects of current practices with respect to the use of foreign currencies owed to and owned by the United States?

Answer. Unless specifically exempt by law, foreign currencies are subject to section 1415 of the Supplemental Appropriation Act of 1953 and the control is assured within the regular appropriation process. Section 1415 provides that:

“Foreign credits owed to or owned by the United States Treasury will not be available for expenditure by agencies of the United States after June 30, 1953, except as may be provided for annually in appropriation acts and provision for the utilization of such credits for purposes authorized by law are hereby authorized to be included in general appropriation acts.”

Exceptions to section 1415 have been made subsequently in other laws. However, even though these excepted currencies are not controlled through the appropriation process, they do receive budgetary scrutiny and control as they are allocated and apportioned. Furthermore, the Congress has an opportunity to review their availability and use during the appropriation process since informational schedules, much the same as dollar schedules, are printed in the budget.

Foreign currencies are generated under several laws at the present time. For the purpose of budgeting, the currencies accruing under these laws may be classified into three general classes.

- A. Currencies subject to section 1415;
- B. Currencies available free to agencies for “United States uses”;
- C. Currencies available free for “country uses.”

Each class of currency presents different types of budgetary problems.

In this connection, a Report on Foreign Currencies in Custody of the Treasury Department for the period July 1, 1957, through September 30, 1957, appears at p. 447.

Mr. BRUNDAGE. Well, we will try to get it here Thursday, if you want to say 10 o'clock, Thursday, I will do my best to have it here, and if I find it is impossible, I will call you up tomorrow. But I think we can.

The CHAIRMAN. By when?

Mr. BRUNDAGE. By Thursday morning at 10, unless you give me a little more time—could you say 11 o'clock on Thursday?

The CHAIRMAN. Well, there will be a good many questions, I don't know whether that will give us time, suppose we make it Friday. You can certainly get it by Friday.

Mr. BRUNDAGE. I don't want to put off consideration of it.

The CHAIRMAN. I have a conference with the Secretary of the Treasury this afternoon, and if there is any emergency involved, I will communicate with you further, but it is my understanding that there is no emergency at this moment with respect to the debt limit: is that right?

Mr. BRUNDAGE. I don't know of any.

The CHAIRMAN. I would like the reporter to take these questions and then pass them over to you after he has taken them down.

We will meet then at 10 o'clock Friday morning.

(Whereupon, the meeting was adjourned at 12:25 p. m. to be reconvened at 10 a. m., Friday, February 7, 1958.)



## DEBT CEILING INCREASE

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FRIDAY, FEBRUARY 7, 1958

UNITED STATES SENATE,  
COMMITTEE ON FINANCE,  
*Washington, D. C.*

The committee met, pursuant to recess, at 10 a. m., in room 312, Senate Office Building, Senator Harry Flood Byrd (chairman) presiding.

Present: Senators Byrd (chairman), Kerr, Frear, Anderson, Douglas, Martin, Williams.

Also present: Elizabeth B. Springer, chief clerk.

The CHAIRMAN. The committee will come to order.

**STATEMENT OF HON. PERCIVAL F. BRUNDAGE, DIRECTOR, BUREAU OF THE BUDGET, RESUMED, ACCOMPANIED BY WILLIAM F. McCANDLESS, ASSISTANT DIRECTOR FOR BUDGET REVIEW, AND SAMUEL M. COHN, CHIEF, FISCAL ANALYSIS**

The CHAIRMAN. Mr. Brundage, the committee asked you for certain information. Would you like to present it, sir?

Mr. BRUNDAGE. We have supplied it, Mr. Chairman, to the committee clerk.

The CHAIRMAN. Have you got a copy for each member of the committee?

Mr. BRUNDAGE. I am sorry, we didn't have enough copies. We were able to get the information out of a number of reports, and we thought you wanted it for the record. It is rather voluminous.

The CHAIRMAN. I thought you understood we probably would want to ask some questions.

Senator Anderson has to leave, so he is recognized at this time.

Senator ANDERSON. I have explained it, I think, to Mr. Brundage. As near as I can tell, when you get through with all the figures, when you take the \$1 billion difference in Defense items, which we already recognize as an emergency situation, and then the various items at the tail end, which are postal pay adjustments, and Defense contingencies and other contingencies, we are still going to spend more money—we are going to make more increases than we do decreases. And, therefore, the statement that we could finance these Defense items out of savings just doesn't hold water. I think that makes some difference in the way I would vote about the increase in the national debt. If we aren't going to make any savings, of course, we will need to increase the national debt. I would hope that we were going to have savings that would make it unnecessary to increase the debt at this time.

Mr. BRUNDAGE. I have submitted a summarized statement for insertion in the record, Mr. Chairman. I might go over the copy I have retained.

(The summary statement referred to appears on p. 411.)

Just as the Senator said, the total expenditure increases were \$4.858 billion, and if you take out the Defense Department and Atomic Energy, the \$250 million increase for atomic energy that is going into defense purposes, and the allowance for proposed legislation and contingencies, the remaining increases under both existing and proposed legislation are \$1.654 billion. Now, the expenditure decreases shown in the table under existing legislation—

Senator ANDERSON. Where does the \$250 million come from? What is the Atomic Energy Commission item of \$250 million?

Mr. BRUNDAGE. That is for Defense, atomic warheads, that is the increase in atomic energy for military purposes.

Then the decreases under existing legislation are \$2.971 billion, and you take the decreases for the military function of the Department of Defense out of that, since you took the increases out, that reduces it to \$1.876 billion. But I think that you should add to that the decreases under proposed legislation, which are \$738 million, or a total of \$2.614 billion in the way of decreases against \$1.654 billion in the way of increases, which is the \$1 billion nondefense saving that I told you about in my computation.

Senator ANDERSON. Yes. But the Chairman, as I remember it, wanted you to divide it into two parts. He wanted on one list the savings the Administration was going to make, and then on the second list the things that were put upon Congress as a burden, what Congress might do. We are bound to leave out that \$738 million, because that is what Congress is going to do. So you have now brought it down to \$1.654 billion that are the increases, and \$1.876 billion that are the decreases—

Mr. BRUNDAGE. Under existing legislation.

Senator ANDERSON. And you, therefore, think that it shows that there is a greater saving than there is increased expenditures, but you have done it by a \$250 million item in the Atomic Energy budget, that I don't recognize. Is it carried as that item in the Atomic Energy budget?

Mr. BRUNDAGE. We put the Atomic Energy under major national security, because when the Defense Department spends \$5 billion on missiles, that does not include the warhead.

Senator ANDERSON. What atomic warhead are we now making?

I'd better not ask that. You aren't going to spend \$250 million for atomic warheads that are not ready to be made.

There is only one missile, I believe, able to carry the atomic warhead weapon at this time. Certainly, you won't need an atomic warhead for the Atlas, nor for the Vanguard, and you don't need one for the Polaris, which won't be going into production for some years. So, I question—

Mr. BRUNDAGE. They are using it in some of the smaller missiles.

Senator ANDERSON. Not the Polaris warhead?

Mr. BRUNDAGE. Not the Polaris, but they are using atomic heads in a lot of missiles.

Senator ANDERSON. In a missile?

Mr. BRUNDAGE. In a lot of missiles.

Senator ANDERSON. Well, we can't go off the record, but I think the people here——

Mr. BRUNDAGE. They have the Nikes, you know.

Senator ANDERSON. All right.

The CHAIRMAN. Do I understand that you propose decreases, I mean net decreases, by this statement?

Senator KERR. Of \$222 million, aside from what he expects the Congress to do, I believe.

Mr. BRUNDAGE. That is right, for nondefense.

The CHAIRMAN. I am not talking about that. I am talking about the total here, the total of these figures that you have given as net decreases, this bottom figure.

Mr. BRUNDAGE. For the total on those programs aside from Defense, the total increases would be \$1.654 billion. And the total decreases under existing legislation, aside from Defense, would be \$1.876 billion, or a net decrease of, as you say, \$222 million.

Senator ANDERSON. But you do that by the \$250 million for atomic energy.

The other day when Wallace Bennett got through figuring, he had to admit that the point I raised was something like correct. Now it seems that this \$250 million is what I have constantly objected to as a classified figure which we can't discuss. You put it in there, but there is no way in the world we can talk about it.

Mr. BRUNDAGE. But that is the increase between 1958 and 1959 in expenditures for atomic energy, you see.

The CHAIRMAN. I would like for you to take the total expenditure increases——

Mr. BRUNDAGE. Your committee knows about it.

Senator ANDERSON. I don't know of any \$250 million figure to the atomic energy budget for that.

The CHAIRMAN. Now you show total expenditure increases of \$4.858 billion. Then you take \$3.204 billion from that. That leaves an increase of \$1.654 billion. In addition you have another line: total expenditure decreases under existing legislation, \$2.971 billion less the Department of Defense, \$1.095 billion.

Couldn't you reduce all of that to a simple statement of the total increases and the total decreases?

Mr. BRUNDAGE. When I appeared on February 4 I presented tables showing decreases and increases in expenditures, 1959 compared with 1958 as shown in the 1959 budget document. The last table summarized this information.

(The table referred to appears on p. 393.)

That ties in with these figures, namely; the total increases of \$4.858 billion and the decreases under existing legislation of \$2.971 billion.

The CHAIRMAN. Suppose we adopt the recommendations of the Budget Bureau and the President, will we spend more or less money this next year, and how much?

Mr. BRUNDAGE. Well, you would spend less, aside from defense, but you would spend——

The CHAIRMAN. Well, adding defense in.

Mr. BRUNDAGE. More on defense, yes.

The CHAIRMAN. How much more?

Senator KERR. Would the net be more or less?

Mr. BRUNDAGE. The net, including defense, would be more.

The CHAIRMAN. How much?

Mr. BRUNDAGE. Well, it depends on whether you include the allowances for contingencies and the pay increases or not. If you include all our recommendations, the decreases under existing legislation and proposed legislation would come to \$3.709 billion. And the increases, including the proposed pay increases, and provision for defense contingencies of \$500 million, and additional provisions for other contingencies of \$100 million, would show an increase of \$4.858 billion, or a net overall increase of \$1.149 billion.

The CHAIRMAN. Are these figures on an expenditure basis for the fiscal year 1959?

Mr. BRUNDAGE. That is right.

The CHAIRMAN. How do you justify, then, asking for a \$5 billion increase in the debt limit?

Mr. BRUNDAGE. As I explained in previous testimony, the Treasury has had a very tough time in meeting its maturities, and they have had no flexibility. The cash balances, I think, have gotten down to unsafe levels, and although I supported the decision not to ask for an increase last year, I am supporting the request for an increase this year because I think it is poor management for our Government to run so close.

The CHAIRMAN. You not only didn't ask for an increase last year, but you approved of \$3 billion being permitted to expire on June 30, 1957.

Mr. BRUNDAGE. Well, we have reduced the debt by over \$3 billion in the last 2 fiscal years, yes.

The CHAIRMAN. Do you contemplate another era of deficit spending? Isn't that the real reason that you are asking for this increase in the debt limit?

Mr. BRUNDAGE. Well, I don't, and I will do all I can to prevent it personally. I think we will have a relatively small deficit in the current year, but I hope we won't have more.

The CHAIRMAN. You have already admitted that you have a \$500 million deficit in the current year, but if you don't expect a deficit in the next year, I don't understand how you can justify asking the Congress to increase the debt limit by \$5 billion.

Senator WILLIAMS. Do you think they need the \$5 billion, Mr. Brundage?

Mr. BRUNDAGE. I said, I think, a little earlier, that I don't think there is any particular charm in a figure of \$5 billion, more or less. But I think that they need considerably more flexibility. And I don't think that the \$3 billion proposed would give enough of a safety factor. I am in favor of the \$5 billion.

The CHAIRMAN. Will you look at these figures? I prepared them and the Treasury has acknowledged their accuracy. They show the estimated leeway with a temporary \$3 billion increase in the debt ceiling.

For example, on February 28 and on March 31, you would have \$11.6 billion, and on March 15 it would be \$5.8 billion. That is the lowest point.

Do you question the accuracy of those figures?

Mr. BRUNDAGE. No, I do not.

The CHAIRMAN. These figures assume the use of the \$500 million in gold. There is no reason why this gold should not be used.

Now isn't it true that frequently we have large balances in banks for which the Government receives no interest?

Mr. BRUNDAGE. The receipts do come in unevenly, there is no question about that.

The CHAIRMAN. How much money do you think we ought to keep in the bank without interest?

Mr. BRUNDAGE. Well, I have the same problem with my personal bank account, every time I try to get too much in a savings account or invested, I find some emergency coming along and I have to yank it out again. And I think you have got to have some leeway, particularly in a government of this size, with the possibility of storms and delays in the mail, I think you have to maintain a very substantial cash balance.

The CHAIRMAN. Do you think a tight debt limit is a deterrent to unnecessary spending or not?

Mr. BRUNDAGE. I think it is, yes.

The CHAIRMAN. You approve of it?

Mr. BRUNDAGE. I don't mind saying that a debt limit, I think, is a good thing.

The CHAIRMAN. There is not much reason to have a debt limit unless it is tight. You think it is a deterrent to unnecessary spending?

Mr. BRUNDAGE. I do.

Senator WILLIAMS. One proposal has been made that perhaps, even if we give the \$5 billion to the Department, that we put 2 termination dates on it, that we let \$2 billion expire February 1, 1959, and \$3 billion to expire as requested. What would you say to that? That would give the Congress a chance to reappraise it in January of next year, and would give us control over this to a greater extent.

Mr. BRUNDAGE. Well, I haven't discussed it with the Secretary of the Treasury, but I personally wouldn't think that would be an unreasonable way of handling it.

Senator WILLIAMS. Would you think it would be advisable for Congress to keep control in such a manner?

Mr. BRUNDAGE. You would then have been in session for another month, and this would give us the leeway through January 15, next year, which I think is desirable, and then, if the situation looked critical, the Department could come back again.

Senator WILLIAMS. We could either let it expire or let you come in and justify it at that time. Do you think that would be preferable to giving the full \$5 billion that would maybe act as a deterrent to some of the spending?

Mr. BRUNDAGE. Well, I think the tough periods are going to be January 15 and March 15, next year. So I don't think it would be any better. Making it a temporary extension, I think, is a good idea. I would like to see it come back to \$275 billion on June 30. So, I don't think it would be any better. But I can't see any harm in it personally.

Senator MARTIN. Senator Williams, will you repeat those dates that you contemplate?

Senator WILLIAMS. Well, 1 suggestion was that if we are going to give the full \$5 billion, we mark it so that \$2 billion would expire on February 1, and the other \$3 billion June 30, 1959.

Mr. BRUNDAGE. Yes. And the other \$3 billion June 30, 1959.



Senator WILLIAMS. And that would put the Department in the position where they would have to come back in January and justify the need of extending the \$2 billion beyond that time.

Mr. BRUNDAGE. Yes.

Senator WILLIAMS. And give Congress a chance to reappraise it twice rather than just once.

(Mr. Brundage subsequently supplied this statement for the record:)

After discussing this proposal with the Secretary of the Treasury, I find that it would not cover the difficult time between February 1 and March 15 of next year.

The CHAIRMAN. You might discuss the Export-Import Bank—I inquired as to whether the latest loan to Great Britain was to stabilize the currency. Would you state the amount of the loan and explain why it was made?

Mr. BRUNDAGE. It was to keep trade moving.

The CHAIRMAN. Is it customary for the Export-Import Bank to make direct loans to other governments?

Mr. BRUNDAGE. This information has been inserted in the record on the page it was discussed. (See p. 257.) I asked the president of the bank, and he stated that the Export-Import Bank, under its statute, had authority to make this loan, which was in support of the currency of a foreign country.

The CHAIRMAN. Has that authority been exercised?

Mr. BRUNDAGE. The language in the authorization, which is in section 2 (a) of the Export-Import Bank Act of 1945, reads as follows:

To aid in financing and to facilitate exports and imports and the exchange of commodities between the United States or any of its Territories or insular possessions and any foreign country, or the agencies or nationals thereof.

And he states that this language was incorporated in the loan agreement with the United Kingdom, and that this loan was made to finance exports to the United Kingdom.

The CHAIRMAN. Was that the reason for it? I thought you just stated it was to stabilize the money.

Mr. BRUNDAGE. He felt that this would enable them to buy exports from the United States.

The CHAIRMAN. Has that been done before in that fashion?

Mr. BRUNDAGE. Not to my knowledge. I think that was the first time.

The CHAIRMAN. Here is one of the few agencies that has the reputation of operating on a sound basis. I don't think anybody could argue that loans to a country to stabilize currency is a sound loan. Why was it that this particular loan was made to England?

Mr. BRUNDAGE. They didn't have the dollars to use.

The CHAIRMAN. Well, that applies to all the other of these foreign countries; France, for instance.

Senator KERR. They have got the francs.

The CHAIRMAN. They have got the francs, but their value in dollars is another matter.

It disturbs me to find that the Export-Import Bank should be used to stabilize the currency of these nations that have, for one reason or another, gotten into financial trouble. This bank has never been used for this purpose before. Now, how many other banks do we

have making international loans? You have got the World Bank, the International Monetary Fund, and how many others?

Mr. BRUNDAGE. Well, there are four altogether, I think, now. The International Monetary Fund, and then the IFC, or the International Finance Corporation—this new one that was started last year. I understand that the Export-Import Bank takes collateral on its loans, either a sight draft on the bill of lading for exports, or in this case of the United Kingdom loan, it took deposited securities. And I think they might have used that in other cases.

The CHAIRMAN. What kind of securities?

Mr. BRUNDAGE. Oh, marketable securities, in United States dollars.

The CHAIRMAN. I thought you were going to make a statement as to why the loan was made and what the security was, and so forth.

Mr. BRUNDAGE. That does appear in the report of the bank. (The statement of loans and authorized credits of the Export-Import Bank appears on pp. 260-386.)

The CHAIRMAN. This French loan—does the Export-Import Bank participate in that? I saw by the papers that you were loaning the French some money, \$700 million there. Who is putting that money up?

Mr. BRUNDAGE. That is put up by a number of agencies, including international ones, but it does not include a new loan by the Export-Import Bank.

The CHAIRMAN. Is it coming from this country?

Mr. BRUNDAGE. Well, it is principally, I believe, the International Monetary Fund, and the European pool, the European Payments Union.

The CHAIRMAN. When you get down to it, it is an American pool, we are the ones that are putting up the money.

I asked you specifically, Mr. Brundage, and I am anxious to get it, for a complete statement of these different loaning agencies that are loaning money in one fashion or another abroad, which is, in effect, foreign aid, that is what it is, because lots of those loans, I imagine, will never be repaid.

Mr. BRUNDAGE. Well, I submitted for the record a complete——

The CHAIRMAN. Where is that in concrete form here? You have got so many papers I can't find it.

Mr. BRUNDAGE. I submitted for the record a complete list of the loans outstanding on December 31, 1957.

The CHAIRMAN. Of all the different agencies?

Mr. BRUNDAGE. Of all these agencies, yes, showing the total credits, the amount they have been drawing down on it, the explanation, the purpose for the loan, and the interest or the commissions collected. And this particular list of December 31, in the case of the Export-Import Bank, did not give the interest rate, so I gave you another statement showing the interest rate.

The CHAIRMAN. It is separated into years?

Mr. BRUNDAGE. This is as of December 31, 1957.

The CHAIRMAN. I know. But what I want to know is, I regard many of these loans, if not most of them, as equivalent to foreign aid that does not show in the appropriation bills. So I would like to get a complete picture of what we give away directly and what we are giving away indirectly.

Mr. BRUNDAGE. This gives all the credits.

The CHAIRMAN. Does it give the years? For instance, could you say that in a certain fiscal year or calendar year these loans are so much?

Mr. BRUNDAGE. It gives the date of the credit and the date to which it runs.

The CHAIRMAN. By what? Where is it in——

Mr. BRUNDAGE. By individual loans.

The CHAIRMAN. Will you read out those loans that we have made to other countries?

Mr. BRUNDAGE. Well, starting with Africa, the authorized credits were \$8 million; Asia, \$650 million.

The CHAIRMAN. What agency?

Mr. BRUNDAGE. This is the Export-Import Bank.

Let's see if I have it by countries here.

I am afraid it isn't summarized. I will have to read it. It is summarized by countries, but not by areas.

The CHAIRMAN. First, give us a list of them. You have a report here on the International Monetary Fund, the International Cooperation Administration Development Loan Fund, and then you have got the Export-Import Bank.

What others are there?

Mr. BRUNDAGE. The International Finance Corporation is the other one.

The CHAIRMAN. International Finance. None of these loans go through the appropriation bills?

Mr. BRUNDAGE. No.

The CHAIRMAN. And whatever the appropriation bill shows for foreign aid is in addition to these loans.

Mr. BRUNDAGE. That is right.

The CHAIRMAN. This is a very complicated subject, and I would like the staff of the committee to go over this and see if this gives us the facts, so that we can make a complete statement as to these different loans and aids and grants and direct gifts and so forth.

Mr. BRUNDAGE. This gives the complete detail on all of this financing.

The CHAIRMAN. Well, we will communicate with you later, then, if there is any additional information we desire.

You see what I want, a complete picture.

Mr. BRUNDAGE. That is all here. We could summarize it.

The CHAIRMAN. The public thinks that all we are doing is in the appropriation bill. I think it is a great deal more than that. And will you also explain the International Cooperation Administration, what part of it do we pay, and does any other nation contribute to it?

(The chairman prepared and submitted the compilation of Funds for Foreign Aid which appears at p. 443.)

Mr. BRUNDAGE. I think you have got everything here, sir.

(The following additional data was subsequently submitted by Mr. Brundage.)

The dollar expenditures under the Mutual Security Program, which covers the International Cooperation Administration, are made from appropriations which are enacted by the Congress. The materials previously inserted in this record supplied information on foreign expenditures not made directly from enacted appropriations; namely, loans made by the Export-Import Bank, the International Monetary Fund, the International Bank for Reconstruction and Development, and the International Finance Corporation. The expenditures of the Export-Import Bank are financed through an enacted authorization to expend from debt

receipts and are reflected (net) in the budget totals. The other three agencies are international rather than United States Government agencies, and their expenditures, therefore, are not reflected in the United States budget. The amounts of the United States expenditure for original capital subscriptions to these international agencies have also been inserted in this record.

Some United States expenditures which are made abroad in foreign currencies are also not reflected in appropriations or in the budget totals, as described in the materials inserted in this record at the end of the hearing of February 4. The expenditures made (or to be made) in foreign currencies without charge to dollar appropriations were given for the fiscal years 1957 (actual), 1958 (estimate), and 1959 (estimate), in response to question No. 3 asked by the chairman at the end of the February 4 hearing.

The CHAIRMAN. I mean, does any other nation contribute to any of these? You have the International Monetary Fund.

Mr. BRUNDAGE. Oh, yes.

The CHAIRMAN. What percent?

Mr. BRUNDAGE. I think our contribution is about 30 percent.

Senator FREAR. But our contribution has been practically subscribed, whereas the contribution of the other countries may be fully subscribed or totally unsubscribed.

Mr. BRUNDAGE. I think we have paid up more than the other countries.

Senator MARTIN. Could we have just what each country has actually contributed. After all, that is what counts, it is not what a man subscribes to, it is what he actually pays.

The CHAIRMAN. And is it on the basis of dollars or on the basis of the currencies of these countries?

Mr. BRUNDAGE. The currencies of these countries.

The CHAIRMAN. You would have to express that in dollars.

Mr. BRUNDAGE. We have expressed it in United States dollars in these tables, sir.

Senator WILLIAMS. For instance, like France, she will contribute her francs and borrow the dollars.

Mr. BRUNDAGE. That is right.

Senator WILLIAMS. We contribute the dollars and get the francs.

Mr. BRUNDAGE. France had accumulated—up to the end of December, her total transactions were \$387 million in francs, the equivalent of \$387 million gross, and they had repaid \$125 million, so the net outstanding was \$262 million.

The CHAIRMAN. Which fund are you speaking of now?

Mr. BRUNDAGE. That is the International Monetary Fund.

Senator FREAR. I don't understand what he just said, Mr. Chairman.

You said "outstanding." Does that mean they have subscribed to that and have withdrawn so much?

Mr. BRUNDAGE. No, that is their withdrawals.

Senator FREAR. They have applied for a loan and they were granted a loan, and they have drawn down so much of it? Is that right?

Mr. BRUNDAGE. That is right.

Senator FREAR. But originally, before that, in order to be a member they had to subscribe and pay in so much money, is that right?

Mr. BRUNDAGE. Yes, they did pay in—I am afraid we haven't got the figures for the capital paid in. This information is just the loans, the drawdowns.

The CHAIRMAN. From the list here, it appears that France has had a gross payment of \$387 million, is that right?

Mr. BRUNDAGE. That is right; yes.

The CHAIRMAN. How much does France pay into that fund?

Mr. BRUNDAGE. I am afraid we haven't got the amount paid in.

Mr. McCANDLESS. We have it for the United States, but not any other country.

Mr. BRUNDAGE. We only have the United States subscription.

Do you have the amount that we have paid in? We want the total capital, the proportion. I think it is about 30 percent.

Mr. McCANDLESS. That is all in the report, too.

The CHAIRMAN. To what extent are these other nations delinquent in their subscription payments?

Mr. BRUNDAGE. I believe they have all paid in the amount that was called for in the International Monetary Fund. Our quota is \$2,750 million, and the entire amount was paid in in 1947 on the establishment of the fund, \$687,500,000 in gold and the remainder in cash, or demand notes of the Treasury.

The CHAIRMAN. How much did other nations contribute at that time?

Mr. BRUNDAGE. I think they all paid into the Monetary Fund; I think that was all paid in.

The CHAIRMAN. You said that was 30 percent of the total?

Mr. BRUNDAGE. I think ours was about 30 percent of the total.

The CHAIRMAN. Then, the other nations——

Mr. BRUNDAGE. It was about \$10 billion, I think.

The CHAIRMAN. And that was actually paid on a dollar basis?

Mr. BRUNDAGE. Yes, we paid it partly in gold.

The CHAIRMAN. I know we did.

Mr. BRUNDAGE. Each country paid their own.

Senator FREAR. Paid it in their own currency?

Mr. BRUNDAGE. In their own currency, yes, and partly in gold.

Senator FREAR. I hope I am correct in my understanding, but is it not true that all countries have not paid their full subscription?

Mr. BRUNDAGE. I know they haven't to the International Bank. I am inclined to think that they did pay it into the fund.

The CHAIRMAN. But if they pay francs, or money that has little value, how do you compare them with our contribution? Did you put it on a dollar basis or not?

Mr. BRUNDAGE. We are expressing it here for this statement for your purposes in dollars, but the fund expresses it in their own currency.

The CHAIRMAN. There is nothing here to indicate how much these other nations have contributed. I see how much they have drawn out. What I am trying to determine is how much other nations have contributed. For instance, you say we paid 30 percent. Of course, that is in dollars. Now, when other countries made their payments, were they calculated in dollar value or otherwise?

Mr. BRUNDAGE. Well, the accounts are kept, I believe, in several currencies. I think they are kept in dollars and sterling and——

Senator FREAR. Guilders.

The CHAIRMAN. How did you figure the 30 percent that we paid in? Was it 30 percent in the value of dollars?

Mr. BRUNDAGE. It is about 30 percent of the total capital of the fund.

The CHAIRMAN. Yes, but on what basis was that capital figured? Was it figured in the currency of these other countries when they make their contribution, or is it figured in dollars?

Senator FREAR. Currency equivalent?

Mr. BRUNDAGE. Currency equivalent, yes.

The CHAIRMAN. Is it figured in the equivalent of dollars or not?

Mr. BRUNDAGE. The accounts, I know, are kept in dollars as well as in the local currency, because I have seen their accounts. They have to use some established exchange rate, of course.

Senator FREAR. They pay them in other currency equivalent with the established rate, but the established official rate, as I understand it, Mr. Chairman, isn't always the going rate.

Senator WILLIAMS. Well, for instance, with France, if they paid on the established official rate a couple of years ago, the franc is now worth about half of what it was then.

Mr. BRUNDAGE. That is right, but a country is required to increase the contribution in its currency when the par value of that currency is changed.

Senator WILLIAMS. And that means that the payments have been cut back to half; is that true?

Senator FREAR. The value of the payments.

Senator WILLIAMS. The value of the payments.

Mr. BRUNDAGE. It had that value at the time it was paid in. But it was probably reloaned to some of the countries, not necessarily France, but some other country.

Senator WILLIAMS. Do I understand that this was set up to enable these countries, when they get into a little financial difficulty as governments, to tide them over the period?

Mr. BRUNDAGE. They can go to the bank or the fund.

Senator WILLIAMS. If we don't increase this debt ceiling, do you suppose that our Treasury Department could go there and get relief?

Mr. BRUNDAGE. If they had the funds, I think we could if we were in balance-of-payments difficulties but not for internal debt retirement.

Senator WILLIAMS. But they would have to get the funds from us?

Mr. BRUNDAGE. I don't know whether they could get as much as \$5 billion.

The CHAIRMAN. What balance does this International Fund have on hand? You say they had \$10 billion to start with.

Senator WILLIAMS. As the chairman pointed out, wouldn't it be fair to define this as another foreign-aid program?

Mr. BRUNDAGE. I haven't got a financial statement of the Monetary Fund with me.

The CHAIRMAN. I thought you were going to furnish all that.

Mr. BRUNDAGE. Just the loans, what you asked for last time was the loans.

The CHAIRMAN. We wanted the whole picture, the whole operations. (The financial statement of the International Monetary Fund, previously referred to, follows:)

### INTERNATIONAL MONETARY FUND

#### *Income and expenditure*

[In millions]

	1955	1956	1957	
			January— June	July— September
Operational income:				
Service charges on transactions.....	\$0.14	\$3.47	\$3.12	\$1.42
Charges on balances in excess of quota.....	1.20	1.68	3.02	3.29
Other.....	.23	.10	.15	.....
Investment income (U. S. Treasury bills).....	.....	2.90	3.18	1.67
Total income.....	1.57	8.15	9.47	6.38
Total expenditures.....	5.13	5.34	3.72	4.53

#### *Balance sheet*

[In millions]

	Apr. 30, 1955	Apr. 30, 1956	Apr. 30, 1957	Oct. 31, 1957
Gold (at \$35 per fine ounce).....	\$1,744.4	\$1,761.4	\$1,439.3	\$1,177.4
Investments <sup>1</sup> .....	.....	50.0	200.0	200.0
Convertible currencies <sup>2</sup> .....	1,974.3	2,119.9	1,333.9	1,155.5
Balances with depositories.....	168.3	226.5	167.1	150.3
Demand securities <sup>3</sup> .....	1,802.4	1,892.0	1,175.2	1,004.8
Currency adjusted receivable or payable (-).....	3.6	1.4	-8.4	.4
Subtotal.....	3,718.7	3,931.3	2,973.2	2,532.9
Nonconvertible currencies.....	4,325.4	3,986.1	5,129.6	5,603.8
Balances with depositories.....	4,656.8	572.8	943.8	1,211.6
Demand securities <sup>3</sup> .....	4,369.0	3,413.3	4,185.8	4,384.2
Currency adjusted receivable or payable (-).....	-4	.....	.....	8.0
Subscriptions receivable.....	797.7	814.5	816.8	873.9
Withdrawing member's currency.....	.....	3.6	3.0	2.6
Other assets.....	.9	1.1	4.6	4.9
Total assets equals total liabilities.....	8,842.7	8,736.6	8,927.2	9,018.1
Capital: Authorized subscriptions:				
Paid.....	7,930.3	7,936.0	8,114.7	8,142.1
Unpaid.....	797.7	814.5	816.8	873.9
Cumulated deficit.....	10.5	14.2	6.3	.3
Net capital.....	8,717.5	8,736.3	8,925.2	9,015.7
Withdrawing member's subscription.....	125.0	.....	.....	.....
Reserves and liabilities.....	.2	.3	2.0	2.4

<sup>1</sup> United States Treasury bills and funds awaiting investment.

<sup>2</sup> Currencies of the United States, Canada (from December 1951), Mexico, Cuba (from December 1953), Dominican Republic (from August 1953), Guatemala, El Salvador, Honduras (from July 1950) Haiti (from April 1954), and Panama. Convertible currencies, within the meaning of the fund agreement, are currencies of those members that are not availing themselves of the transitional arrangements that permit the maintenance and adaptation to changing circumstances of restrictions on payments and transfers for current international transactions. A currency becomes convertible when the member has removed all restrictions on current payments and transfers and is subject to the obligations of art. VIII, secs. 2, 3, and 4 dealing with these restrictions, multiple currency practices, discriminatory currency arrangements, and the conversion of certain balances of its currency into gold or the currency of another member that holds the balance.

<sup>3</sup> Nonnegotiable non-interest-bearing securities payable at face value on demand.

<sup>4</sup> Including withdrawing member's currency and securities of 128.8.

(The subscriptions of each member country to the International Monetary Fund, previously referred to, follow:)

## INTERNATIONAL MONETARY FUND

*Quotas and subscription of member currencies and gold*

Member	Quota (in millions of dollars)	Subscription	
		Gold (in millions of dollars)	Member currency (in millions of dollar equivalents)
Afghanistan	10.0	2.5	
Argentina	150.0	37.5	112.5
Australia	200.0	8.4	191.6
Austria	50.0	5.0	45.0
Belgium	225.0	56.3	168.7
Bolivia	10.0	2.5	7.5
Brazil	150.0	37.5	112.5
Burma	15.0	.5	14.5
Canada	300.0	75.0	225.0
Ceylon	15.0	.8	14.2
Chile	50.0	8.8	41.2
China	550.0	.1	
Colombia	50.0	12.5	37.5
Costa Rica	5.0	.4	4.6
Cuba	50.0	12.5	37.5
Denmark	68.0	5.9	62.1
Dominican Republic	10.0	2.5	7.5
Ecuador	10.0	2.5	7.5
Egypt	60.0	9.5	50.5
El Salvador	7.5	1.9	5.6
Ethiopia	6.0	.1	5.9
Finland	38.0	.8	37.2
France	525.0	108.1	416.9
Germany (Federal Republic)	330.0	33.0	297.0
Ghana	15.0	.5	
Greece	40.0		
Guatemala	5.0	1.3	3.7
Haiti	7.5	1.9	5.6
Honduras	7.5	1.9	5.6
Iceland	1.0	.2	.8
India	400.0	27.5	372.5
Indonesia	110.0	15.5	94.5
Iran	35.0	8.8	26.2
Iraq	8.0		8.0
Ireland	30.0	4.5	
Israel	7.5	1.9	5.6
Italy	180.0		
Japan	250.0	62.5	187.5
Jordan	3.0	.1	2.9
Korea, Republic of	12.5	3.1	
Lebanon	4.5	.2	4.3
Luxembourg	10.0	.5	9.5
Mexico	90.0	22.5	67.5
Netherlands	275.0	68.8	206.2
Nicaragua	7.5	1.9	5.6
Norway	50.0	12.5	37.5
Pakistan	100.0	3.5	96.5
Panama	.5	.1	.4
Paraguay	7.5	1.9	5.6
Peru	25.0	3.2	21.8
Philippines	15.0	3.8	11.2
Saudi Arabia	10.0	2.5	
Sudan	10.0	.4	
Sweden	100.0	17.0	83.0
Syria	6.5	.2	6.3
Thailand	12.5	3.1	
Turkey	43.0	10.8	32.2
Union of South Africa	100.0	25.0	75.0
United Kingdom	1,300.0	236.3	1,063.7
United States	2,750.0	687.5	2,062.5
Uruguay	15.0	3.8	
Venezuela	15.0	3.8	11.2
Viet-Nam	12.5	3.1	
Yugoslavia	60.0	7.9	52.1
Member currency			6,468.0
Convertible			2,420.9
Nonconvertible			4,047.1
Czechoslovakian currency			
Gold		1,674.1	
Subscriber receivable		873.9	
Total	9,016.0	9,016.0	



(The subscription of each member country to the International Bank for Reconstruction and Development follows:)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

*Statement of subscriptions to capital stock, expressed in United States currency*

[Thousands of dollars]

Member	Subscription amount	In United States dollars	Amounts paid in currency or notes	Subject to call to meet obligations of bank
Afghanistan.....	\$10,000	\$200	\$1,800	\$8,000
Argentina.....	150,000	3,000	27,000	120,000
Australia.....	200,000	4,000	36,000	160,000
Austria.....	50,000	1,000	9,000	40,000
Belgium.....	225,000	4,500	40,500	180,000
Bolivia.....	7,000	140	1,250	5,600
Brazil.....	150,000	3,000	27,000	120,000
Burma.....	15,000	300	2,700	12,000
Canada.....	325,000	6,500	58,500	260,000
Ceylon.....	15,000	300	2,700	12,000
Chile.....	35,000	700	6,000	28,000
China 1.....	600,000	9,420	108,000	480,000
Colombia.....	35,000	700	6,300	28,000
Costa Rica.....	2,000	40	360	1,600
Cuba.....	35,000	700	6,300	28,000
Denmark.....	68,000	1,360	12,240	54,400
Dominican Republic.....	4,000	80	720	3,200
Ecuador.....	6,400	128	1,152	5,120
Egypt.....	53,300	1,066	9,594	42,640
El Salvador.....	1,000	20	180	800
Ethiopia.....	3,000	60	540	2,400
Finland.....	38,000	760	6,840	30,400
France.....	525,000	10,500	94,500	420,000
Germany.....	330,000	6,600	59,400	264,000
Greece.....	25,000	500	4,500	20,000
Guatemala.....	2,000	40	350	1,600
Haiti.....	2,000	40	360	1,600
Honduras.....	1,000	20	180	800
Iceland.....	1,000	20	180	800
India.....	400,000	8,000	72,000	320,000
Indonesia.....	110,000	2,200	19,800	88,000
Iran 2.....	33,600	672	2,624	26,880
Iraq.....	6,000	120	1,080	4,800
Israel.....	7,500	150	1,350	6,000
Italy.....	180,000	2,600	32,400	144,000
Japan.....	250,000	5,000	45,000	200,000
Jordan.....	3,000	60	540	2,400
Korea.....	12,500	250	2,250	10,000
Lebanon.....	4,500	90	810	3,600
Luxembourg.....	10,000	200	1,800	8,000
Mexico.....	65,000	1,300	11,700	52,000
Netherlands.....	275,000	5,500	49,500	220,000
Nicaragua.....	3,000	60	540	2,400
Norway.....	50,000	1,000	9,000	40,000
Pakistan.....	100,000	2,000	18,000	80,000
Panama.....	200	4	36	160
Paraguay.....	1,400	28	252	1,120
Peru.....	17,500	350	3,150	14,000
Philippines.....	15,000	300	2,700	12,000
Sweden.....	100,000	2,000	18,000	80,000
Syria.....	6,500	130	1,170	5,200
Thailand.....	12,500	250	2,250	10,000
Turkey.....	43,000	860	7,740	34,400
Union of South Africa.....	100,000	2,000	18,000	80,000
United Kingdom.....	1,300,000	26,000	234,000	1,040,000
United States.....	3,175,000	635,000	-----	2,540,000
Uruguay.....	10,500	210	1,890	8,400
Venezuela.....	10,500	210	1,890	8,400
Viet-Nam.....	12,500	250	2,250	10,000
Yugoslavia.....	40,000	800	7,200	32,000
Total.....	9,268,400	754,288	1,093,388	7,414,720

<sup>1</sup> Payment of US\$2,580,000 past due.

<sup>2</sup> Payment of the equivalent of \$3,424,021 due as a result of revaluation of Iranian currency.

The CHAIRMAN. Now I want to get this straight. The 30 percent that we put up, it is figured on the basis of the equivalent in dollars?

Mr. BRUNDAGE. Yes.

The CHAIRMAN. With other countries, is that correct?

Mr. BRUNDAGE. That is right.

The CHAIRMAN. At the rate of exchange on the day the money was paid in, the official rate of exchange?

Mr. BRUNDAGE. When the fund was created, yes but with adjustments when there has been a change in the par value.

The CHAIRMAN. Explain in regard——

Mr. BRUNDAGE. Mr. McCandless says that from his memory each country put up 25 percent in gold, and the other 75 percent in their own currency.

The CHAIRMAN. Where is that gold, where is it located?

Mr. BRUNDAGE. It is here, I guess.

Mr. McCANDLESS. I suppose it is in the bank.

Mr. BRUNDAGE. The headquarters are here in Washington, so I presume it is here or in depositories in central banks of member countries.

The CHAIRMAN. Explain the Development Loan Fund.

Mr. BRUNDAGE. I have submitted in the record a description of the organization and operation of the Development Loan Fund (see pp. 260-386).

The CHAIRMAN. Who contributes to that, and how is it handled?

Mr. BRUNDAGE. It was just started this last year, and they have not made any loans as yet, I understand. They have appropriated \$300 million, and we are asking for another \$625 million appropriation, which was—the authorization was approved by Congress. We are asking for that obligational authority.

I believe they have over \$1 billion in requests for credit, and they are exploring it now. They are looking into the credit applications and the projects. It takes quite a while, of course, to work these things out in detail.

The CHAIRMAN. That is a United States project?

Mr. BRUNDAGE. That is entirely United States; yes.

The CHAIRMAN. Do they make soft loans? What kind of loans do they make?

Mr. BRUNDAGE. Well, I imagine it would come under the general heading of soft loans, since they may be repayable in local currencies, whereas the Export-Import Bank's loans are repayable in dollars.

The CHAIRMAN. And then that local currency, does that remain in these countries like the counterpart money remains?

Mr. BRUNDAGE. Well, it would remain there presumably, but unlike counterpart funds we take title to these currencies and can use them for relending.

The CHAIRMAN. Would it go through the budget when these repayments are made or not?

Mr. BRUNDAGE. I don't think so. Would it?

Mr. McCANDLESS. The amount of the payments in the foreign currencies, the dollar equivalent of foreign currencies, would show in the budget document.

Mr. BRUNDAGE. However, I don't think it would come back in as part of budget receipts unless we repatriate it, unless we bring it over in dollars.

The CHAIRMAN. What becomes of the money? Suppose some of them repay these loans—that would be very rare, in my opinion—but what would become of that money?

Mr. BRUNDAGE. It would be deposited in the bank as a balance of foreign currency. We have very substantial balances——

The CHAIRMAN. What would the Treasury do with it? They wouldn't leave it in the bank, would they? What would they do with it?

Mr. BRUNDAGE. It would be used to reloan, perhaps for housing, for all kinds of purposes.

The CHAIRMAN. What kind of housing?

Mr. BRUNDAGE. But we could not sell it to importers in order to bring in commodities.

The CHAIRMAN. Well, that is a part of the whole program, I imagine, I mean that could be considered as a part of the foreign-aid program.

Mr. BRUNDAGE. That is right.

The CHAIRMAN. What others? We have discussed three of them. You have got one more, you said.

Mr. BRUNDAGE. In addition to the International Monetary Fund, there is an International Finance Corporation which was just started about a year and a half ago. Mr. Garner is president of it. (See p. 266 for description of organization and operation of International Finance Corporation.)

The CHAIRMAN. What is the authorization for that fund?

Mr. BRUNDAGE. The membership comprise 53 countries with an aggregate subscribed capital of approximately \$93 million. The total authorized capital is \$100 million. It is to stimulate economic development in less-developed member countries and in dependent overseas territories of member countries by investing without government guaranty in productive private enterprises in association with private enterprisers who can provide competent management.

The CHAIRMAN. That is outside the budget, too, isn't it? Well, there are four agencies that are outside the budget. Are there any others that spend money that are not included in the budget?

Mr. BRUNDAGE. The Development Loan Fund isn't outside the budget, because that has to go through for the authorization.

The CHAIRMAN. When it is repaid——

Mr. BRUNDAGE. It goes through for authorizations and appropriations, and then it becomes a revolving fund.

The CHAIRMAN. But when it is repaid, if it ever is, it doesn't go back into the budget, you testified to that a moment ago.

Mr. BRUNDAGE. I hope it will eventually——

The CHAIRMAN. Why say eventually? If you loan money abroad, why shouldn't it come back and go into the budget? You have got it as an expenditure in the budget to start with.

Mr. BRUNDAGE. Well, that is a problem that we have discussed many times, as to whether we ought to bring back repayments or the proceeds of sales under Public Law 480 and other things. But so long as they are in currencies other than United States dollars, and until we bring them into dollars, we decided that it wouldn't add to the informative nature of the statements if we were to do it.

The CHAIRMAN. You testified the other day that we had \$1.2 billion of so-called counterpart money that does not go into the budget.

Mr. BRUNDAGE. That is right, foreign currencies.

The CHAIRMAN. It is not included in the budget. You have a notation about it, but it is not included in the budget figures. That \$1.2 billion is in addition to this other fund?

Mr. BRUNDAGE. That is right.

The CHAIRMAN. Now, the Export-Import Bank, when payments are made on their loans, how is that handled in a budgetary way?

Mr. BRUNDAGE. They are repaid in dollars, and they show up as receipts of the Export-Import Bank.

The CHAIRMAN. Is that a revolving fund?

Mr. BRUNDAGE. It is a banking operation, like a revolving fund.

The CHAIRMAN. I mean it is a revolving fund in the sense—

Mr. BRUNDAGE. We show as receipts what they pay as interest on the loans.

The CHAIRMAN. Yes; but actually the repaid loans do not go back on the budget as receipts; they remain to the credit of the Export-Import Bank and can be reloaned. That is correct, isn't it?

Mr. BRUNDAGE. Well, it is shown net, because we show as authorization this \$2 billion, and then we show in their operations the loans gross and the repayments gross, and then the net figure. You see, in our latest budget we showed the total expenditures, which means loans and operating expenses, are estimated to come in 1958 to \$796 million, and in 1959 to \$562 million. The receipts from operations, which means interest, repayments of loans, and so on, come to \$404 million in 1958 and \$511 million in 1959. So that the net result, that is, the excess of the loans and expenditures over receipts for 1958, will be \$392 million, and are estimated for 1959 at \$51 million.

The CHAIRMAN. Does that go into the budget as a receipt or not?

Mr. BRUNDAGE. That is in the budget; yes.

The CHAIRMAN. As a receipt?

Mr. BRUNDAGE. Well, it comes in that—it is like the post office, we deduct the receipts from the expenditures and include the difference in the expenditure total, but we show them both.

The CHAIRMAN. You deduct the receipts from the loans and show the difference?

Mr. BRUNDAGE. That is right.

The CHAIRMAN. Whatever money comes in for the repayment of loans, they could lend again?

Mr. BRUNDAGE. That is right.

The CHAIRMAN. What you show, then, in the budget is a net difference?

Mr. BRUNDAGE. They don't have to ask for new obligational authority; that is right.

Senator FREAR. Do you consider that as a contingent asset?

Mr. BRUNDAGE. Well, we don't give any statements of our contingent assets or contingent liabilities, although we do disclose what the amounts of the contingent liabilities are.

Senator WILLIAMS. Mr. Brundage, going back to the Export-Import Bank for a moment, you brought to the committee this morning, I think, a copy of the hearings that were held in the Senate Banking and Currency Committee on the bill S. 3149, a bill to increase the lending authority of the Export-Import Bank.

Mr. BRUNDAGE. Yes.

Senator WILLIAMS. I wish you would refer to page 42 of those hearings. I just don't understand it there. They have listed the assets, and they have due from borrowers a total amount of \$3,011,863,872.18. That is under the classification of assets, "Total due from borrowers," and then immediately below that we have "Less reserve for losses" in an identical amount. Do I understand that they have set aside all the loans in there as prospective losses, or does this mean that they are carrying no reserve?

Mr. BRUNDAGE. They don't have any reserve.

Senator WILLIAMS. They have no reserve on those?

Mr. BRUNDAGE. No specific reserve.

Senator WILLIAMS. And in setting up and making their annual statement, they are operating on the assumption that every loan that has been granted since its inception will be paid in its entirety, is that correct, nothing has been written off?

Mr. BRUNDAGE. Not exactly. They have written off some, but they are operating like a good many banks do. They showed the earned surplus on the other side, you see, "Retained for contingencies," at \$442 million, that has been earned.

Senator WILLIAMS. That shows everything but what has been actually written off, is that correct, as uncollectible?

Mr. BRUNDAGE. The surpluses after deducting what has been written off.

Senator WILLIAMS. How much has been written off?

Mr. BRUNDAGE. I gave the detailed—

Senator WILLIAMS. May we have a breakdown of that?

Mr. BRUNDAGE. It was in the material I supplied. It isn't an awful lot. The amount charged off was \$395,491.32.

(The statement showing loans in default, fully reserved on books, and charged off as of December 31, 1957, appears on p. 311.)

Senator WILLIAMS. Now, are there any of the other accounts that are carried at full value delinquent?

Mr. BRUNDAGE. Yes.

Senator WILLIAMS. What is the amount of delinquencies?

Mr. BRUNDAGE. They have the principal amount of \$12,178,424 as delinquent; that is, the principal amount of loans delinquent as of December 31, 1957, and unpaid at January 31, 1958.

(The statement showing loans delinquent as of December 31, 1957, appears on pp. 312, 313.)

The CHAIRMAN. Do you mean delinquent in interest payments or in principal payments?

Mr. BRUNDAGE. They are delinquent \$12,178,424 in principal payments.

Senator WILLIAMS. How many are delinquent upon which they are not paying the interest on the principal?

Mr. BRUNDAGE. The unpaid interest is \$9,413,000.

Senator WILLIAMS. But what is the total amount of the principal upon which that interest is delinquent?

Mr. BRUNDAGE. That is \$12 million.

Senator WILLIAMS. \$12 million?

Mr. BRUNDAGE. Yes.

The CHAIRMAN. What is the interest rate?

Mr. BRUNDAGE. The biggest item is China—

The CHAIRMAN. I mean the percent of interest, what is it?

Mr. BRUNDAGE. It varies, I think it is from 4½ to 6 principally, the detail is given in the —

The CHAIRMAN. Four-and-a-half percent to six; well, is there any case in these lending agencies where we are loaning the money for less interest than it costs the Government to borrow?

Mr. BRUNDAGE. I am pretty sure not; no, sir.

The CHAIRMAN. Are these any further questions on this?

We shall probably ask you for a little additional information.

Senator KERR. I would like to ask a question or two.

The CHAIRMAN. Senator Kerr.

Senator KERR. Mr. Brundage, with reference to the estimate of overage and under where additions and subtractions from the 1958 and 1959 budget are compared, aside from the decrease under "Proposed legislation," it would be a net increase of how much?

Mr. BRUNDAGE. I am trying to find it for you.

Senator KERR. While we are waiting for that figure, that is based on an estimate of the 3 percent increase in revenues?

Mr. BRUNDAGE. That is based on—these are just expenditures.

Senator KERR. These are estimates of expenditures?

Mr. BRUNDAGE. Of expenditures; yes.

Senator KERR. Now, your estimate of the \$500 million surplus is based on the assumption that there would be about 3 percent increase in revenue, wouldn't there?

Mr. BRUNDAGE. \$2 billion. That would be a little less than 3 percent, yet.

Senator KERR. Approximately 3 percent.

Mr. BRUNDAGE. Yes.

Senator KERR. And I understand that you had estimated a decrease by congressional action in nondefense expenditures of \$1.9 billion. That is the way I understand it, is that right?

Mr. BRUNDAGE. About that; yes.

Senator KERR. Now, this item "Decrease Under Proposed Legislation," \$738 million; is that right?

Mr. BRUNDAGE. Yes.

Senator KERR. Now, where has the additional \$1.2 billion decrease in nondefense expenditures been made?

Mr. BRUNDAGE. Well, this is given in detail here in my former testimony. (See summary table on pp. 391–393.) This ties in with this table, this is the total \$2.971 billion, and it ties in with this \$2 billion here, \$2.9 billion. And this is detailed in this column.

Senator KERR. I see. Well, I hadn't seen this statement. If there is no increase in revenue, the situation will be \$2 billion worse than estimated from that item alone, is that right?

Mr. BRUNDAGE. That is right.

Senator KERR. And if there is no congressional action decreasing nondefense expenditures, there would be a difference of approximately \$2 billion in capitalization by reason of that event, or the failure of that event to materialize; wouldn't there?

Mr. BRUNDAGE. Well, some of these can be done, or all of this \$1.876 billion can be done under existing legislation.

Senator KERR. And whatever the Congress may enact in connection with increasing postal rates, would that item be included, say, in the \$738 million?

Mr. BRUNDAGE. That is the \$700 million. \$700 million of that is the proposed increase—

Senator KERR. No; that is decreases under existing legislation.

Mr. BRUNDAGE. That is it, but you see the postal bill——

Senator KERR. This proposed legislation, that wouldn't be, the postal increase wouldn't be in that item; would it?

Mr. BRUNDAGE. Yes, it is, because, you see, the postal revenue is deducted from the postal expenditures in the budget; it is treated as a deduction from expenditures rather than as a miscellaneous receipt.

Senator KERR. I see. For instance, if Congress passes a 4-cent first-class postage stamp instead of a 5-cent first-class postage stamp, there would not be a worsening of the budget situation by reason of that which is not included already in the \$738 million total of proposed congressional decreases?

Mr. BRUNDAGE. That would reduce our revenue by \$175 million about, and the effect of that would be to increase our net expenditures, that is, the——

Senator KERR. Then it would be in addition to the calculation that is made by reason of this \$738 million figure, wouldn't it?

Mr. BRUNDAGE. Well, instead of decreasing it by \$700 million, we would have a decrease of \$525 million.

The CHAIRMAN. I want to get the figure clearly about the administrative reductions that you intend to make.

What is the total of it? That which is not dependent upon action by Congress?

Mr. BRUNDAGE. That is the \$2.971 billion, the first column here.

The CHAIRMAN. That is done administratively, is it?

Mr. BRUNDAGE. Yes, that does not require any changes in legislation. But that can be changed, of course, by the Congress appropriating more than we are asking for. That is what we are asking for.

Senator KERR. That contemplates or assumes a decrease of an amount \$1.95 billion in the Department of Defense, doesn't it?

Mr. BRUNDAGE. That is right.

Senator KERR. And you don't really expect that, do you, Mr. Brundage?

Mr. BRUNDAGE. Oh, yes, I do. That is our proposal.

Senator KERR. But that is the administrative reductions that you are going to make by doing away with obsolete things——

Mr. BRUNDAGE. It is cuts in our programs on the basis of which we are asking appropriations from Congress.

Senator KERR. But that is more than offset by the total of the \$4.8 billion proposed legislation for increases.

Mr. BRUNDAGE. The increases are much larger, that is right.

Senator KERR. Thank you, very much.

Senator MARTIN. Mr. Chairman, I think we are very fortunate to have a man of the ability and understanding of Mr. Brundage before the committee. I would also like to state that I am still very uneasy about inflation in our country. I am very fearful that we haven't yet curbed inflation.

So some of the questions that I am now going to ask you, Mr. Brundage, you may not want to express an opinion on, and I understand that fully.

The first question that I would like to ask you is this. We have been discussing the Export-Import Bank and the increase from \$5 billion to \$7 billion. That increase could come out of this raising of the debt ceiling?

Mr. BRUNDAGE. Well, it isn't actually an offset to the \$5 billion, Senator Martin, because we are not anticipating that the Export-Import Bank would use any substantial part of that.

Senator MARTIN. I realize that we are not expecting it, and personally, I don't expect it.

Mr. BRUNDAGE. During 1959.

Senator MARTIN. But it could be used, and to the fullest extent, then that would come out of this——

Mr. BRUNDAGE. Yes, it could.

Senator MARTIN. I am not expecting it, but there is always that possibility.

Mr. BRUNDAGE. That is correct.

Senator FREAR. According to testimony that has already been given, may I say, Senator Martin, you would expect an increase somewhere between \$200 million and \$500 million out of the \$2 billion, if the \$2 billion bill authority were enacted. It would increase your budget from somewhere between \$200 million and \$500 million. So that when we act, when we do, on the \$2 billion increase for the Export-Import Bank, we are recognizing the fact that there will be from \$200 million to \$500 million of that that will go to an increase in the ceiling.

Senator MARTIN. That is my understanding, Senator Frear.

Mr. BRUNDAGE. We are providing for that in the budget, we are assuming that they are going to get it, yes.

Senator WILLIAMS. If you are only anticipating a possible need of \$200 million to \$500 million, why ask for \$2 billion, why not cut that down?

Mr. BRUNDAGE. You see, the banking operation requires negotiations and investigations extending over a considerable time, and the bank feels, just like an ordinary commercial bank, that if they don't have loan authority, that they cannot in propriety discuss the details with the lenders, you see.

Senator MARTIN. As a borrower, I can appreciate the advantages of having this lending authority, but my banker always told me to come back and negotiate a little oftener. And since we are putting up most of the money in this international fund, don't you think it is well to have some of this negotiation back with the party who is going to put it up a little oftener rather than just give them a blank check and tell them to go ahead?

Mr. BRUNDAGE. Well, I think Congress has to decide just how big a program they want.

Senator MARTIN. But it can be definitely agreed that the Export-Import Bank don't need the \$2 billion as far as any potential need in the future, is that correct?

Mr. BRUNDAGE. I don't think that amount will be needed for expenditures in this next year. I think it is a question of how much the Congress wants to put into a program of this kind. I think it gives the bank a feeling that they can go ahead and operate. It is to finance American exports, and American exports are falling off, and I think it is an encouragement to go ahead with the present program.

The CHAIRMAN. They could use the whole \$2 billion if they choose to do it, they wouldn't have to come back to the Congress?

Mr. BRUNDAGE. They would have to come back after they used the \$2 billion.



The CHAIRMAN. I say, they could use this \$2 billion now, assuming it is authorized.

Mr. BRUNDAGE. Yes.

The CHAIRMAN. The rate of expenditure is beyond the control of Congress once it is authorized, isn't it?

Mr. BRUNDAGE. That is right.

Senator WILLIAMS. They could use the full \$2 billion this next 12 months as far as Congress is concerned once we authorize it, is that not true?

Mr. BRUNDAGE. Well, they could, but I think it would be practically impossible to negotiate it, yes.

Senator WILLIAMS. I think that is correct, yes.

Senator MARTIN. I have been very much concerned that probably our estimate of revenues, the budget estimate of revenues, is probably even higher than our revenues may be for the next fiscal year. There has been quite a falling off—take, for example, the railroads of the United States. They are in a very poor financial condition. Many of our best railroads have passed their dividends, and that means stockholders, of course, don't have as much revenue. Were all those things taken into consideration when you made up the estimate of our revenues for the next fiscal year?

Mr. BRUNDAGE. We took the situation as it existed at the time this budget went to the printer in December. And at that time we had a good many indications of a slowing down in business, and I think the anticipation—and this was discussed for many days by our economist, members of the Council of Economic Advisers, the Treasury, and the Fed—and they came to the conclusion that there would be a turn of business at sometime during calendar 1958. I think the consensus was around the middle of the year.

Senator MARTIN. Was it taken into consideration that we would open some of the valves which would mean inflation?

Mr. BRUNDAGE. Well, I think that the President has the danger of inflation very much in mind, as I do. And I think that the Treasury does too. So that is why they are going a little slow, not quite as fast as has been demanded in certain quarters. I also feel that if we are going to control inflation, that we can't have a continued steady rise in our business, because I think if everybody expects that the prices of everything will go up, we will say even 3 percent a year, then they discount it, and it is almost inevitable that it begins to go up faster than 3 percent. That is why I don't think that the present situation is economically unsound or dangerous. I think it does help to cut down this pressure. But I agree with you, it is always there, and we have to watch it. We have to go slow.

Senator MARTIN. I fully agree with Mr. Brundage in his position, Mr. Chairman.

Now, when you made out the budget, did you take into consideration for national defense the emotionalism that is going over our country now, everyone figuring that the wars of the future are going to be push-button wars and all of it going to be done from submarines and up in the air, and all of that is extremely expensive. Did you take that into consideration?

Mr. BRUNDAGE. We took it into consideration, Senator, but I think we expected the commonsense of the American people to assert itself, and that they will be guided by the best judgment of those who are informed and know what the facts are.

Senator FREAR. Senator Martin, I hate to interrupt in this thing, but my colleague from Delaware, who is a very close friend of mine, raised the point that, why don't we come back in bites as far as the Export-Import Bank is concerned and ask for this \$2 billion authority? When they issue authority for a loan to a foreign country on material that requires 2 to 5 years for manufacture and installation, that money is authorized, but isn't drawn down at that time, and may not be for 5 years, and a great deal of, or many of the loans in large amounts—like, for instance, I have before me here, the electric power company in Tokyo, or in Cuba, and another one in Japan over there—they are all for amounts in 8, 5, 9, 4, and 10 millions, and the amount drawn down on them has been practically nil, but it will be disbursed over the next 5 years if they continue with the projects.

There are a number of those, and I think it was the opinion of the directors of the Export-Import Bank that they would be limited in these loans if they were limited in their borrowing authority. That is, they wouldn't make a loan which extended over a 4- or 5-year period unless they had, at the time, the total request available.

Mr. BRUNDAGE. That is absolutely necessary. That is correct, sir.

The CHAIRMAN. Mr. Brundage, I just want to ask one question in relation to what Senator Martin said about the estimates of revenue.

If you had to make these estimates as of today, would they be approximately the same as the estimates that are contained in the budget?

Mr. BRUNDAGE. I would think so. I haven't discussed it with the council, but we anticipated about what is happening now, yes.

Senator KERR. But you also anticipated a very substantial upswing beginning during the second quarter of this calendar year.

Mr. BRUNDAGE. We expected—I personally expect it before July 1 of this year.

Senator KERR. That would be during the second quarter of the calendar year.

Mr. BRUNDAGE. Yes, that is right.

Senator KERR. And any degree to which that doesn't materialize would affect your estimates?

Mr. BRUNDAGE. Oh, yes.

Senator KERR. Or would affect the reality?

Mr. BRUNDAGE. Yes. We will have to make a new estimate next summer, of course.

Senator MARTIN. Mr. Brundage, this debt increase is a temporary increase. Now, are there any plans in contemplation for reducing the debt in the near future?

Mr. BRUNDAGE. Well, I think we hope that just as soon as the economy does bounce back, as we expect it will, that we will be able to continue to cut, that is why I would hesitate personally to see a tax cut until we can get our debt down a little further.

Senator MARTIN. I fully agree with you. I made the statement the other day that if there would be a deficit, I favored an increase of taxes rather than a reduction. And, of course, I got a great deal of criticism, because none of us like to pay taxes. I think taxes are entirely too high. But on the other hand, if a man has his bills paid at the end of the year, he needn't worry a great deal.

Now, we have gone through a period of quite remarkable prosperity, full employment, the greatest number of people employed in the

history of our country. How much did we reduce the debt during that period?

Mr. BRUNDAGE. Well, we reduced it over \$3 billion in the last 2 fiscal years. I think we would have cut it a lot more if we hadn't had Soviet imperialism to contend with. I think if we could solve that problem, I think we would be on the road to considerable improvement in our debt and in our tax structure.

Senator MARTIN. The other day you referred to the fact that we would have a saving by returning certain functions to the States. It isn't a large amount, but even that amount, isn't it going to take a long period of time before that can be accomplished?

Mr. BRUNDAGE. Well, we hope that it can be effected by the fiscal year 1960. And it isn't because it is going to help our budget immediately, because we intend to surrender sufficient to our receipts to offset it in such revenues as the tax on local telephone calls. But I think that if we can get the principle established that this is a State and local responsibility, I think it will help to prevent our Federal expenditures from rising in the future, and I think we can prevent a lot of demands from coming in for Federal funds, many of which are pretty frightening.

Senator MARTIN. Mr. Chairman, of course, it is probably easier from a political standpoint for States and cities and counties to come down here and get money from Uncle Sam rather than to levy local taxes. The people of the United States don't seem to realize that all of the tax money, local, State, and Federal, comes out of the same pocket. And it is getting to be an enormous drudgery, and there isn't any question but that these high taxes are destroying initiative, particularly among our young men and women.

I think, Mr. Chairman, that most of us agree on this, that heavy debt is one of the greatest causes of inflation, and that an unstabilized dollar does a terrible injury to a lot of people that can least afford it.

And, again, Mr. Chairman, I want to express my appreciation to Mr. Brundage. He has been a mighty fine witness.

The CHAIRMAN. He has been an excellent witness. He has answered questions very frankly.

We thank you, Mr. Brundage.

Are there any further questions?

Senator FREAR. I would like to correct one statement I made earlier today, and that is in regard to the pay-in to, I believe, one of these funds that we are talking about, having been completely subscribed and paid in by all nations, the International Monetary Fund. I think I had some reservation about that earlier, but I notice by the statistics that I was wrong.

Mr. BRUNDAGE. Thank you.

The CHAIRMAN. Thank you, very much, Mr. Brundage. Later we may ask you for some further information.

(By direction of the chairman, the following is made a part of the record:)

CORAL GABLES, FLA., *January 31, 1958.*

The SENATE FINANCE COMMITTEE,  
*Care of Senator Harry Flood Byrd,*  
*Senate Office Building, Washington, D. C.*

GENTLEMEN: When your committee holds hearings on the proposal to raise the national debt limit it is requested that consideration be given to the following statement.

With our national debt of \$275 billion, equal to the full assessed value of all the tangible wealth in the country, public and private, and with an additional \$250 billion of contingent liabilities, as stated by Senator Harry Byrd, we are certainly mortgaged to the hilt and close to bankruptcy.

Under these circumstances, raising the national debt limit and further borrowing would be the worst and most futile thing we could do. It would promptly lower the value of the dollar so that little or nothing would be gained, and it would give us another vigorous shove down the toboggan of inflation on which we are already speeding too fast.

The \$5 billion increase in the debt limit now being asked is chickenfeed to the amount that can be saved by stopping foolish Federal expenditures and waste.

Positively no raising of the debt limit should be allowed before the following three follies have been terminated.

We can save approximately: \$28 billion by getting the Federal Government out of several hundred business enterprises on which about that amount of money is being lost annually; \$4.5 billion by ending foreign aid with its scandalous wastes; and \$1 billion by installing the recommendations of the Hoover Commission.

The foreign aid already given (around \$60 billion) equals the assessed value of all the tangible property in our 17 largest cities. What right has anybody to give away our country like that?

Mr. Arthur I. Bloomfield, senior economist for the Federal Reserve Bank of New York City, testified before a Senate subcommittee that large amounts of money were coming into our country from banks in foreign countries such as Switzerland, which are acting as agents for unknown owners. About \$26.8 billion had arrived by the end of 1954, about half of which seems to have been used to purchase stocks and bonds of American companies.

Since our foreign aid is about the only money that is being scattered about the world with a profligate hand, it seems highly probable that a very large part of that \$26.8 billion came indirectly from our foreign-aid spending.

In that case, we would have the shocking situation where the American Government was taking money from the pay envelopes of the American workers and giving it to foreigners who were using part of it to buy the ownership of the factories where those same workers work to earn the money which was taken from their pay. How do you like that picture?

When a very large budget is to be voted, Congress and the people are always assured that it is absolutely necessary to stop communism. This is usually accompanied by much discussion of some new danger or war scare which is quickly dropped once the budget is passed.

Now we learn that not only have the Communist governments of Yugoslavia and Hungary received a billion or two of our foreign aid, but, of all things, Soviet Russia herself has received nearly a half billion dollars since 1946. That seems to the writer, very close to high treason.

Borrowing money and giving it away when we are on the verge of bankruptcy seems to be the height of folly. Many magazine articles describe the senseless waste of our money abroad.

Russia's recently disclosed superiority in production and numbers of intercontinental bombers has made America liable to a surprise bombing attack which, informed sources say, could destroy one-third of our population and manufacturing facilities.

In this grave danger it is high time that we put America first and strengthen our financial position (which is in no condition to fight a war) and concentrate on an all-out life-or-death struggle to regain our lost supremacy in the above-named categories, by getting rid of governmental wastes, especially the suicidal idiocy of foreign aid.

The writer is in possession of a copy of an analysis of our military position by Alexander D. Seversky, one of the world's greatest authorities in the field of aeronautics, and also another analytical statement by General Bonner Fellers, both of which confirm and amplify the dangers referred to in the third paragraph last above. Copies of these papers will be furnished to your committee upon request.

Sincerely yours,

HOMER G. DAVIES.

(The compilation of Funds for Foreign Aid prepared and submitted by the chairman, referred to on p. 426, follows:)

*Funds for foreign aid*

Showing:

In columns:

- (1) Gross authority available (including authorizations to expend from public-debt receipts, unexpended balances in appropriations unused authority to dispose of surplus agricultural commodities under Public Law 480, and balances in free-use foreign currencies) as of July 1, 1958.
- (2) Authority used (including loans outstanding, and subscriptions to capital stock) as of July 1, 1958.
- (3) Unexpended balances (including authorizations to spend from public-debt receipts, balances in prior-year appropriations, unused authority to dispose of surplus agricultural commodities under Public Law 480, and balances in free-use foreign currencies) as of July 1, 1958.
- (4) New obligational authority, requested for fiscal year 1959.
- (5) Funds available for foreign aid, fiscal year 1959 (sum of cols. 3 and 4).
- (6) Estimated expenditures, fiscal year 1959.
- (7) Unexpended balances (including authorizations to spend from public-debt receipts, balances in prior-year appropriations, unused authority to dispose of surplus agricultural commodities under Public Law 480, and balances in free-use foreign currencies) as of July 1, 1959.
- (8) Remarks.

By major foreign-aid programs:

- (a) Lending programs (including appropriated funds and authorizations to expend from public-debt receipts).
- (b) Regular appropriation programs.
- (c) Surplus agricultural commodity disposal program under Public Law 480.
- (d) Programs financed out of free-use foreign currencies.

[In thousands]

Major foreign-aid programs	Gross authority available July 1, 1958, as described above in—	Authority used July 1, 1958, as described above in—	Funds available fiscal year 1959			Estimated expenditures fiscal year 1959	Unexpended balances July 1, 1959, as described above in—	Remarks
			Unexpended balances July 1, 1958, as described above in—	New obligational authority requested for fiscal year 1959 <sup>1</sup>	Funds available			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Lending programs:								
Appropriation funds:								
Mutual security: Development loan fund..	\$300,000	\$20,000	\$280,000	\$625,000	\$905,000	\$174,009	\$730,991	Gross lending authority at end of fiscal year 1959 would be \$925 million with \$194 million loans outstanding. This program operates on a percentage of MSA appropriations; authority and expenditures included in economic assistance below.
Economic and technical assistance loans.		2,226,000						
Authorizations to expend from public debt receipts:								
Foreign investment guaranty fund:								
Cash	2,628		2,628		2,628	—900	3,528	
Authorization to expend from public debt receipts.	199,072		199,072		199,072		199,072	
Guaranty authority	(500,000)	(211,408)	(297,713)		(297,713)	(120,000)	(186,213)	

Export-Import Bank of Washington:									
Export-Import Bank fund: Cash.....			2,856		2,856			1,356	
Authority to expend from public debt receipts:									
Lending program.....	5,000,000	3,037,826	2,440,400		2,440,400	57,000		2,362,400	
Guaranty program.....		(25,452)				(28,200)			
Insurance program.....		(3,000)				(15,000)			
Proposed for later transmission, 1958 supplemental.....	2,000,000		2,000,000		2,000,000			2,000,000	
Liquidation of certain RFC assets.....		21,025				-6,117			
Investment in International Finance Corporation, United States subscription to capital stock.....	35,168	35,168							
Investment in International Bank for Reconstruction and Development: United States subscription to capital stock.....	3,175,000	635,000	2,540,000		2,540,000			2,540,000	
Lending programs.....	10,711,868	5,975,019	7,464,956	625,000	8,089,956	223,992		7,837,346	
Regular appropriation programs:									
Defense aid, special fund.....	83		83		83			83	
Mutual security:									
Military assistance.....	3,392,014		3,392,014	1,800,000	5,192,014	2,200,000		2,992,014	
Defense support.....	809,601		809,601	865,000	1,674,601	885,000		789,601	
Economic, technical, and other assistance.....	657,291		657,291	650,000	1,307,291	610,000		697,291	
Mutual security.....	4,858,906		4,858,906	3,315,000	8,173,906	3,695,000		4,478,906	
Obligations, defense aid, liquidation lend-lease.....	1,630		1,630		1,630	100		1,530	
UNRRA.....	22		22		22	4		18	
Administrative expenses, foreign-aid procurement, General Services Administration.....	436		436		436	-23		459	
Inter-American Highway.....	36,524		36,524	10,000	46,524	25,000		21,524	
Administration, Ryukyu Islands.....	344		344	3,150	3,494	3,200		294	
Construction utility systems.....	893		893	6,000	6,893	3,000		3,893	
Government in occupied areas.....	10		10		10	4		6	
Administrative expenses, MSA, State Department.....	1,127		1,127	4,577	5,704	4,677		1,127	
Regular appropriation programs.....	4,902,692		4,902,692	3,338,727	8,241,919	3,732,462		4,512,436	
Lending and regular appropriation programs.....	15,614,560	5,975,019	12,367,648	3,963,727	16,331,375	3,956,454		12,346,403	

Gross lending authority at end of fiscal year 1959 would be \$7 billion, with loans outstanding of \$3,158 million, guaranties of \$54 million and insurance in force of \$2.5 million.

\$15 million in loans would be outstanding at end of fiscal year 1959; repayments revert to Treasury.

United States subscription to date represents 20 percent of total authority, remainder will not be called unless required to meet bank's obligations, and must be a uniform percentage by member countries.

See footnotes at end of table, p. 446.

## Funds for foreign aid—Continued

[In thousands]

Major foreign aid programs	Gross authority available July 1, 1958, as described above in—	Authority used July 1, 1958, as described above in—	Funds available fiscal year 1959			Estimated expenditures fiscal year 1959	Unexpended balances July 1, 1959, as described above in—	Remarks
			Unexpended balances July 1, 1958, as described above in—	New obligatory authority requested for fiscal year 1959 <sup>1</sup>	Funds available			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Surplus agricultural commodity disposal program under Public Law 480, Agricultural Trade Development and Assistance Act:								{Unused authority of \$2.2 billion at start of year includes \$1.5 billion in 1958 proposed legislation. {Transactions by CCC represent net expenditures for fiscal year 1959 under program authority of Public Law 480. Under the law when CCC is reimbursed these expenditures will be reflected against authority shown for respective programs.
Emergency famine relief to friendly peoples.....	\$389,189		\$389,189		\$389,189	(\$105,812)	\$283,377	
Sale of surplus agricultural commodities for foreign currencies.....	2,151,656		2,151,656		2,151,656	(975,056)	1,176,600	
Transactions through facilities of Commodity Credit Corporation:								
Emergency famine relief to friendly peoples.....						105,812		
Sale of surplus agricultural commodities for foreign currencies.....						975,056		
Public Law 480 programs.....	2,540,845		2,540,845		2,540,845	1,080,868	1,458,977	
Programs financed out of free-use foreign currencies:								{Foreign currencies generated by the sale of surplus agricultural commodities, including sales under Public Law 480, under the law are available for use in United States foreign aid programs in addition to appropriations and other budget authorizations for foreign aid.
Mutual security:								
Military assistance.....	178,565		178,565		178,565	56,014	122,551	
Defense support.....	152,992		152,992	\$70,863	223,855	176,610	52,110	
Economic, technical and other assistance.....	284,812		284,812	470,868	755,679	442,397	308,417	
Unallocated balances, Public Law 480.....	1,234,564		1,234,564	—462,280	754,632		754,632	
Foreign currency programs.....	1,850,932		1,850,932	79,450	1,912,731	675,021	1,237,710	
Funds for foreign aid.....	20,006,337	\$5,975,019	16,759,425	4,043,177	20,784,950	5,712,343	15,043,090	

<sup>1</sup> Includes requests for new obligatory authority under legislation proposed for later transmission.

REPORT ON FOREIGN CURRENCIES IN CUSTODY OF THE TREASURY DEPARTMENT  
FOR THE PERIOD JULY 1, 1957, THROUGH SEPTEMBER 30, 1957

(Currencies acquired by the United States, principally under intergovernmental agreements, without purchase with dollars)

## CONTENTS

Foreword.

Summary statement of receipts, withdrawals, and balances.

Detailed statements of receipts, withdrawals, and balances, classified according to the requirements of law relating to the disposition of dollar proceeds from the sale of currencies or other specified disposition of the currencies by the Treasury, and further classified:

By source of currencies.

By country, program and types of currency.

Statement of agency foreign currency balances.

Foreign currency account symbols and titles.

## FOREWORD

Prior to World War II, acquisition by the United States Government of foreign currencies, by means other than purchase with dollars, was confined to consular fees and similar collections miscellaneous in character and relatively small in amount. Such currencies were used to defray regular operating expenses of the Federal agencies (principally the State Department) making the collections. The appropriations of such agencies were charged for the dollar equivalent of such expenditures with corresponding dollar credits to miscellaneous receipt accounts on the books of the Treasury Department.

War requirements and postwar foreign assistance programs greatly increased the quantities and varieties of foreign currencies acquired by the United States Government, without purchase with dollars, pursuant to intergovernmental agreements. Except for a relatively small portion in the custody of the Treasury Department, these foreign currencies were under the control of the Federal agencies administering the intergovernmental agreements and subject to disposition by such agencies as authorized by the Congress, usually in substantive legislation. These currencies generally were not subject to the same fiscal and budgetary controls which govern the dollar funds of the Government, i. e., use of the currencies was not subject to regular appropriation processes.

In time, there developed a growing recognition of the need for a better system of control over the foreign currencies. This led to the enactment of section 1415 of the Supplemental Appropriation Act of 1953, which provides that "foreign credits owed to or owned by the United States Treasury will not be available for expenditure after June 30, 1953, except as may be provided for annually in appropriations acts." With a few exceptions, expenditure of the foreign currencies now is controlled by including in the regular dollar appropriations of Federal agencies sums sufficient for the purchase of foreign currencies needed for their programs. A major exception is that the Congress, by substantive law, has made available for expenditure, without reimbursement to the Treasury, most of the foreign currencies derived from the sale of surplus agricultural products under intergovernmental agreements.

In order to strengthen fiscal control over foreign currencies acquired without purchase with dollars, Executive Order No. 10488, of September 23, 1953, authorizes the Secretary of the Treasury to issue regulations governing the purchase, custody, transfer, or sale of foreign exchange by any executive department or agency of the United States. Such regulations are contained in Treasury Department Circular No. 930, issued October 19, effective December 1, 1953, and are based on the following principles.

1. All foreign currencies collected must be turned over to disbursing officers of the Federal Government to be held for account of the Secretary of the Treasury.

2. The currencies must be accounted for in the official accounts of the disbursing officers, subject to audit by the General Accounting Office; and reports relating to the currencies are to be derived from such accounts.

3. Withdrawals of the currencies are permitted only upon authorizations from the Treasury Department for two purposes: (a) Sales for dollars or (b) use without reimbursement to the Treasury, as may be specifically authorized by law.

4. The currencies must be deposited only in depositaries designated by the Treasury Department.

5. The purchase of a currency in the market is prohibited if the currency needed is available with the Treasury for the use intended.



6. The amount of a foreign currency which can be held by an agency or disbursing officer for use is limited to requirements for 30 days.

The statements in the accompanying report pertain to the custody of foreign currencies by the Treasury Department under the provisions of Circular No. 930. Values are stated in approximate United States dollar equivalent. (See footnote 4.)

*Summary statement of receipts, withdrawals, and balances of foreign currencies acquired by the United States, principally under intergovernmental agreements without purchase with dollars, July 1, 1957, to Sept. 30, 1957*

[Stated in equivalent United States dollar value]

Balance held by Treasury Department, July 1, 1957-----	\$1, 128, 124, 576. 66
Collections from:	
Sale of surplus agricultural commodities pursuant to:	
Sec. 402, Mutual Security Act of 1954 (68 Stat. 843; 22 U. S. C. 1922)-----	\$76, 829, 357. 39
Title I, Public Law 480, Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 455; 7 U. S. C. 1704-1705)-----	217, 853, 468. 96
Commodity Credit Corporation Charter Act (62 Stat. 1072)-----	8, 582. 88
Informational media guaranties pursuant to sec. 1011 of the U. S. Information and Educational Exchange Act of 1948 (22 U. S. C. 1442)-----	2, 025, 353. 01
Foreign governments to be held in trust-----	2, 451, 747. 13
Lend-lease and surplus property agreements (58 Stat. 765; 60 Stat. 754)-----	15, 682, 313. 25
Intergovernmental defense agreements (66 Stat. 313)....	20, 555, 555. 55
Bilateral agreements 5 percent and 10 percent counterpart funds, Economic Cooperation Act of 1948, as amended (22 U. S. C. 1852)....	3, 638, 625. 27
All other sources-----	11, 314, 596. 34
Total collections-----	350, 359, 599. 78
Total available-----	1, 478, 484, 176. 44
Withdrawals:	
Sold for dollars, proceeds credited to: <sup>3</sup>	
Treasury receipt accounts and miscellaneous-----	\$46, 414, 761. 63
Commodity Credit Corporation capital fund as reimbursement for commodities sold for foreign currencies (62 Stat. 1072; 7 U. S. C. 1703)-----	21, 560, 300. 47
U. S. Information Agency to reimburse the informational media guaranty fund (68 Stat. 862)-----	1, 778, 023. 93
Total sold for dollars----	69, 753, 086. 03

See footnotes at end of table, p. 463.

*Summary statement of receipts, withdrawals, and balances of foreign currencies acquired by the United States, principally under intergovernmental agreements without purchase with dollars, July 1, 1957, to Sept. 30, 1957—Continued*

Balance held by Treasury—Continued

Withdrawals—Continued

Requisitioned for use without reimbursement to the Treasury pursuant to:<sup>2</sup>

Sec. 402, Mutual Security Act of 1954 (68 Stat. 843).....	\$76, 829, 357. 39
Sec. 104, Public Law 480 (68 Stat. 456).....	39, 523, 033. 56
Trust agreements.....	2, 451, 747. 13
Other authority.....	—195, 511. 59

Total requisitioned without reimbursement..... 118, 608, 626. 49

Total withdrawals..... \$188, 361, 712. 52

Adjustment for rate differences <sup>1</sup>..... —16, 329, 510. 01

Balance held by Treasury Department, Sept. 30, 1957..... 1, 273, 792, 953. 91

Analysis of balance held by Treasury Department, Sept. 30, 1957:

Proceeds for credit to miscellaneous receipts..... 41, 182, 408. 77

Proceeds for credit to agency accounts:

Informational media guaranty funds..... 6, 695, 820. 63

Commodity Credit Corporation capital funds..... 27, 873, 008. 15

Held in trust..... 30, 587, 132. 61

For program allocations under sec. 104, title I of Public Law 480..... 1, 167, 454, 583. 75

Total..... \*1, 273, 792, 953. 91

\*This figure represents the dollar value of currencies held in the foreign-currency accounts of the Treasury Department only. Under particular provisions of law, certain currencies may be made available to executive departments and agencies without reimbursement to the Treasury. Such currencies are transferred to agency accounts pursuant to requisitions submitted to the Treasury Department, or as otherwise authorized, and are thereafter accounted for by the agencies. Balances held for executive departments and agencies as of Sept. 30, 1957 were as follows:

Balances held by other executive agencies, Sept. 30, 1957, for purpose of:

Economic and technical assistance under Mutual Security Act.....	\$340, 919, 344. 15
Programed uses under Agricultural Trade Development and Assistance Act.....	33, 275, 250. 95
Military family housing in foreign countries.....	10, 075, 156. 55
Liquidation of obligations incurred prior to July 1, 1953.....	296, 224. 35
Trust agreements with foreign countries.....	4, 373, 867. 57
Other.....	31, 736. 99

Total..... 388, 971, 580. 56

NOTE.—Sec. 103 of the Mutual Security Appropriation Act, 1957, continued available until expended the equivalent of \$300,000 of foreign currencies for liquidation of obligations incurred under Mutual Security Acts prior to July 1, 1953, without reimbursement to the Treasury. Pursuant to this limitation, the equivalent of \$302,811.63 (net) had been made available to agencies during the period July 1, 1957, to Sept. 30, 1957.

See footnotes at end of table, p. 463.

STATEMENT NO. 1.—Receipts, withdrawals, and balances of foreign currencies acquired by the United States without purchase with dollars, classified according to source of currency, July 1, 1957, to Sept. 30, 1957

[Stated in equivalent United States dollar value]

	Account symbol and title	Opening balances, July 1, 1957	Collections	Transfers and conversions <sup>1</sup>	Withdrawals		Adjustments <sup>4</sup>	Closing balances as of Sept. 30, 1957
					Without reimbursement to the Treasury <sup>2</sup>	Sales for dollars <sup>3</sup>		
	I. CURRENCIES AVAILABLE TO THE INTERNATIONAL COOPERATION ADMINISTRATION WITHOUT REIMBURSEMENT TO THE TREASURY							
20FT575	Foreign currency, surplus agricultural commodities, sec. 402, Mutual Security Act of 1954, Treasury.....		\$76,829,357.39		\$76,829,357.39			
	II. CURRENCIES AVAILABLE FOR PROGRAMS USE PURSUANT TO TITLE I OF PUBLIC LAW 480							
20FT580	Foreign currency, Agricultural Trade Development and Assistance Act of 1954, Treasury.....	\$1,001,985,439.97	217,853,468.96	—\$12,292,850.92	39,523,033.56		—\$568,440.70	\$1,167,454,583.75
	III. CURRENCIES AVAILABLE FOR SALE TO AGENCIES, PROCEEDS DEPOSITED TO AGENCY ACCOUNTS							
20FT4336	Commodity Credit Corporation capital fund (derived from sale of surplus agricultural commodities owned by the Corporation other than funds derived under Public Law 480).....	1,042,310.94	8,582.88			\$953,447.12	—6.67	97,440.03
20FT4336	Commodity Credit Corporation capital fund (derived from sale of surplus agricultural commodities owned by the Corporation under Public Law 480).....	40,642,444.08		12,292,850.92	56,000.00	20,606,853.35	—4,496,873.53	27,775,568.12
20FT4367	Informational media guaranty funds, United States Information Agency.....	6,816,041.79	2,025,353.01		4.98	1,778,023.93	—367,535.26	6,695,820.63
	Total.....	48,500,796.81	2,033,935.89	12,292,850.92	56,004.98	23,338,324.40	—4,864,425.46	34,568,828.78

IV. CURRENCIES HELD IN TRUST							
20FT805	Alien property fund, foreign currency, Philippines, World War II, Treasury		8,124.90		8,124.90		
20FT891	Advances for technical assistance, Treasury		2,401,494.79		2,401,494.79		
20FT892	Payment for farmers, German prisoners of war, Treasury	30,587,102.01				+30.60	30,587,132.61
20FT893	Contributions by the Government of Pakistan for construction of the United States chancery, Treasury		42,127.44		42,127.44		
	Total	30,587,102.01	2,451,747.13		2,451,747.13	+30.60	30,587,132.61
V. CURRENCIES AVAILABLE FOR SALE TO AGENCIES, PROCEEDS DEPOSITED TO MISCELLANEOUS RECEIPTS							
20FT0110	Foreign currency, Federal income tax, Treasury		6,410.23		6,410.23		
20FT1394	Interest on public deposits	1,277,864.92	1,757,890.74	.76	1,154,489.09	-29,744.33	1,851,521.48
20FT3185	Net proceeds from surplus property in foreign areas, act of Oct. 3, 1944, Treasury	6,953,923.99	14,980,066.06	3,946.98	10,555,711.15	+59,699.97	11,434,031.89
20FT3186	Net proceeds from excess property in foreign areas, act of June 30, 1949, Treasury		76,040.04		76,040.04		
20FT3524	Recoveries, governmental operations in occupied areas, Germany and Austria, Treasury	636,571.87	208,986.89		844,022.95	+ .64	1,536.45
20FT3525	Reparations, World War II, proceeds from reparations property, Treasury		7,088.08		7,088.08		
20FT3542	Recoveries, defense aid, commodities, supplies and services, Treasury	6,256.58	702,247.19		443,072.36	-146.72	265,284.69
20FT3543	Recoveries, intergovernmental defense agreements, Treasury	555,555.55	20,555,555.55		21,111,111.10		
20FT3544	Recoveries, economic assistance to foreign nations, Economic Compensation Act of 1948, as amended, Treasury	30,123,822.66	3,638,625.27	+255,464.31	4,584,590.08	-9,996,400.44	19,436,921.72
20FT3546	Recoveries, military assistance to foreign nations, Mutual Defense Assistance Act of 1949, as amended, Treasury	4,368,360.65	2,940,791.30		3,031,375.69	-60,039.15	4,217,737.11
20FT3547	Recoveries, Pakistan wheat program, Treasury	55,387.40				+300.65	55,888.05
20FT3549	Recoveries, famine relief and other assistance, title II, Agricultural Trade Development and Assistance Act of 1954, Treasury	3,073,494.25	1,803,618.26		335,507.02	-870,345.07	3,671,260.42
20FT3556	Recoveries, foreign programs, not otherwise classified, Treasury		248,426.96				248,426.96
20FT3999	Miscellaneous		4,265,343.84		4,265,343.84		
	Total	47,051,237.87	51,191,090.41	+251,516.57	46,414,761.63	-10,896,674.45	41,182,408.77
	Grand total	1,128,124,576.66	350,359,599.78	118,608,626.49	69,753,086.03	-16,329,510.01	1,273,792,953.91

See footnotes at end of table, p. 463.

DEBT CEILING INCREASE

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STATEMENT NO. 2.—Receipts, withdrawals, and balances of foreign currencies acquired by the United States, without purchase with dollars, July 1, 1957, through Sept. 30, 1957

[Stated in equivalent United States dollar value]

Country, currency unit, and account	Balances, July 1, 1957	Collections	Transfers and con- versions <sup>1</sup>	Withdrawals		Adjustments <sup>4</sup>	Balances Sept. 30, 1957	
				Without reimburse- ment to the Treasury <sup>2</sup>	Sales for dollars <sup>3</sup>		Dollars	Units of foreign currency
Afghanistan (afghanis), 20FT3549, Public Law 480, title II	\$571,428.57	\$990,099.01			\$77,153.85	—\$23,066.04	\$1,461,307.69	75,988,000.00
Argentina (peso), total	23,661,099.84			\$1,568.18	466,090.73	—29,763.08	23,163,677.85	403,397,111.25
20FT4336, Public Law 480, Commodity Credit Corporation reimbursement	1,110,489.10				466,090.73	—29,831.26	614,567.11	12,669,929.09
20FT580, Public Law 480, title I	22,550,610.74			1,568.18		+68.18	22,549,110.74	390,727,182.16
Australia (pound), 20FT3185, surplus property		136,887.38			197,000.00	+60,112.62		
Austria (schilling), total	19,782,344.42	4,882,730.75		4,946,967.42	769,462.12	+658.75	18,949,304.38	494,390,351.98
20FT1394, interest on deposits		5,660.96			5,660.96			
20FT3185, surplus property	270,165.00	501,736.78		3,859.51	752,605.17	+ .95	15,438.05	400,000.00
20FT4367, informational media guaranties	4,571.18	6,624.79			11,195.99	+ .02		
20FT575, Mutual Security Act, sec. 402		2,599,884.62		2,599,884.62				
20FT580, Public Law 480, title I	19,507,608.24	1,768,823.00		2,343,223.29		+657.78	18,933,866.33	493,990,351.98
Belgium (franc), total	330,025.12	615.68			101,155.06	—1,293.51	228,192.23	11,512,298.00
20FT1394, interest on deposits		428.48			968.71	— .63		
20FT3544, Economic cooperation	540.86	187.20			186.35	— .85		
20FT3546, Mutual defense assistance	329,484.26				100,000.00	—1,292.03	228,192.23	11,512,298.00
Bolivia (boliviano), total		1,526,935.70		1,448,710.57	21,867.56	+331.57	56,689.14	490,361,091.00
20FT3549, Public Law 480, title II		78,225.13			21,867.56	+331.57	56,689.14	490,361,091.00
20FT575, Mutual Security Act, sec. 402		1,448,710.57		1,448,710.57				
Brazil (cruzeiro), total	12,547,295.88	13,489,620.17			1,392,773.50	—431,333.13	24,212,809.42	1,580,630,262.90
20FT1394, interest on deposits	22,733.20	47,499.94			47,737.85	—4,345.09	18,150.20	1,488,316.00
20FT3546, mutual defense assistance	55,276.51				7,574.00	—7,650.95	40,051.56	3,284,227.80
20FT4336, Public Law 480, Commodity Credit Corporation reimbursement	843,723.80		\$2,037,343.20		1,337,461.65	—419,337.09	1,124,268.26	92,189,997.60
20FT580, Public Law 480, title I	11,625,562.37	13,442,120.23	—2,037,343.20				23,030,339.40	1,483,667,721.50

Burma (kyats), total.....	19,430,821.57	718,711.61		35,017.11	356,409.94	-635.09	19,757,471.04	94,726,990.73
20FT0110, income tax.....		291.78			291.78			
20FT3544, economic cooperation.....	37,298.31					-39.19	37,259.12	176,701.40
20FT4336.1, Commodity Credit Corporation Charter Act sales.....		2,166.49			2,158.79	-7.70		
20FT4336, Public Law 480, Commodity Credit Corporation reimbursement.....	891,437.81				353,959.37	-968.93	536,509.48	2,544,396.19
20FT580, Public Law 480, title I.....	18,502,085.45	716,253.34		35,017.11		+380.76	19,183,702.44	92,005,893.14
Cambodia (riel), total.....	29,582.41	433,487.32		295,274.30	54,879.87	+91.38	113,006.94	3,924,618.08
20FT3544, economic cooperation.....	20,669.47	86,383.14			38,859.56	+54.24	68,247.29	2,370,160.28
20FT3546, mutual defense assistance.....	8,912.94	51,829.88			16,020.31	+37.14	44,759.65	1,554,457.80
20FT891, technical assistance.....		295,274.30		295,274.30				
Ceylon (rupee), 20FT575, Mutual Security Act, sec. 402.....		2,140,858.62		2,149,858.62				
Chile (peso), total.....	27,327,495.68	3,637,946.97		353,004.59	309,128.81	+11,679.02	30,314,988.27	16,337,509,238.00
20FT4336, Public Law 480, Commodity Credit Corporation reimbursement.....	460,642.04				309,128.81	+14,529.04	166,042.27	121,045,149.00
20FT4367, Informational media guaranties.....	204,883.49	66.13				+8,193.48	213,143.10	155,381,318.00
20FT580, Public Law 480, title I.....	26,661,979.15	3,637,880.84		353,004.59		-11,043.50	29,935,802.90	16,061,082,771.00
China (new Taiwan dollars), total.....	7,321,131.53	15,762,437.46		15,187,992.06	1,861,772.85	-341,368.83	5,692,435.25	141,029,507.72
20FT3544, economic cooperation.....	91,680.86				53,291.15	-2,673.59	35,716.12	881,473.72
20FT4336, Public Law 480, Commodity Credit Corporation reimbursement.....	1,827,887.48		484,261.50		1,734,818.82	-338,695.66	238,634.50	5,889,499.43
20FT4367, informational media guaranties.....	26,462.19	63,231.89			73,662.88	+42	16,031.62	395,660.31
20FT575, Mutual Security Act, sec. 402.....		14,823,324.32		14,823,324.32				
20FT580, Public Law 480, title I.....	5,375,101.00	511,213.51	-484,261.50				5,402,053.01	133,862,874.26
20FT891, technical assistance.....		364,667.74		364,667.74				
Colombia (peso), total.....	12,277,774.75	1,088,221.84		17,346.08	191,449.88	-23,987.85	13,133,212.78	36,178,537.42
20FT3186, excess property.....		958.30			958.30			
20FT3546, mutual defense assistance.....	5,285.20					-51.32	5,236.88	31,107.04
20FT4336, Public Law 480, Commodity Credit Corporation reimbursement.....	361,934.85				190,491.58	-1,441.97	170,001.30	1,009,807.75
20FT580, Public Law 480, title I.....	11,910,551.70	1,087,263.54		17,346.08		-22,494.56	12,957,974.60	35,137,622.63
Denmark (kroner), total.....	116,854.89	49,828.53			86,367.48	+1.04	80,316.98	554,287.56
20FT3194, interest on deposits.....	1,355.49				1,355.50	+0.01		
20FT3185, surplus property.....	48.75				48.75			
20FT3544, economic cooperation.....	24,963.00				24,963.23	+23		
20FT3546, mutual defense assistance.....	90,487.65	49,828.53			60,000.00	+80	80,316.98	554,287.56

See footnotes at end of table, p. 463.

STATEMENT NO. 2.—Receipts, withdrawals, and balances of foreign currencies acquired by the United States, without purchase with dollars, July 1, 1957, through Sept. 30, 1957—Continued

[Stated in equivalent United States dollar value]

Country, currency unit, and account	Balances, July 1, 1957	Collections	Transfers and con- versions <sup>1</sup>	Withdrawals		Adjustments <sup>4</sup>	Balances Sept. 30, 1957	
				Without reimburse- ment to the Treasury <sup>2</sup>	Sales for dollars <sup>3</sup>		Dollars	Units of foreign currency
Dominican Republic (Dominican Republic dollar), 20FT3546, mutual defense assistance .....	\$3, 275. 00	\$25, 000. 00			\$4, 500. 00		\$23, 775. 00	\$23, 775. 00
Ecuador (sucro), total .....	1, 235, 293. 32	909, 470. 61		\$58, 358. 87	97, 140. 81	—\$50, 665. 49	1, 938, 598. 76	29, 910, 829. 60
20FT3546, mutual defense assistance .....	35. 21					+ . 20	35. 41	609. 10
20FT4336, Public Law 480, Commodity Credit Corporation reimbursement .....			\$410, 000. 00		97, 140. 81	—48, 963. 84	263, 895. 35	4, 539, 000. 00
20FT580, Public Law 480, title I .....	1, 235, 258. 11	909, 470. 61	—410, 000. 00	58, 358. 87		—1, 701. 85	1, 674, 668. 00	25, 371, 220. 50
Egypt (pound), total .....	16, 861, 984. 75				440, 519. 36	— . 02	16, 421, 465. 37	5, 719, 650. 81
20FT4336, Public Law 480, Commodity Credit Corporation reimbursement .....	1, 941, 066. 94				440, 519. 36	— . 02	1, 500, 547. 56	523, 560. 55
20FT580, Public Law 480, title I .....	14, 920, 917. 81						14, 921, 917. 81	5, 196, 090. 26
Ethiopia (Ethiopian dollar), 20FT3546, mutual defense assistance .....		37, 578. 29			20, 000. 00		17, 578. 29	43, 594. 15
Finland (markka), total .....	20, 372, 384. 48	2, 696, 688. 99		+148, 818. 18	457, 601. 48	+127, 085. 62	22, 887, 375. 79	5, 295, 405, 780. 00
20FT3556, foreign programs, N. O. C. ....		248, 426. 96					248, 426. 96	792, 482. 00
20FT4336, Public Law 480 Commodity Credit Corporation reimbursement .....	1, 358, 657. 98				457, 601. 48	+70, 803. 80	971, 860. 30	310, 023, 436. 00
20FT580, Public Law 480, title I .....	19, 013, 726. 50	2, 448, 262. 03		+148, 818. 18		+56, 281. 82	21, 667, 088. 53	4, 984, 589, 862. 00
France (franc), total .....	937, 695. 07	2, 309, 215. 18		40, 081. 51	1, 660, 640. 67	—93, 790. 80	1, 452, 397. 27	507, 530, 962. 00
20FT0110, income tax .....		150. 00			150. 00			
20FT1394, interest on deposits .....		46, 817. 36					46, 817. 36	1, 966, 329. 00
20FT3185, surplus property .....		475, 000. 00			475, 000. 00			
20FT3544, economic cooperation .....	342, 580. 01	16, 668. 13		* +376, 773. 90	736, 039. 17	+17. 13		
20FT3546, mutual defense assistance .....	582, 113. 75				304, 000. 00	—83, 661. 37	194, 452. 38	81, 670, 000. 00
20FT4336, Public Law 480, Commodity Credit Corporation reimbursement .....			140, 000. 00		140, 000. 00			
20FT4367, informational media guaranties .....	3, 008. 23	2, 780. 07			5, 451. 50	—336. 80		
20FT575, Mutual Security Act, sec. 402 .....		367, 806. 60		367, 806. 60				
20FT580, Public Law 480, title I .....	9, 993. 08	1, 399, 993. 02	—140, 000. 00	49, 048. 81		—9, 809. 76	1, 211, 127. 53	423, 894, 633. 00

Germany (Western deutschemark), total	39,451,168.07	19,236,125.01		8,279,985.16	9,404,718.07	+40.08	41,002,629.93	172,211,045.73
20FT1394, interest on deposits		136,487.54			136,487.54			
20FT3185, surplus property	6,506,458.73	10,000,000.00			6,357,000.00	+6.50	10,149,445.23	42,627,670.00
20FT3524, operations in occupied areas	635,035.42	208,986.89			844,022.95	+ .64		
20FT3544, economic cooperation		245,286.71		* +967.22	246,254.70	+ .77		
20FT3546, mutual defense assistance	543,245.95	358,540.49			870,209.94	+ .54	31,577.04	132,623.55
20FT4336.2, Commodity Credit Corporation Charter Act sales	1,042,310.94	5,871.00			950,742.94	+1.03	97,440.03	409,248.12
20FT575, Mutual Security Act, sec. 402		8,280,952.38		8,280,952.38				
20FT580, Public Law 480, title I	137,035.02						137,035.02	575,547.08
20FT892, payment of war prisoners	30,587,102.01					+30.60	30,587,132.61	128,465,956.98
Germany (Eastern deutschemark), 20FT3524, operations in occupied areas	1,536.45						1,536.45	32,042.69
Greece (drachma), total	28,522,218.84	7,123,918.26		8,060,529.80	2,652,688.51	+5,116.53	24,938,035.32	750,630,725.40
20FT0110, income tax		188.51			188.51			
20FT3544, economic cooperation	93,297.16	48,275.38			136,000.00	+ .93	5,573.47	167,203.95
20FT4336, Public Law 480, Commodity Credit Corporation reimbursement	1,150,655.16		1,396,677.74		2,516,500.00	+4,667.10	35,500.00	1,065,000.00
20FT575, Mutual Security Act, sec. 402		6,593,818.73		6,593,818.73				
20FT580, Public Law 480, title I	27,278,266.52	445,005.64	-1,396,677.74	1,430,681.07		+448.50	24,896,961.85	749,398,521.45
20FT891, technical assistance		36,030.00		36,030.00				
Guatemala (quetzal), 20FT575, Mutual Security Act, sec. 402		1,234,654.17		1,234,654.17				
Haiti (gourdes), 20FT3185, surplus property	9,395.17				9,395.17			
Honduras (lempira), 20FT3546, mutual defense assistance	17,875.00						17,875.00	35,750.00
Hong Kong (Hong Kong dollar), 20FT1394, interest on deposits		57.96			57.48	- .48		
Hungary (forint), 20FT3185, surplus property	6,288.65	42,481.25			39,000.00	+ .10	9,770.00	468,960.00
Iceland (kronur), total		524,916.12		120,030.37	3,000.00		401,885.75	6,558,775.45
20FT3185, surplus property		3,000.00			3,000.00			
20FT580, Public Law 480, title I		521,916.1		120,030.372			401,885.75	6,558,775.45
India (rupee), total	141,004,108.43	52,424,161.64		340,244.50	2,069,691.93	+25,340.43	191,043,675.07	916,372,033.08
20FT1394, interest on deposits		686,161.66			524,109.01	+195.82	372,503.63	1,773,117.28
20FT3185, surplus property	210,255.16	420,168.07					420,168.07	2,000,000.00
20FT4336, Public Law 480, Commodity Credit Corporation reimbursement	8,061,900.00				1,545,582.92	+24,701.82	6,541,018.90	31,135,250.00
20FT575, Mutual Security Act, sec. 402		263,544.65		263,544.65				
20FT580, Public Law 480, title I	132,731,953.27	51,033,312.20		55,724.79		+442.79	183,709,983.47	881,463,665.80
20FT891, technical assistance		20,975.06		20,975.06				

See footnotes at end of table, p. 463.



STATEMENT NO. 2.—Receipts, withdrawals, and balances of foreign currencies acquired by the United States, without purchase with dollars, July 1, 1957, through Sept. 30, 1957—Continued

[Stated in equivalent United States dollar value]

Country, currency unit, and account	Balances, July 1, 1957	Collections	Transfers and con- versions <sup>1</sup>	Withdrawals		Adjustments <sup>4</sup>	Balances Sept. 30, 1957	
				Without reimburse- ment to the Treasury <sup>2</sup>	Sales for dollars <sup>3</sup>		Dollars	Units of foreign currency
Indonesia (rupiah), total.....	\$69,682,811.04	\$11,485,806.30	-----	\$145,985.47	\$199,433.98	—\$839,410.09	\$79,983,787.80	\$945,838,408.82
20FT3185, surplus property.....	1,440.90	-----	-----	-----	-----	—695.44	745.46	16,318.20
20FT3544, economic cooperation.....	35,927.99	22,528.38	-----	-----	-----	—27,502.33	30,954.04	677,583.87
20FT3546, mutual defense assistance.....	11,942.89	-----	-----	-----	-----	—5,764.11	6,178.78	135,253.59
20FT4336, Public Law 480, Commodity Credit Corporation reimbursement.....	1,538,900.13	-----	-----	-----	199,433.98	—689,693.99	649,772.16	14,223,512.50
20FT4367, informational media guaranties.....	163,325.52	108,482.36	-----	-----	-----	—108,274.83	163,533.05	3,579,738.49
20FT580, Public Law 480, title I.....	67,931,273.61	11,218,388.63	-----	9,578.54	-----	—7,479.39	79,132,604.31	927,206,002.17
20FT891, technical assistance.....	-----	136,406.93	-----	136,406.93	-----	-----	-----	-----
Iran (rial), 20FT580, Public Law 480, title I.....	1,898,931.34	4,267,478.87	-----	2,092.42	-----	+13.68	6,164,331.47	471,571,356.85
Iraq (dinar), total.....	151,947.82	38,003.17	-----	6,944.90	16,450.77	—468.54	166,086.78	59,476.02
20FT0110, income tax.....	-----	450.77	-----	-----	450.77	-----	-----	-----
20FT3546, mutual defense assistance.....	151,947.82	30,607.50	-----	-----	16,000.00	—468.54	166,086.78	59,476.02
20FT891, technical assistance.....	-----	6,944.90	-----	6,944.90	-----	-----	-----	-----
Israel (pound), total.....	28,367,115.62	6,306,522.08	-----	13,862,102.50	209,067.76	+6.17	20,602,473.61	37,084,452.43
20FT1394, interest on deposits.....	725,471.24	293,145.90	-----	-----	-----	+ .73	1,018,617.87	1,833,512.17
20FT4336, Public Law 480, Commodity Credit Corporation reimbursement.....	293,773.04	-----	-----	-----	209,067.76	+ .51	84,705.79	152,470.04
20FT4367, informational media guaranties.....	4,921,696.21	304,024.49	-----	-----	-----	+4.93	5,225,725.63	9,406,306.13
20FT575, Mutual Security Act, sec. 402.....	-----	4,772,543.61	-----	4,772,543.61	-----	-----	-----	-----
20FT580, Public Law 480, title I.....	22,426,175.13	936,808.08	-----	9,089,558.89	-----	-----	14,273,424.32	25,692,164.09
Italy (lira), total.....	73,020,254.46	27,311,129.80	-----	222,185.79	3,023,301.28	— .01	97,085,897.18	60,678,685,742.50
20FT0110, income tax.....	-----	2,986.67	-----	-----	2,986.67	-----	-----	-----
20FT1394, interest on deposits.....	-----	148,250.10	-----	-----	148,250.10	-----	-----	-----
20FT3185, surplus property.....	-----	1,500,000.00	-----	-----	800,000.00	-----	700,000.00	437,500,000.00
20FT3546, Mutual defense assistance.....	-----	164,416.00	-----	-----	164,416.00	-----	-----	-----
20FT4336, Public Law 480, Commodity Credit Corporation reimbursement.....	8,263,180.43	-----	\$1,500,000.00	56,000.00	1,907,648.51	— .01	7,799,611.91	4,874,757,443.00
20FT575, Mutual Security Act, sec. 402.....	-----	112,140.03	-----	112,140.03	-----	-----	-----	-----
20FT580, Public Law 480, title I.....	64,756,994.03	25,370,831.24	—1,500,000.00	41,540.00	-----	-----	88,586,285.27	55,366,428,299.50

20FT891, technical assistance.....		12,505.76		12,505.76				
Japan (yen), total.....	13,981,404.04	29,581,788.88		7,025,770.61	21,629,708.90	+326.23	14,908,039.64	5,366,894,255.00
20FT0110, income tax.....		1,755.87			1,755.87			
20FT3543, intergovernmental defense.....	555,555.55	20,555,555.55			21,111,111.10			
20FT3546, mutual defense assistance.....	536,725.79	708,333.33			238,888.88	+150.32	1,006,320.56	362,275,400.00
20FT4336, Public Law 480, Commodity Credit Corporation reimbursement.....	628,016.67				277,953.05	+175.91	350,239.53	126,086,230.80
20FT580, Public Law 480, title I.....	12,261,106.03	8,316,144.13		7,025,770.61			13,551,479.55	4,878,532,624.20
Korea (hwan), total.....	32,818,995.78	29,603,687.90		21,064,704.42	2,181,480.20	-.04	39,176,499.02	19,588,249,504.70
20FT3544, economic cooperation.....	2,451,412.79				380,934.81	-.04	2,070,477.94	1,035,238,974.70
20FT4336, Public Law 480, Commodity Credit Corporation reimbursement.....			1,800,000.00		1,800,000.00			
20FT4336.1, Commodity Credit Corporation Charter Act sales.....		545.39			545.39			
20FT575, Mutual Security Act, sec. 402.....		9,046,340.54		9,046,340.54				
20FT580, Public Law 480, title I.....	30,367,582.99	20,556,801.97	-1,800,000.00	12,018,363.88			37,106,021.08	18,553,010,530.00
Laos (kip), total.....	784.29	213,815.23		213,815.23		+550.79	1,335.08	27,502.61
20FT3544, economic cooperation.....	784.29					+550.79	1,335.08	27,502.61
20FT575, Mutual Security Act, sec. 402.....		65,129.00		65,129.00				
20FT891, technical assistance.....		148,686.23		148,686.23				
Netherlands (guilder), total.....	160,679.87	1,362,709.18		+94,253.42	1,239,357.68	-16.88	378,267.91	1,447,857.72
20FT1394, interest on deposits.....		33,641.52			33,625.87	-15.65		
20FT3185, surplus property.....	102,821.55	993,707.67			979,005.45	+84.85	117,608.62	450,000.00
20FT3544, economic cooperation.....		131,726.36			131,726.36			
20FT3546, mutual defense assistance.....	43,426.67	106,535.95			95,000.00	-26.08	54,936.54	210,200.92
20FT580, Public Law 480, title I.....	14,431.65	97,097.68		+94,253.42		-60.00	205,722.75	787,658.80
New Zealand (pound), 20FT0110, income tax.....		352.43			352.43			
Nicaragua (cordoba), 20FT3546, mutual defense assistance.....	27,930.91				400.00	+947.32	28,478.23	209,315.00
Norway (kroner), total.....	52,018.51	908,811.29			533,804.43	-146.58	426,878.79	3,039,376.99
20FT3542, lend lease.....	6,256.58	702,247.19			443,072.36	-146.72	265,284.69	1,888,826.99
20FT3546, mutual defense assistance.....	45,029.86	206,564.10			90,000.00	+14	161,594.10	1,150,550.00
20FT4367, informational media guaranties.....	732.07				732.07			
Pakistan (rupee), total.....	85,954,548.87	11,523,265.78		3,129,207.58	756,977.25	+20,538.15	93,612,167.97	445,921,130.19
20FT3544, economic cooperation.....	2,187,236.23	655,166.66			372,448.40	+11,998.78	2,481,953.27	11,783,073.15
20FT3546, mutual defense assistance.....	169,929.22	779,252.87			148,043.24	+445.39	801,584.24	3,805,521.19
20FT3547, Pakistan wheat program.....	55,387.40					+300.65	55,688.05	264,379.00
20FT3549, Public Law 480, title II.....	795,658.36	735,294.12			236,485.61	+5,507.73	1,299,974.60	6,171,629.42
20FT4367, informational media guaranties.....	524,897.54	23,340.15		4.98		+2,903.29	551,136.00	2,616,518.15
20FT580, Public Law 480, title I.....	82,221,440.12	9,288,084.54		3,087,075.16		-617.69	88,421,831.81	421,280,009.28
20FT893, chancery construction.....		42,127.44		42,127.44				

See footnotes at end of table, p. 463.

STATEMENT No. 2.—Receipts, withdrawals, and balances of foreign currencies acquired by the United States, without purchase with dollars, July 1, 1957, through Sept. 30, 1957—Continued

[Stated in equivalent United States dollar value]

Country, currency unit, and account	Balances, July 1, 1957	Collections	Transfers and con- versions <sup>1</sup>	Withdrawals		Adjustments <sup>4</sup>	Balances Sept. 30, 1957	
				Without reimburse- ment to the Treasury <sup>2</sup>	Sales for dollars <sup>3</sup>		Dollars	Units of foreign currency
Paraguay (guarani), total.....	\$1, 976, 963. 92	\$508, 371. 12	-----	\$2, 114, 075. 53	\$66, 564. 79	+\$22, 768. 13	\$327, 462. 85	\$22, 974, 960. 68
20FT4336, Public Law 480, Commodity Credit Corporation reimbursement.....	124, 947. 64	-----	-----	-----	66, 564. 79	+22, 768. 13	81, 150. 98	8, 196, 248. 68
20FT580, Public Law 480, title I.....	1, 852, 016. 28	508, 371. 12	-----	2, 114, 075. 53	-----	-----	246, 311. 87	14, 778, 712. 00
Peru (sol), total.....	2, 825, 358. 59	22, 120. 21	-----	20, 000. 00	128, 155. 39	-50. 86	2, 699, 272. 55	51, 016, 660. 42
20FT1394, interest on deposits.....	-----	16, 448. 04	-----	-----	16, 454. 71	+6. 67	-----	-----
20FT3546, mutual defense assistance.....	522. 36	-----	-----	-----	315. 78	-1. 30	205. 28	3, 925. 01
20FT4336, Public Law 480, Commodity Credit Corporation reimbursement.....	111, 441. 13	-----	-----	-----	111, 384. 90	-56. 23	-----	-----
20FT580, Public Law 480, title I.....	2, 713, 395. 10	5, 672. 17	-----	20, 000. 00	-----	-----	2, 699, 067. 27	51, 012, 735. 41
Philippines (peso), total.....	522, 042. 46	6, 744, 886. 42	-----	5, 302, 306. 92	1, 570, 548. 85	+28. 42	394, 101. 53	791, 158. 83
20FT3186, excess property.....	-----	75, 081. 74	-----	-----	75, 081. 74	-----	-----	-----
20FT3544, economic cooperation.....	-----	277, 028. 89	-----	-----	189, 992. 78	- 01	87, 036. 10	174, 724. 98
20FT3546, mutual defense assistance.....	148, 979. 92	1, 231. 08	-----	-----	89, 044. 53	+110. 58	61, 277. 05	123, 013. 68
20FT4367, informational media guaranties.....	373, 062. 54	1, 089, 237. 79	-----	-----	1, 216, 429. 80	-82. 15	245, 788. 38	493, 420. 17
20FT575, Mutual Security Act, sec. 402.....	-----	5, 294, 182. 02	-----	5, 294, 182. 02	-----	-----	-----	-----
20FT805, Philippine alien property.....	-----	8, 124. 90	-----	8, 124. 90	-----	-----	-----	-----
Poland (zloty), total.....	57, 325. 24	11, 929, 983. 26	-----	87. 47	63, 656. 61	+2. 57	11, 923, 566. 99	286, 812, 158. 01
20FT3185, surplus property.....	57, 325. 24	27, 272. 73	-----	87. 47	63, 656. 61	+2. 57	20, 856. 46	1, 147, 105. 29
20FT580, Public Law 480, title I.....	-----	11, 902, 710. 53	-----	-----	-----	-----	11, 902, 710. 53	285, 665, 052. 72
Portugal (escudo), total.....	6, 236, 673. 96	88, 302. 32	-----	-----	714, 955. 53	-516. 00	5, 609, 504. 75	162, 354, 503. 90
20FT3544, economic cooperation.....	-----	889. 73	-----	-----	889. 73	-----	-----	-----
20FT3546, mutual defense assistance.....	16, 463. 08	87, 412. 59	-----	-----	65, 000. 00	+ 02	38, 875. 69	1, 111, 844. 60
20FT4336, Public Law 480, Commodity Credit Corporation reimbursement.....	726, 873. 30	-----	-----	-----	649, 065. 80	-516. 02	77, 291. 48	2, 210, 536. 30
20FT580, Public Law 480, title I.....	5, 493, 337. 58	-----	-----	-----	-----	-----	5, 493, 337. 38	159, 032, 123. 00
Spain (peseta), total.....	144, 708, 987. 20	14, 540, 093. 22	-----	359, 845. 91	3, 660, 226. 09	-32, 110. 44	155, 196, 897. 98	6, 127, 991, 618. 28
20FT1394, interest on deposits.....	133, 851. 74	68, 840. 52	-----	-----	-----	+ 81	202, 693. 07	9, 323, 881. 15
20FT3544, economic cooperation.....	3, 125, 803. 45	1, 143, 725. 76	-----	13, 043. 48	-----	+18. 75	4, 256, 504. 48	195, 799, 206. 50
20FT4336, Public Law 480, Commodity Credit	-----	-----	-----	-----	-----	-----	-----	-----

Corporation reimbursement	10, 106, 352. 41			3, 568, 573. 91	+60. 63	6, 537, 839. 13	300, 740, 600. 00
20FT4367, informational media guaranties	21, 382. 85	113, 781. 83		91, 652. 18	+ 14	43, 512. 64	2, 001, 581. 36
20FT575, Mutual Security Act, sec. 402		8, 799. 28		8, 799. 28			
20FT580, Public Law 480, title I	131, 321, 596. 75	13, 204, 945. 83		338, 003. 15	-32, 190. 77	144, 156, 348. 66	5, 620, 126, 349. 27
Switzerland (Swiss franc), 20FT3525, reparation property		7, 088. 08		7, 088. 08			
Thailand (baht), total	1, 439, 803. 22	2, 617, 780. 84		576, 480. 45	+242. 92	3, 202, 779. 21	67, 591, 243. 91
20FT3544, economic cooperation	9, 710. 62	48, 632. 24		48, 567. 32	-55. 01	9, 720. 53	200, 000. 00
20FT3546, mutual defense assistance	408, 420. 63	194, 410. 69		230, 000. 00	+297. 93	373, 129. 25	7, 677, 134. 28
20FT580, Public Law 480, title I	1, 021, 671. 97	1, 798, 257. 46				2, 819, 929. 43	59, 714, 109. 63
20FT891, technical assistance		570, 480. 45		576, 480. 45			
Turkey (lira), total	36, 983, 957. 46	31, 701, 312. 84		9, 486, 806. 99	-3, 526, 906. 22	52, 692, 186. 88	192, 799, 287. 07
20FT1394, interest on deposits	60. 09				-5. 56	54. 53	736. 16
20FT3544, economic cooperation	148, 006. 57	935, 493. 41		641, 604. 02	-38, 765. 89	403, 130. 07	5, 442, 255. 95
20FT4336, Public Law 480, Commodity Credit Corporation reimbursement	840, 484. 17		\$4, 524, 568. 48	2, 227, 865. 12	-3, 105, 075. 42	32, 112. 11	433, 513. 45
20FT4367, informational media guaranties	30, 395. 80	101, 528. 09		109, 901. 07	-616. 85	21, 405. 97	288, 980. 66
20FT575, Mutual Security Act, sec. 402		9, 001, 515. 41		9, 001, 515. 41			
20FT580, Public Law 480, title I	35, 965, 010. 83	21, 278, 701. 85	-4, 524, 568. 48	101, 217. 50	-382, 442. 50	52, 235, 484. 20	186, 633, 800. 85
20FT891, technical assistance		384, 074. 08		384, 074. 08			
United Kingdom (pound), total	24, 819, 170. 71	5, 418, 736. 51		5, 554, 286. 58	+2, 917. 57	22, 013, 462. 43	7, 895, 787. 93
20FT0110, income tax		234. 20		234. 20			
20FT1394, interest on deposits	131, 808. 94	170, 983. 33		132, 119. 49	+310. 55	170, 983. 33	61, 174. 72
20FT3185, surplus property		879, 812. 18		880, 000. 00	+187. 82		
20FT3544, economic cooperation	1, 577, 687. 92			1, 521, 165. 84	-622. 08		
20FT3546, mutual defense assistance	88, 776. 77	139, 250. 00		139, 556. 25	+435. 47	88, 905. 99	31, 808. 94
20FT575, Mutual Security Act, sec. 402		4, 205, 060. 26		4, 205, 060. 26			
20FT580, Public Law 480, title I	23, 020, 897. 08	23, 396. 54		1, 293, 326. 32	+2, 605. 81	21, 753, 573. 11	7, 802, 804. 27
Vietnam (piastre), total	1, 085, 252. 48	4, 900, 231. 14		4, 685, 192. 95	+36, 407. 84	782, 798. 11	55, 414, 278. 04
20FT1394, interest on deposits		52, 495. 20		52, 495. 20			
20FT3546, mutual defense assistance	1, 082, 270. 26			372, 406. 76	+36, 450. 70	746, 314. 20	52, 831, 581. 99
20FT4367, informational media guaranties	2, 982. 22	162, 542. 99		128, 998. 44	-42. 86	36, 483. 91	2, 582, 696. 05
20FT575, Mutual Security Act, sec. 402		4, 265, 743. 61		4, 265, 743. 61			
20FT891, technical assistance		419, 449. 34		419, 449. 34			
Yugoslavia (dinar), total	229, 532, 540. 98	13, 580, 330. 55		2, 510, 183. 06	-11, 249, 186. 96	229, 096, 668. 18	89, 174, 430, 007. 00
20FT1394, interest on deposits	51, 788. 20	50, 972. 23		76	-25, 891. 51	21, 701. 49	13, 020, 892. 00
20FT3544, economic cooperation	19, 976, 676. 99	26, 633. 28		53, 333. 33	-9, 939, 383. 07	9, 949, 014. 21	5, 969, 408, 526. 00
20FT3549, Public Law 480, title II	1, 706, 407. 32				-833, 118. 33	858, 288. 99	511, 973, 394. 00
20FT4367, informational media guaranties	538, 641. 95	49, 712. 43		140, 000. 00	-269, 294. 05	179, 060. 33	107, 436, 198. 00
20FT575, Mutual Security Act, sec. 402		2, 295, 348. 97		2, 295, 348. 97			
20FT580, Public Law 480, title I	207, 258, 939. 52	11, 157, 663. 64		161, 500. 00	-161, 500. 00	218, 093, 603. 16	82, 572, 590, 997. 00
Miscellaneous 5		4, 265, 343. 84		4, 265, 343. 84			
Grand total	1, 128, 124, 576. 66	350, 359, 599. 78		118, 608, 626. 49	-16, 329, 510. 01	1, 273, 792, 953. 91	

See footnotes at end of table, p. 463.

STATEMENT No. 3.—*Statement of agency foreign currency balances, as of Sept. 30, 1957*

Country, currency, and agency account symbol	Sept. 30, 1957, balances		Rate foreign currency to \$1
	Units of foreign currency	United States dollar equivalent	
Afghanistan (afghani), 72FT571.....	24,611,721.65	\$1,171,986.75	21
Argentina (pesos), 12FT580.....	92,603.35	2,182.20	42.4357758
Austria (schilling), total.....	230,852,158.49	8,876,617.72	
12FT580.....	1,065,970.20	41,141.26	25.9100037
12FT580G.....	3,145,403.51	121,397.28	25.90999887
72FT575.....	226,640,784.78	8,714,079.18	26.0085753
Belgium (franc), total.....	2,388,363.45	47,331.83	
12FT580.....	2,385,452.00	47,274.12	50.4599979
72FT891.....	2,911.45	57.71	50.45
Bolivia (boliviano), total.....	19,610,410,366.55	7,081,004.07	
RFC (USDO).....	34,897.55	4.03	8.650
72FT575 (ADO).....	19,610,375,469.00	7,081,000.04	2,769.435865
Brazil (cruzeiro), total.....	32,790,886.10	455,076.97	
12FT580.....	32,583,072.70	452,542.54	72
19FT802.....	207,823.40	2,534.43	82.00
Burma (kyat), total.....	954,464.47	200,063.57	
12FT580.....	179,533.83	37,857.50	4.74235831
19FT891.....	24,388.29	5,142.50	4.7425
72FT576.....	537,724.94	112,259.90	4.79
72FT891.....	212,817.41	44,803.67	4.75
Cambodia (riel), total.....	14,848,743.20	425,888.68	
72FT575.....	3,752,666.85	107,219.05	35
72FT891.....	11,096,076.35	318,669.63	34.82
Ceylon (rupee), total.....	9,197,173.12	1,931,080.76	
72FT575.....	9,044,000.00	1,899,002.62	4.7625
72FT891.....	153,173.12	32,078.14	4.775
Chile (peso), 12FT580.....	84,794,685.00	116,223.94	729.5801966
China (New Taiwan dollar), total.....	636,461,280.40	25,685,856.55	
57FT571.....	1,533,581.70	61,887.88	24.78
72FT571.....	58,699.84	3,750.79	15.65
72FT575.....	631,038,651.53	25,465,643.73	24.78
72FT891.....	3,830,347.33	154,574.15	24.78
Colombia (peso), total.....	14,544.46	2,477.60	
12FT580.....	14,204.24	2,420.52	5.86852971
12FT580G.....	340.22	57.08	5.96040644
Costa Rica (colon), 72FT891(ADO).....	206,977.17	36,960.21	5.60
Denmark (krone), total.....	10,457,216.77	1,513,972.64	
72FT560.....	4,997.34	724.12	6.90125
72FT575.....	10,452,219.43	1,513,248.52	6.90714
Ecuador (sucre) 12FT580G.....	177,273.98	10,253.00	17.28996196
Egypt (pound) 72FT575.....	862,734.28	2,478,487.63	.348089
Finland (markka), total.....	472,499,382.00	2,011,425.98	
12FT580.....	19,386,749.00	55,986.44	346.275794
67FT580.....	11,500,000.00	35,384.62	324.999057
72FT571.....	441,538,683.00	1,919,733.40	230
97FT571.....	73,950.00	321.52	230
France (franc), total.....	1,175,947,323.00	3,350,447.06	
12FT580.....	135,389,783.00	377,245.75	358.890147
47FT568.....	90,294,829.00	257,985.23	350.
72FT560.....	4,556,631.00	13,024.33	349.8553092
72FT575.....	945,000,000.00	2,700,174.38	349.977397
97FT560.....	706,080.00	2,017.37	350.

STATEMENT No. 3.—*Statement of agency foreign currency balances, as of Sept. 30, 1957—Continued*

Country, currency, and agency account symbol	Sept. 30, 1957, balances		Rate foreign currency to \$1
	Units of foreign currency	United States dollar equivalent	
Germany (West Deutschmark mark), total.....	105,885,796.58	\$25,157,920.34	-----
12FT580.....	3,880,442.26	923,914.82	4.20
19FT504.....	133,278.44	31,732.96	4.20
19FT892.....	129,102.56	30,738.70	4.20
47FT575.....	8,427.00	2,004.41	4.20423
72FT571.....	1,196.12	284.50	4.20423
72FT575.....	101,733,350.20	24,169,244.95	4.2092068
Greece (drachma), total.....	475,958,556.50	15,853,985.20	-----
12FT580G.....	2,516,518.30	83,883.93	30
72FT575.....	370,416,208.80	12,347,206.96	30
72FT580G.....	102,039,000.00	3,390,000.00	30.10
72FT891.....	986,820.40	32,804.31	30
Guatemala (quetzal), 72FT575(ADO).....	1,949,174.88	1,949,174.88	1
India (rupee), total.....	109,502,964.41	22,838,315.27	-----
12FT580.....	240,956.39	50,621.09	4.76
72FT575.....	109,187,884.67	22,772,122.05	4.794805
72FT891.....	74,123.35	15,572.13	4.76
Indonesia (rupiah), total.....	1,527,126.87	62,432.12	-----
12FT580.....	200,000.00	9,578.54	20.8800088
72FT891.....	1,327,126.87	52,873.58	25.1
Iran (rial), 72FT891.....	1,268,983.95	16,588.03	76.50
Iraq (dinar), 72FT891.....	31,788.13	89,006.78	.3571428
Israel (pound), total.....	20,467,539.80	11,370,855.45	-----
72FT575.....	8,852,362.50	4,917,979.17	1.80
72FT580.....	11,605,500.00	6,447,500.00	1.80
72FT891.....	9,677.30	5,376.28	1.80
Italy (lira), total.....	18,152,507,663.50	29,044,012.27	-----
12FT580.....	361,000,887.00	577,601.42	625
47FT575.....	136,868,584.00	218,989.73	625
67FT560.....	1,748,922.00	2,798.28	625
72FT560.....	1,943,416.00	3,109.47	625
72FT571.....	142,426,050.00	227,881.68	625
72FT575.....	12,994,588,193.50	20,791,341.11	625
72FT580.....	70,796,417.00	113,274.27	625
72FT891.....	7,665,820.00	12,265.31	625
97FT571.....	4,284,261,379.00	6,854,818.20	625
97FT580.....	0	0	0
97FT581.....	151,208,000.00	241,932.80	625
Japan (yen), total.....	11,366,520,222.00	31,573,667.25	-----
12FT580.....	583,979,203.00	1,622,164.46	360
21-72FT580.....	278,748,553.00	774,301.53	360
72FT571.....	10,557,459.00	29,326.28	360
72FT580.....	2,598,327,452.00	7,217,576.22	360
72FT891.....	0	0	0
97FT571.....	4,379,128,704.00	12,164,246.40	360
97FT581.....	3,515,778,851.00	9,766,052.36	360
Korea (hwan), total.....	11,127,317,815.89	22,254,635.62	-----
12FT580G.....	11,622,806.00	23,245.62	500
72FT575.....	11,115,695,009.89	22,231,390.00	500
Laos (kip), total.....	10,167,817.43	291,212.69	-----
72FT575.....	5,403,892.20	154,396.92	35
72FT891.....	4,763,925.23	136,815.77	34.82
Netherlands (guilder), total.....	12,535,154.00	3,300,434.23	-----
12FT580.....	107,240.00	26,731.86	4.01169241
72FT560.....	39,315.19	10,168.82	3.86625
72FT571.....	12,181,162.73	3,209,264.01	3.795625
72FT575.....	207,436.08	54,269.54	3.82233

STATEMENT No. 3.—*Statement of agency foreign currency balances, as of Sept. 30, 1957—Continued*

Country, currency, and agency account symbol	Sept. 30, 1957, balances		Rate foreign currency to \$1
	Units of foreign currency	United States dollar equivalent	
Norway (krone), total.....	16,268,943.48	\$2,277,651.13	-----
72FT560.....	16,266.19	2,277.22	7.143
72FT571.....	3,571,500.00	500,009.80	7.14286
97FT571.....	12,681,177.29	1,775,364.11	7.14286
Pakistan (rupee), total.....	106,359,630.64	22,249,565.61	-----
12FT580.....	494,516.12	105,202.41	4.700615936
19FT893.....	200,000.00	42,127.44	4.7475
72FT575.....	56,490,259.81	11,756,557.71	4.805
72FT891.....	1,409,452.48	297,039.51	4.745
97FT580.....	47,765,402.23	10,048,638.54	4.753420280
Peru (sol), 12FT580.....	753,337.22	39,593.99	19.02655478
Philippines (peso), total.....	37,084,396.80	18,536,835.99	-----
15FT805.....	2,781,421.86	1,385,515.25	2.0075
72FT575.....	34,135,915.02	17,067,957.51	2.00
72FT891 (RDO).....	167,059.92	83,363.23	2.004
Portugal (escudo) 47FT568.....	117,818.10	4,119.51	28.60
Spain (peseta), total.....	973,949,305.10	25,800,172.25	-----
12FT580G.....	12,111,006.25	263,282.74	46
17FT571.....	277,004,653.47	7,914,418.67	35
17FT575.....	0	4	-----
57FT575.....	294,853,000.00	7,592,629.84	38.834107
72FT571.....	5,623.80	160.68	35
72FT575.....	386,885,137.59	9,962,508.93	38.834107
97FT581.....	3,089,883.99	67,171.39	46
Switzerland (swiss franc) 12FT580.....	592,810.57	138,365.71	-----
Thailand (baht), total.....	1,854,588.49	89,553.86	4.284375
12FT580.....	969,670.92	46,968.80	20.645
72FT891.....	884,917.57	42,585.06	20.78
Turkey (lira), total.....	4,165,056.87	1,391,541.32	-----
12FT580G.....	339,486.17	25,266.07	13.43644539
72FT891.....	3,825,570.70	1,366,275.25	2.80
United Kingdom (pound), total.....	14,403,613.73	40,234,541.50	-----
72FT571.....	1,156,347.46	3,237,773.40	3571428
72FT575.....	8,341,297.27	23,295,450.89	3580655
97FT575.....	4,905,969.00	13,701,317.21	3580655
97FT581.....	0	0	0
Vietnam (piastre), total.....	578,159,785.41	16,517,150.90	-----
72FT575.....	572,149,914.10	16,347,140.40	35
72FT891.....	6,009,871.31	170,010.50	35.35
Yugoslavia (dinar), total.....	12,762,139,256.00	42,492,891.50	-----
12FT580.....	28,543,611.00	47,572.68	600
72FT571.....	1,505,902,955.00	5,019,676.52	300
72FT575.....	11,227,692,690.00	37,425,642.30	300
Grand total.....	-----	388,971,580.56	-----

STATEMENT No. 3.—*Statement of agency foreign currency balances, as of Sept. 30, 1957—Continued*

<sup>1</sup> Represents transfers of currencies between accounts and conversions of currency of one country into that of another. Positive figures indicate increases and negative figures decreases in currency accounts.

<sup>2</sup> Includes advances pursuant to the following acts as amended: (1) Section 104 of the Act approved August 2, 1955 (69 Stat. 438), as amended for liquidation of Mutual Security Program obligations incurred prior to July 1, 1953; (2) Section 502 (b) of the Mutual Security Act of 1954 approved August 26, 1954 (68 Stat. 850); (3) Section 502 (a) of the Mutual Security Act of 1954 (68 Stat. 850); (4) Section 402 of the Mutual Security Act of 1954 (68 Stat. 843); (5) Section 505 (a) of the Mutual Security Act of 1954 (68 Stat. 843); (6) Title I, Section 104 of Public Law 480 approved July 10, 1954 (68 Stat. 457); as amended; (7) and the withdrawal of currencies acquired from foreign governments held in trust. Returns of deobligated funds which were previously advanced to agencies to liquidate their obligations legally incurred prior to July 1, 1953 are netted against withdrawals where indicated by asterisk.

<sup>3</sup> Dollars acquired from the sale of foreign currencies are derived from charges against the dollar appropriations of the Federal agencies which use the currencies. These dollar proceeds are credited to miscellaneous receipts or other appropriate accounts on the books of the Treasury.

<sup>4</sup> Represents net differences caused by: (1) rate fluctuations; (2) the conversion of one currency to another; and (3) withdrawals of currencies by Government disbursing officers at rates which vary from collection rates. Positive figures indicate increases and negative figures indicate decreases in dollar values. For the purpose of obtaining approximate dollar equivalents of the currencies, opening balances are based on June 30, 1957 rates (with the exception of balances in accounts under Public Law 480 which are based on collection rates). Returns of currencies from agency accounts, and currencies advanced to agencies subsequent to July 1, 1957 for liquidation of obligations incurred prior to July 1, 1953, are based on rates in effect July 1, 1957. Sales for dollars are converted by Disbursing Officers at the rates in effect at the time the transactions occurred. Collections (with the exception of currencies received under Public Law 480), and withdrawals without reimbursement to the Treasury other than for prior year obligations are based on the rates in effect at the end of the month in which the transactions occurred. Collections under Public Law 480 are based on rates agreed to between the United States Government and the various Foreign Governments concerned. The closing balances (with the exception of Public Law 480 balances), are based on the rates in effect at the close of the reporting period. The closing balances in accounts under Public Law 480 are based on rates prescribed by International agreements.

<sup>5</sup> Consists of currencies of various countries received in payment of fees, services, etc., which were immediately purchased with appropriated funds for operating needs and the proceeds credited to miscellaneous receipts of the Treasury. These amounts do not include repayments to appropriations.

## FOREIGN CURRENCY ACCOUNT SYMBOLS AND TITLES

## TREASURY DEPARTMENT

## GENERAL FUNDS

20FT0110.....	Foreign Currency, Federal Income Tax, Treasury.
20FT1394.....	Interest on Public Deposits.
20FT3185.....	Net Proceeds from Surplus Property in Foreign Areas, Act of October 3, 1944, Treasury.
20FT3186.....	Net Proceeds from Excess Property in Foreign Areas, Act of June 30, 1949, Treasury.
20FT3524.....	Recoveries, Governmental Operations in Occupied Areas, Germany and Austria, Treasury.
20FT3525.....	Reparations, World War II, Proceeds from Reparations Property, Treasury.
20FT3542.....	Recoveries, Defense Aid, Commodities, Supplies and Services, Treasury.
20FT3543.....	Recoveries, Intergovernmental Defense Agreements, Treasury.
20FT3544.....	Recoveries, Economic Assistance to Foreign Nations, Economic Cooperation Act of 1948, as Amended, Treasury.
20FT3545.....	Recoveries, technical cooperation program, Act for International Development, as Amended.
20FT3546.....	Recoveries, Military Assistance to Foreign Nations, Mutual Defense Assistance Act of 1949, as Amended, Treasury.
20FT3547.....	Recoveries, Pakistan Wheat Program, Treasury.
20FT3549.....	Recoveries, Famine Relief and other assistance, Title II, Agricultural Trade Development and Assistance Act of 1954, Treasury.
20FT3550.....	Recoveries on Purchases for other countries, Title I, Agricultural Trade Development and Assistance Act of 1954, Treasury.
20FT3556.....	Recoveries, Foreign Programs, not otherwise classified, Treasury.
20FT4336.....	Foreign Currency, Sales Account, Agricultural Trade Development and Assistance Act of 1954, Treasury.
20FT4336.1.....	Foreign Currency, Sale of Agricultural Commodities, Commodity Credit Corporation Charter Act, Treasury.
20FT4336.2.....	Foreign Currency (Restricted Use), Sale of Agricultural Commodities, Commodity Credit Corporation Charter Act, Treasury.



## TREASURY DEPARTMENT—continued

## GENERAL FUNDS—continued

- 20FT4336A..... Foreign Currency, Restricted Sales Account, Agricultural Trade Development and Assistance Act of 1954, Treasury.  
 20FT4336B..... Foreign Currency, Restricted for Sale to Department of State under Sec. 104 (b), Agricultural Trade Development and Assistance Act of 1954, Treasury.  
 20FT4367..... Foreign Currency, Informational Media Guarantee Funds, Treasury.

## SPECIAL FUNDS

- 20FT571..... Foreign Currency, Surplus Agricultural Commodities, Section 502, Mutual Security Act of 1954, Treasury.  
 20FT572..... Foreign Currency, Repayment of Loans and Investments, Section 550, Mutual Security Act of 1953, Treasury.  
 20FT573..... Foreign Currency, Earnings on Loans and Investments, Section 550, Mutual Security Act of 1953, Treasury.  
 20FT575..... Foreign Currency, Surplus Agricultural Commodities, Sec. 402, Mutual Security Act of 1954, Treasury.  
 20FT576..... Foreign Currency, Sales under Sec. 505 (a), Mutual Security Act of 1954, as Amended, Treasury.  
 20FT580..... Foreign Currency, Agricultural Trade Development and Assistance Act of 1954, Treasury.  
 20FT580.2..... Foreign Currency, Agricultural Trade Development and Assistance Act of 1954 (Second Agreement), Treasury.  
 20FT580.3..... Foreign Currency, Agricultural Trade Development and Assistance Act of 1954 (Third Agreement), Treasury.

## DEPOSIT FUNDS

- 20FT610..... Philippine Peso Reclamation Suspense Account.  
 20FT615..... Foreign Currency, Repayment of Loans, Sec. 104, Agricultural Trade Development and Assistance Act of 1954, Treasury.  
 20FT616..... Foreign Currency, Repayment of Loans, Sec. 505 (b), Mutual Security Act of 1954, Treasury.

## TRUST FUNDS

- 20FT802..... Foreign Currency Advanced from Foreign Governments, United States Educational Exchange Program, Treasury.  
 20FT805..... Alien Property Fund, Foreign Currency, Philippines, World War II, Treasury.  
 20FT890..... Advance payments from Greece and Turkey for assistance.  
 20FT891..... Advances for Technical Assistance, Treasury.  
 20FT892..... Payment of Former German Prisoners of War, Treasury.  
 20FT893..... Contributions by the Government of Pakistan for construction of the United States chancery, Treasury.

## DEPARTMENT OF AGRICULTURE

## SPECIAL FUND

- 12FT580..... Foreign Currency, Agricultural Trade Development and Assistance Act of 1954, Agriculture.

## GENERAL SERVICES ADMINISTRATION

## SPECIAL FUNDS

- 47FT568..... Counterpart Funds, Foreign Currency, International Cooperation Administration (Transfers to General Services Administration, Defense Materials Procurement Activities).  
 47FT575..... Foreign Currency, Surplus Agricultural Commodities, Sec. 402, Mutual Security Act of 1954, General Services Administration.  
 47FT580..... Foreign Currency, Agricultural Trade Development and Assistance Act of 1954, General Services Administration

## GENERAL SERVICES ADMINISTRATION—continued

## SPECIAL FUNDS—continued

- 47-72FT580. . . . Foreign Currency, Agricultural Trade Development and Assistance Act of 1954, International Cooperation Administration (Transfer to General Services Administration).

## DEPARTMENT OF JUSTICE

## TRUST FUND

- 15FT805. . . . . Alien Property Fund, Foreign Currency, Philippines, World War II.

## DEPARTMENT OF THE NAVY

## SPECIAL FUNDS

- 17FT571. . . . . Foreign Currency, Surplus Agricultural Commodities, Section 502, Mutual Security Act of 1954, Navy.  
17-97FT581. . . . Foreign Currency, Military Family Housing, Defense (Transfer to Navy).

## OFFICE OF THE SECRETARY OF DEFENSE

## SPECIAL FUNDS

- 97FT560. . . . . Counterpart Fund, Foreign Currency, Defense.  
97FT571. . . . . Foreign Currency, Surplus Agricultural Commodities, Section 502, Mutual Security Act of 1954, Defense.  
97FT580. . . . . Foreign Currency, Agricultural Trade Development and Assistance Act of 1954, Defense.  
97FT581. . . . . Foreign Currency, Military Family Housing, Defense.

## DEPARTMENT OF STATE

## SPECIAL FUNDS

- 19FT504. . . . . Proceeds of Sales of Buildings and Grounds, Foreign Currency, Foreign Service Buildings Fund.  
19FT515. . . . . Proceeds of Sales, Personal Property Sold Abroad, State.  
19FT560. . . . . Counterpart Fund, Foreign Currency, State.  
19FT561. . . . . Counterpart Fund, Foreign Currency, Sec. 708 (c), Public Law 118, July 16, 1953, State.  
19FT568. . . . . Counterpart Fund, Foreign Currency, International Cooperation Administration (Transfer to State).  
19FT580. . . . . Foreign Currency, Agricultural Trade Development and Assistance Act of 1954, State.

## TRUST FUNDS

- 19FT802. . . . . Foreign Currency Advanced from Foreign Governments, United States Educational Exchange Program, State.  
19FT892. . . . . Foreign Currency, Payment of Former German Prisoners of War, Department of State.  
19FT893. . . . . Contribution by the Government of Pakistan for construction of United States chancery, State.

## INTERNATIONAL COOPERATION ADMINISTRATION

## SPECIAL FUNDS

- 72FT560. . . . . Counterpart Fund, Foreign Currency, International Cooperation Administration.  
72FT571. . . . . Foreign Currency, Surplus Agricultural Commodities, Section 502, Mutual Security Act of 1954, International Cooperation Administration.

## INTERNATIONAL COOPERATION ADMINISTRATION—continued

## SPECIAL FUNDS—continued

- 72FT575\_----- Foreign Currency, Surplus Agricultural Commodities, Sec. 402, Mutual Security Act of 1954, International Cooperation Administration.
- 72FT576\_----- Foreign Currency, Sales under sec. 505 (a), Mutual Security Act of 1954, as Amended, International Cooperation Administration.
- 72FT580\_----- Foreign Currency, Agricultural Trade Development and Assistance Act of 1954, International Cooperation Administration.
- 72-97FT580\_---- Foreign Currency, Agricultural Trade Development and Assistance Act of 1954, Defense (Transfers to International Cooperation Administration).

## TRUST FUND

- 72FT891\_----- Advances of Foreign Currency for Technical Assistance, International Cooperation Administration.

## UNITED STATES INFORMATION AGENCY

## SPECIAL FUND

- 67FT560\_----- Counterpart Fund, Foreign Currency, United States Information Agency.

(Whereupon, at 11:35 a. m., the committee adjourned, subject to the call of the Chair.)

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