

POWERS OF THE FEDERAL RESERVE SYSTEM WITH RESPECT TO FOREIGN ACTIVITIES

BOARD OF GOVERNORS

GENERAL SUPERVISION OF
F. R. BKS. SEC. 11 (J),
F. R. ACT.

SPECIAL SUPERVISION OF
FOREIGN RELATIONSHIPS
AND TRANSACTIONS.
SEC. 14 (g), F. R. ACT.

DIRECT F. R. BKS. TO
ESTABLISH CORRESPONDENT
RELATIONS ABROAD.
SEC. 14 (e), F. R. ACT.

CHARTER AND SUPERVISE
FOREIGN BANKING
(EDGE) CORPORATIONS
SEC. 25 (a), F. R. ACT.

AUTHORIZE FOREIGN
BRANCHES OF MEMBER
BANKS. SECS. 9, 25,
F. R. ACT.

SUPERVISE AND DIRECT
F. R. BKS. AS DEPOSITORIES
OR FISCAL AGENTS
FOR INTERNATIONAL FUND
AND BANK. SEC. 6,
BRETTON WOODS ACT.

BOARD CHAIRMAN MEMBER
OF NATIONAL ADVISORY
COUNCIL. SEC. 4 (a),
BRETTON WOODS ACT.

BOARD CHAIRMAN MEMBER
OF ADVISORY BOARD TO
EX-IM BANK. SEC. 3 (d),
EXPORT-IMPORT BANK ACT.

FEDERAL RESERVE BANKS

PURCHASE AND SELL CABLE
TRANSFERS, BANKERS'
ACCEPTANCES, AND BILLS
OF EXCHANGE. SEC. 14,
F. R. ACT.

DEAL IN GOLD, MAKE LOANS
ON, AND CONTRACT FOR
LOANS OF GOLD. SEC. 14 (a),
F. R. ACT.

BUY AND SELL ABROAD
BONDS AND NOTES OF U.S.
OR ANY STATE, COUNTY,
DISTRICT, ETC. SEC. 14 (b),
F. R. ACT.

MAINTAIN CORRESPONDENT
RELATIONS AND ACCOUNTS
HERE AND ABROAD.
SEC. 14 (e), F. R. ACT.

DISCOUNT FOREIGN PAPER
FOR MEMBER BANKS.
SEC. 13, F. R. ACT.

ACT AS DEPOSITORY
OR FISCAL AGENT FOR
INTERNATIONAL FUND
AND BANK. SEC. 6,
BRETTON WOODS ACT.

CERTIFICATION TO
TREASURY BY F. R. BK. OF
N. Y. OF DAILY EXCHANGE
RATES. SEC. 522, TITLE IV,
TARIFF ACT OF 1930.

ACT AS FISCAL AGENT
OF TREASURY IN MATTERS
SUCH AS:
STABILIZATION FUND AND
GOLD OPERATIONS;
FOREIGN FUNDS CONTROL;
HANDLING ACCOUNTS; ETC.
SEC. 15, F. R. ACT.

FOREIGN OPERATIONS OF THE FEDERAL RESERVE BANK OF NEW YORK

Type of transaction	For own account				For account of U. S. Treasury				On behalf of foreign correspondents			
	1948		1949		1948		1949		1948		1949	
	Number of trans- actions	Amount (millions of dollars)	Number of trans- actions	Amount (millions of dollars)	Number of trans- actions	Amount (millions of dollars)	Number of trans- actions	Amount (millions of dollars)	Number of trans- actions	Amount (millions of dollars)	Number of trans- actions	Amount (millions of dollars)
1. Gold transactions:												
a. Purchases	-	-	-	-	43	182	73	541	-	-	-	-
b. Sales	-	-	-	-	209	1,694	83	766	79	637	40	181
c. Transfers	-	-	-	-	-	-	-	-	23	155	57	218
d. Earmarking operations	-	-	-	-	-	-	-	-	379	3,149	199	1,688
e. Foreign loans on gold ^{1/}	-	-	-	-	-	-	-	-	76	833	57	486
2. Exchange transactions:												
a. Purchases	-	-	<u>2/</u>	<u>2/</u>	2,318	31.5	2,855	32.3	-	-	-	-
b. Sales	-	-	<u>2/</u>	<u>2/</u>	564	5.4	320	19.3	-	-	-	-
c. Resales	-	-	-	-	1	80	-	-	-	-	-	-
3. Dollar payments and receipts	-	-	-	-	-	-	-	-	48,733	12,492	52,012	10,020
4. Items received for collection	-	-	-	-	-	-	-	-	170,171	805	75,402	1,358
5. Receipts and deliveries of securities and acceptances:												
a. U. S. Governments	-	-	-	-	-	-	-	-	589	2,226	981	4,051
b. Other securities and acceptances	-	-	-	<u>3/</u>	-	-	-	-	841	<u>4/</u> 401	1,422	<u>4/</u> 1,002
6. Balances held with central banks abroad	-	<u>5/</u>	-	<u>5/</u>	-	56.2	-	50.4	-	-	-	-

^{1/} Includes renewals.

^{2/} Purchased 5,000 Canadian dollars and 123 pounds sterling and sold 15,000 Canadian dollars.

^{3/} Bills payable in foreign currencies have not been held by Federal Reserve Banks since 1939. The high point of Reserve Bank investment in these bills was in 1931 when more than \$128,000,000 was held.

^{4/} Includes holdings of acceptances guaranteed by the Federal Reserve Banks amounting to \$3,329,000 at the end of 1948 and \$10,507,000 at the end of 1949. Over \$500,000,000 of these bills were held for foreign correspondents in 1929 and 1930.

^{5/} These balances amounted to \$38,000 at the end of 1948 and \$49,000 at the end of 1949.

January 12, 1950

U. S. GOVERNMENT FOREIGN GRANTS AND CREDITS UTILIZED JULY 1, 1945
TO JUNE 30, 1949 AND UNUTILIZED AS OF JUNE 30, 1949,
BY MAJOR GEOGRAPHICAL AREAS

(in millions of dollars)

	Grants			Credits		
	Total	Utilized	Un- utilized	Total	Utilized	Un- utilized
Total, All areas	15,393	13,230	2,163	11,772	10,080	1,692
ERP participants	9,855	8,089	1,766	8,593	8,345	248
Other Europe	1,115	1,115	---	475	462	13
Asia	3,777	3,406	371	892	750	142
Latin America	33	31	2	466	329	137
Miscellaneous	614	589	25	273	195	78
Uncommitted lending authority	---	---	---	1,074	---	1,074

BUDGET EXPENDITURES FOR
INTERNATIONAL AFFAIRS AND FINANCE
(Fiscal years)

Program or agency	Expenditures		
	1949 Actual	1950 Estimated	1951 Estimated
Conduct of foreign affairs (operating expenses)	\$173	\$246	\$240
International recovery and relief:			
European recovery program and other foreign aid	4,040	4,062	3,250
Aid to occupied areas	1,349	831	279
Aid to Korea	6	93	111
Aid to refugees	82	90	49
Other (including repayments to RFC)	247	-15	-35
Foreign economic development:			
Export-Import Bank loans	-57	71	48
Inter-American development	12	11	8
Technical assistance to underdeveloped areas	---	---	25
Foreign military assistance:			
Mutual defense assistance program	---	160	645
Greek-Turkish aid	269	195	---
Assistance to China	125	---	---
Philippine aid	197	221	91
Total	6,462	5,964	4,711

EXPORT-IMPORT BANK OF WASHINGTON

(In millions of dollars)

I. SUMMARY OF STATEMENT OF LOANS AND AUTHORIZED CREDITS
AS OF NOVEMBER 30, 1949

Total authorizations, cumulative since inception of Bank, February 12, 1934.....	4,497.9
Total disbursements, cumulative.....	3,012.6
Total repayments, cumulative.....	838.6
Total outstanding loans.....	2,174.0
Total undisbursed commitments.....	435.3
Total available funds uncommitted.....	890.7
Total lending authority.....	<u>1/3,500.0</u>

1/ The bill in Congress to guarantee U. S. investments abroad provides that the Export-Import Bank would finance guarantees out of its present lending authority. No new funds would be authorized for this purpose.

II. SUMMARY STATEMENT OF NEW LOANS AUTHORIZED DURING 1949

Country	Amount	Interest: rate (%)	Term	Purpose
Israel	35	3 1/2	12 years	Agricultural projects
	65	3 1/2	12 years	Housing, communication, transportation, etc.
Liberia	4	4 3/4	10 years	Production of iron ore
Chile	1.350	3 1/2	8 1/2 years	Electric power
Chile	1.2	4	5 years	Rayon plant
Yugoslavia	20	3 1/2	10 years	Mining and other industries
Chile	25	3 1/2	7 years	U. S. materials and equipment
Chile	2.750	4	12 years	Railway and construction equipment
Brazil	3.806	4 1/2	7 years	Vessels
Bolivia	16	3 1/2	17 years	Highway construction
Saudi Arabia	4	4	8 years	Cement plant
Afghanistan	21	3 1/2	9 years	Dam construction and canal
Venezuela	5.158	4	5 years	Power system
Ecuador	7	3 1/2	20 years	Reconstruction
Amertool Ser- vices, Inc.	3	5	18 months	Export of machine tools

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

(In millions of U. S. dollars)

Statement of Funds Available for Lending
(As of November 30, 1949)

I. Funds Originally Available

United States Dollars and Dollar Equivalent of Other Currencies	
Paid-In to the Bank as capital and Originally Available for Lending.....	\$ 745.1
Proceeds of Bond Issues.....	254.0
Available Funds Resulting from Operations.	<u>19.6</u>

Total Funds Originally Available.....\$ 1,018.6

II. Loans Committed

Loan number and country	Agreement date	Principal amount	Interest rate (%)	Maturity date	Purpose
1. France	1947	250.0	4 1/4	1977	General
2. Netherlands	1947	195.0	4 1/4	1972	General
3. Denmark	1947	40.0	4 1/4	1972	General
4. Luxembourg	1947	12.0	4 1/4	1972	Steel mill and rolling stock
5. Chile	1948	13.5	4 1/2	1968	Hydroelectric and irrigation
6. Chile	1948	2.5	3 3/4	1955	Agricultural machinery
7 - 10a. Netherlands	1948	12.0	3 9/16	1958	Ships
11. Brazil	1949	75.0	4 1/2	1974	Power and telephone
12. Mexico	1949	24.1	4 1/2	1973	Power
13. Mexico	1949	10.0	4 1/2	1949	Power
14. Belgium	1949	16.0	4 1/4	1969	Two steel mills and power plant
15. Netherlands	1949	15.0	4	1964	Chemical, engineering, and other industries
16. Finland	1949	12.5	4	1964	Woodworking industries, power and limestone powder
17. India	1949	34.0	4	1964	Locomotives, boilers and spare parts
18. Colombia	1949	5.0	3 1/2	1956	Agricultural machinery
19. India	1949	10.0	3 1/2	1956	Agricultural development
20. Finland	1949	2.3	3	1951	Timber resources
21. Yugoslavia	1949	2.7	3	1951	Timber resources
22. El Salvador	1949	12.545	4 1/4	1975	Development of electric power resources on Lempa River.

1/ Includes a 1 per cent Commission and, where applicable, a Service Charge.

F

INTERNATIONAL MONETARY FUND

(In millions of U. S. dollars)

I. GOLD AND FOREIGN EXCHANGE HOLDINGS

	<u>As of end of November 1949</u>
U. S. dollars.....	1,289.3
Gold.....	1,450.6
All other currencies.....	4,285.7

II. EXCHANGE AND GOLD TRANSACTIONS
(Total to November 30, 1949)

Fund sales of U. S. dollars.....	<u>766.0</u>
Australia.....	20.0
Belgium.....	33.0
Brazil.....	37.5
Chile.....	8.8
Costa Rica.....	<u>1/1.3</u>
Czechoslovakia.....	6.0
Denmark.....	10.2
Egypt.....	3.0
Ethiopia.....	0.6
France.....	125.0
India.....	100.0
Mexico.....	22.5
Netherlands.....	62.5
Nicaragua.....	<u>2/0.5</u>
Norway.....	11.1
Turkey.....	5.0
Union of South Africa.....	10.0
United Kingdom.....	300.0
Yugoslavia.....	9.0
Total purchases.....	2.6
Net Fund sales of U. S. dollars.....	763.4

Fund sales of other member currencies:	
Belgian francs.....	11.4
Netherlands.....	6.8
Norway.....	4.6
Pounds sterling.....	6.0
Netherlands.....	6.0

1/ Repurchased colones equivalent to 2.1 million U. S. dollars.

2/ Repurchased.

G

ESTIMATED FOREIGN GOLD RESERVES AND SHORT-TERM DOLLAR BALANCES 1/
(In millions of dollars)

Area and country	Holdings at Dec. 31, 1945	Holdings at June 30, 1948	Holdings at June 30, 1949
Europe			
ERP countries			
Belgium, Luxembourg and Belgian Congo	996	803	896
France and dependencies	2,125	784	766
Italy	98	273	512
Netherlands and Netherlands West Indies	736	359	348
Portugal	476	304	238
Sweden	692	123	127
Switzerland	1,641	1,855	1,935
United Kingdom and dependencies	2,707	2,265	1,996
Other ERP countries	<u>1,082</u>	<u>740</u>	<u>765</u>
Total ERP countries	10,553	7,506	7,583
Other Europe	<u>752</u>	<u>789</u>	<u>638</u>
Total Europe	<u>11,305</u>	<u>8,295</u>	<u>8,221</u>
Latin America			
Argentina	1,274	389	391
Brazil	549	470	433
Colombia	206	113	96
Cuba	319	518	457
Uruguay	208	242	212
Mexico	410	197	195
Venezuela	252	373	511
Other	<u>558</u>	<u>507</u>	<u>503</u>
Total Latin America	<u>3,776</u>	<u>2,809</u>	<u>2,798</u>
Asia			
China	797	240	240
India	307	347	308
Indonesia	314	215	214
Philippine Republic	630	466	389
Other	<u>493</u>	<u>601</u>	<u>830</u>
Total Asia	<u>2,541</u>	<u>1,869</u>	<u>1,981</u>
Other Countries			
Canada	1,726	941	1,208
Union of South Africa	920	382	158
All other	<u>221</u>	<u>259</u>	<u>282</u>
Total other countries	<u>2,867</u>	<u>1,582</u>	<u>1,648</u>
Grand Total	20,489	14,555	14,648

1/ Excludes gold reserves of U.S.S.R. and gold reserves and dollar balances of international institutions.