


A Supplement to the Survey of Current Business



**FOREIGN
AID**

**BY THE UNITED STATES
GOVERNMENT**

1940-1951

UNITED STATES DEPARTMENT OF COMMERCE

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

OFFICE OF BUSINESS ECONOMICS



U. S. DEPARTMENT OF COMMERCE
CHARLES SAWYER, SECRETARY

U.S. OFFICE OF BUSINESS ECONOMICS
M. JOSEPH MEEHAN, DIRECTOR

Foreign Aid
by the
United States Government
1940 - 1951

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Foreword

The foreign assistance rendered by the United States and described in this volume represents a series of programs unique in economic and political history. Aid has been furnished in a common cause, with reciprocal obligations incurred and benefits received both here and abroad in the process. In total the aid furnished to foreign countries by the United States Government in the 11-year period 1940 to 1951 aggregated \$82 billion, of which \$49 billion was provided during the war period. Reciprocal foreign programs offset a part of this total, so that the net aid in the period aggregated \$72 billion.


This volume brings together in comprehensive and convenient form the record of United States foreign aid by periods, by programs, and by countries. It consolidates statistics that were originally compiled and issued in a form restricted by security considerations. While both the war-period and postwar programs enacted by Congress achieved major objectives, it is not the purpose of this report to appraise results. Rather, the purpose here is to synthesize the data in a manner which will make the basic facts available to all.

Consolidation of these Government transactions is part of the work of the Office of Business Economics in national accounting, which includes calculation of the national income and the balance of international payments of the United States.

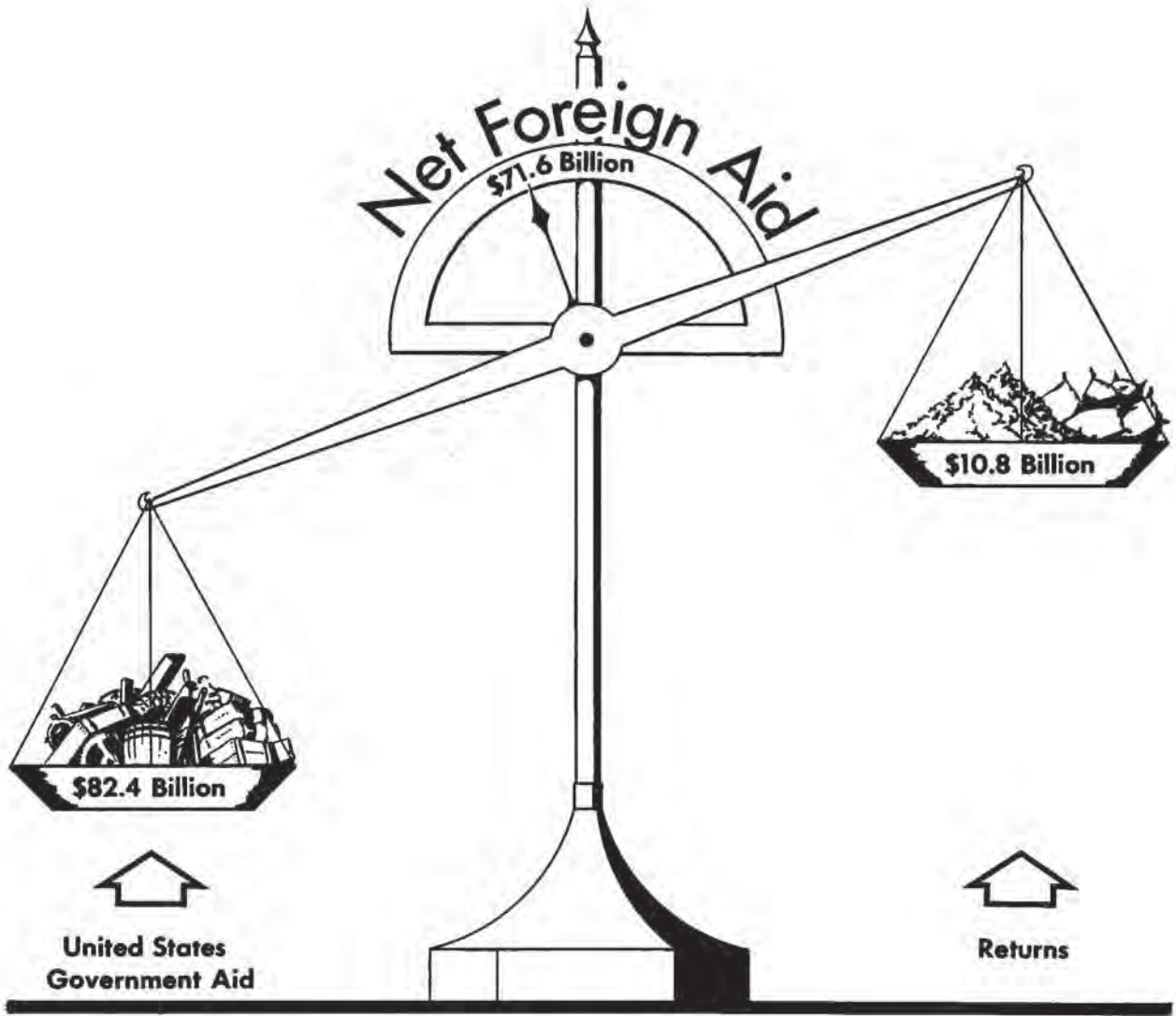
Regular balance-of-payments reports have been compiled annually since 1922, and in recent years the material has been issued quarterly. When foreign transactions of the United States Government agencies began to expand greatly, it was recommended that a central reporting system be established to provide current and complete data on these transactions. (Senate Document No. 190, 78th Cong., 2d sess., *Lend-Lease Aid: Preliminary Report of Committee Investigators to the Committee on Appropriations, U. S. Senate; and Senate Committee Print, 78th Cong., 2d sess., Recording and Reporting of Lend-Lease Transactions and Government Expenditures Abroad.*) The President subsequently established the clearing office function to carry out such statistical reporting, and a continuous record has been kept and analyzed since 1944.

The Office of Business Economics receives data regularly from the Federal agencies responsible for carrying out foreign programs. While they are too numerous to mention in detail, we wish to acknowledge their excellent and continuing cooperation, which has as one of its fruits the comprehensive information assembled in this volume. This reporting system has made possible the consolidation of all information on Government foreign aid, in a report prepared each quarter. The results are analyzed in periodic reviews in the *SURVEY OF CURRENT BUSINESS*.

The preparation of this volume was under the general supervision of John Boddie, Assistant Chief of the Clearing Office. Eugene S. Kerber was responsible for its over-all coordination, and prepared the analyses in chapters 3 and 4. Cora E. Shepler prepared chapter 2 on the geographic analysis of aid, and John Boddie chapter 1. Clyde W. Plybon developed the data on foreign credits in chapters 2 and 4. The basic tables were prepared by the staff under Leslie G. Monk, from data reported by the various United States agencies. Val V. Vitali collected the material for the legislative appendix.



Director, Office of Business Economics



Reverse grants and principal collections on credits
balance some of the United States Government Aid

The Pattern of Aid



IN the 11-year period of unprecedented economic and military aid, which this report undertakes to describe in some detail, United States Government foreign aid totaled more than \$82 billion.

This flow of aid varied in purpose over the period of time and was provided in four major categories. They were (1) military aid, (2) relief, (3) recovery and economic aid, and (4) technical assistance.

Many of the United States Government foreign-aid programs were of a mutual-assistance character and, in the pursuit of common objectives, foreign-aid recipients furnished aid to the United States. In addition, they returned portions of aid previously received, or its value, and repaid principal on foreign loans. This reverse aid, and aid returned, aggregated almost \$11 billion.

After deducting the aid received from that rendered, the amount of net foreign aid provided by the United States Government in the period was almost \$72 billion.

The 11-year flow of aid rendered and aid received can, for purposes of analysis, be conveniently separated into shorter periods in which different types of United States aid programs with differing objectives were dominant. The first of these shorter periods is the 5-year war period, July 1940 through June 1945, in which the flow of aid was almost wholly military in purpose. The second period comprises the five postwar years which ended in June 1950—at the beginning of the Korean conflict. During the early years of this second period relief and rehabilitation assistance was provided concurrently with large credit extensions for recovery purposes. In the later years economic-recovery assistance programs were large and technical aid also began to expand. In the third period, which contains the first full year of Korean conflict, military aid again came into prominence.

The programs in review

The sequence of dominant programs began with lend-lease. This program, with military objectives, provided almost all of the 5-year war-period assistance of over \$49 billion.

In contrast, a multiplicity of programs furnished assistance in the 5-year postwar period. In this second period the United Nations Relief and Rehabilitation Administration (UNRRA)—and its successor programs of post-UNRRA and interim aid—provided about \$3½ billion of relief and rehabilitation assistance.

Civilian aid of over \$5 billion was furnished by the armed services in the occupied countries. Surplus-property credits and other credit assistance extended for reconstruction, recovery, and developmental purposes—including the British loan—amounted to over \$10 billion during these years. In this same period the European-recovery program furnished almost \$7 billion of assistance, exclusive of program credits. Total aid rendered by all programs in this 5-year postwar period exceeded \$28 billion.

The year beginning with the Korean invasion saw economic programs gradually change in character from recovery to defense-support assistance, and military aid growing in volume. Aid in this year was almost \$5 billion—large portions of which were provided under the European-recovery program and the mutual-defense assistance program.

An attempt will be made in this chapter to characterize the principal aid programs as they grew, matured, and were succeeded by changing types of assistance. Of course, throughout the entire period, foreign-aid programs blended into their successor programs in such a way that sharp lines of demarcation cannot be drawn. Almost every aid program commenced before the termination of its predecessor, and successive programs often used transferred funds and personnel. Nevertheless, the 11-year flow of supplies and services varied in purpose, amount, direction, and results.

The geographic distribution of this assistance, as well as the nature and results achieved by the successive programs of aid, will be discussed more completely in subsequent chapters of this review. The intention here is to summarize the salient features of the period as an introduction for the more painstaking descriptions of United States foreign-aid activities to follow.

The components of aid

Foreign aid is usually grouped into two categories—grants and credits.

Grants are largely outright gifts for which no payment is expected, or which at most involve an obligation on the part of the receiver to assist the United States or other countries working toward our common objective. Wherever aid has been given with the understanding that a decision as to repayment will be deferred, that assistance is included in grants: most of lend-lease aid, for example, was subject to future settle-

ment upon terms which could not be known at the time the aid was rendered.

Credits are loans or other agreements which give rise to specific obligations to repay, over a period of years, usually with interest. When settlements of indeterminate aid result in the establishment of credits, such credits are necessarily subtracted from the total of grants and credits to avoid double counting in summarizing total aid.

Seven-eighths of the 1941-51 aggregate of foreign aid mentioned above was provided on a grant basis.

Procurement problems spur foreign aid

When World War II commenced in September 1939 the United Kingdom and her allies turned toward the United States to obtain supplies. The competing procurement and complex finance problems of the two major Allies quickly led to the establishment of an Anglo-French Purchasing Board to coordinate supply activities. In late 1939 and throughout 1940 this Board and its successor—the British Purchasing Commission—issued large orders for planes, equipment, munitions, and varied matériel. As a result of this intense demand for supplies the dollar resources of the Allies were rapidly drawn down.

British gold and dollar resources shrank over \$2.3 billion in the period from the beginning of the war to the end of 1940. Sales of gold by the United Kingdom and her allies during fiscal years 1940 and 1941 exceeded \$5 billion. In addition, many British investments were pledged to obtain dollar funds with which to continue procurement. It was evident by late 1940 that unless the Allies found further means of procuring essential materials and equipment their position would become even more vulnerable.

The rapidly darkening financial situation of the Allies and their crushing military defeats were in evidence when hearings began in January 1941 on one of the most important foreign economic bills in United States history—"An Act to Promote the Defense of the United States, and for other purposes." This legislation soon came to be known as the Lend-Lease Act from its major provision empowering the President "to sell, transfer title to, exchange, lease, lend, or otherwise dispose of" defense articles to the government of any country whose defense the President deemed vital to the defense of the United States.

The resulting lend-lease program was without parallel as a means of procurement and finance. Under it, mutual assistance was provided and reverse lend-lease became the largest category of aid furnished to the United States in the 11-year period under discussion.

Lend-lease dominates wartime aid

United States entry into the war came with the December 7, 1941, Japanese attack on Pearl Harbor. Following the declaration of war almost complete control of international transactions passed to Government agencies and corporations. Thereafter, as United States war activity expanded, the outpouring of lend-lease aid quickened. As the stream of supplies and services increased, the lend-lease program completely dominated the foreign-aid flow of World War II. Under it 95 percent of the aid provided in fiscal years 1940-45 was furnished.

No such dominance by a single aid program was to recur in the five postwar years when major programs largely influenced but

did not wholly predominate in the flow of foreign aid. Lend-lease, largest of all United States Government aid programs, during its existence provided a total of \$49.1 billion in assistance to foreign countries.

Obviously, lend-lease aid could flow in volume only to unconquered Allied nations or to dominions and dependencies that had not been overrun. Consequently, its large volume was concentrated in the relatively few sovereign nations actively engaged in warfare with the Axis Powers. Three principal recipients received 90 percent of lend-lease aid during the war period, as follows:

	(Billions of dollars)
Total.....	47.1
United Kingdom.....	28.6
U. S. S. R.....	10.8
France.....	2.6
All other countries.....	5.1

The amounts shown as going to specific nations include aid furnished to their dependencies. This is particularly notable in the case of the United Kingdom.

The distribution process called for these major recipients and other countries receiving lend-lease aid to present their requests for assistance to the United States Government through the Office of Lend-Lease Administration (later the Foreign Economic Administration) or the military forces. The requests were reviewed and the amount and nature of aid to be rendered were determined, after which Government agencies procured and shipped the materials. Many of these materials were made available from existing stocks, particularly at the outset of the program.

Lend-lease aid consisted of munitions, vehicles, aircraft, vessels, industrial items, agricultural products, and various other supplies and services. The industrial items—such as machine tools and electrical equipment—assisted in maintaining and expanding the production of war material in the Allied countries. Agricultural products and implements supplied essential civilian needs and increased foreign agricultural production. Merchant and combatant vessels, kept in repair, provided necessary military and transportation requirements during the war period. Actually, the program contained almost every type of civilian and military supply.

The reverse lend-lease also took many forms, such as local services, transportation, communications, troop accommodations, oil supplies, strategic and critical commodities, and military matériel. During the war the United States received over \$7.8 billion in reverse lend-lease, of which \$5 billion was furnished by the United Kingdom.

Civilian relief commences

As the war progressed and the Allied forces advanced, ex-enemy and liberated peoples were left behind the troops. The winning armies assumed responsibility for medical supplies, for food, and for the prevention of unrest among these civilian populations. Even after hostilities the cost of victory continued. Civilian-supply programs of our armed forces had to provide \$0.8 billion of aid during World War II and \$5.3 billion in the period after the close of hostilities.

Postcombat aid by the armed forces was distributed principally in the occupied areas of Germany and Japan. In other countries the military forces relinquished the task of providing relief to civilian agencies and foreign governments as rapidly as the conditions of conflict and transport would admit. In the liberated areas civilian supply was recognized as precedent to more direct local measures of relief and rehabilitation.

In several European nations the task of civilian relief and the rehabilitation of essential facilities was undertaken by the United Nations Relief and Rehabilitation Administration (UNRRA). This international agency, composed of members of 46 nations, was established in November 1943 and was faced with the problem of supplying material and services for relief and rehabilitation while hostilities were going on. It operated during a period of almost complete disorganization of international trade, and encountered constantly changing needs and conditions. Its purposes were the prevention of starvation, the provision of essential clothing and shelter, the renewal of food production, the resumption of transportation and essential public services, and the care of displaced persons.

UNRRA was financed by an assessment of 1 percent of the 1943 national income of each uninvaded member—this was later raised to 2 percent. The United States Government furnished \$2.7 billion in aid out of the total of \$3.7 billion provided by the international agency.

Relief and rehabilitation assistance was restricted to countries lacking sufficient foreign exchange to finance essential imports. The countries of southern, central, and eastern Europe were the principal beneficiaries of this aid. Substantial help was given to Greece, Yugoslavia, Albania, Poland, Czechoslovakia, Italy, Austria, Byelorussia, the Ukraine, and China.

New postwar programs for credit aid

Soon after the victory in Japan, the large segment of lend-lease for which no terms of payment had been agreed upon was virtually terminated. Settlement negotiations were initiated with respect to materials in the supply pipeline and to war claims. The United Kingdom, largest recipient of lend-lease, was party to the first settlement agreement negotiated. Under it, the United Kingdom and United States agreed in December 1945 to settle lend-lease, reciprocal aid, surplus war property, and claims. The net amount of the settlement was eventually set at \$622 million, to be paid over 50 years with interest at 2 percent.

This settlement and subsequent war-account settlements were weighed and negotiated in the light of economic conditions at the close of the war. It was recognized that if an enormous burden of debt were added to the other obligations the foreign governments had incurred for war purposes—and would incur in the future for relief and reconstruction—the addition would constitute a burden from which international trade could hardly recover. In the following year and a half similar negotiations with France, Belgium, South Africa, India, Australia, Netherlands, and New Zealand raised the total of settlement credits to \$1.4 billion.

The curtailment of lend-lease, quickly following the termination of hostilities, seriously affected several of the western and northern European countries. However, to avoid a stoppage in the essential supply flow, new United States aid programs were

authorized, and other measures were taken by the United States Government to meet the foreseeable difficult postwar financial position of our allies. Legislation had already authorized this Government's membership in the International Bank for Reconstruction and Development and in the International Monetary Fund. (The \$3.4 billion paid in to these institutions in 1946-47 is not reflected in this report's totals, since such investments are not classified as United States Government aid.) Furthermore, the Congress made provision for additional sources of funds through an increase in the lending capacity of the Export-Import Bank from \$700 million to \$3,500 million, and a special \$3,750-million loan was extended to Britain.

The close of the war made surplus a vast quantity of United States supplies dispersed and stored all over the world. The expense involved in their return, or in renovation prior to sale in the United States or foreign markets, would have been considerable. Such action would also prolong operations in the field of foreign trade from which the Government wished to withdraw. Since few of the nations desirous of acquiring the surplus materials had available dollar resources, the disposal of hundreds of thousands of items had to be coordinated with a wide use of credit financing. The disposal program initiated by the Office of the Foreign Liquidation Commissioner (OFLC) in October 1945 resulted in a return of \$1.8 billion, of which over \$1 billion was sold on credit. Surplus vessels were disposed of by the Maritime Commission which extended credits of \$229 million, after collection of 25-percent cash downpayments.

Relief and rehabilitation extended

European trade and production had not progressed far toward recovery when a severe winter in 1946-47 caused such serious damage to crops as to threaten disaster. It was to be followed by a summer drought. Prices were rising in the United States markets and the limited foreign resources of many countries were considered inadequate to provide necessary imports.

Early in 1947 it had become apparent that the UNRRA pipelines would soon be empty. Although UNRRA had provided billions of dollars worth of food, clothing, medicine, and other essential supplies to the people of liberated areas, the shipment of supplies from the United States was to practically cease by the end of April with some populations still in want. Because remaining relief needs were expected to be quite small in comparison with those already met by UNRRA, the United States Government decided that it would be neither wise nor proper to provide additional relief through the creation or perpetuation of an international agency. Yet to insure that supplies would be shipped where needed and properly used, under United States control, in the receiving countries, legislation to provide basic essentials—primarily food, medical supplies, and seeds and fertilizers—was enacted.

This 1947 assistance in the form of supplies was to be sold for local currencies, with the proceeds to be used by the recipient country. The program, under a \$350-million authorization act in May 1947 for relief assistance, became known as post-UNRRA aid. It included provisions for assistance—in an amount not to exceed \$40 million—for the International Children's Emergency Fund.

But other problems were arising which emphasized the need

for additional temporary assistance, or a more comprehensive approach. The political and economic sphere of Russian influence was widening, and the economic paralysis of Germany was weighing down European recovery. Russian occupation policy and the continued division of Germany into eastern and western sectors hindered that nation's ability to recover, thereby reduced its contribution to European peace and prosperity, and diverted trade from historic channels.

In the face of such circumstances, other assistance was provided for the purpose of extending interim aid until some common program could be constructed upon which a sound economic structure could be erected. In December 1947, the Foreign Aid Act was passed to provide emergency aid to Austria, France, and Italy, authorizing \$597 million in aid. The interim assistance provided under this program virtually ended with the close of fiscal year 1948.

Problems before the Marshall plan

The interim-aid program was clearly represented as the stopgap predecessor of a long-range recovery program to be introduced later. Such a long-range program of aid was under consideration as a broad-gage effort to combat the principal underlying causes of continued European economic difficulties. Major among these causes were—

- (1) The great physical destruction of the war,
- (2) The years of use of facilities without sufficient maintenance material,
- (3) The obsolescence of many plants and productive processes, and
- (4) The dislocation of historic patterns of trade.

These and other factors were reflected in widespread international currency inconvertibility which was much more a symptom than a cause of trade paralysis. Europe's organic ability to support its large population was severely damaged; relief and rehabilitation aid in conjunction with individual national efforts had not proved sufficient to produce stable economic recovery. Financial assistance from the United States in the form of loans and grants had not been enough to save most European recipients from serious monetary and fiscal troubles. The loss of their eastern European supplies and markets, colonial unrest in Asia and Africa, and the loss of Far Eastern supply sources aggravated the European scarcity of goods at the same time that inflationary factors increased prices. A tangle of bilateral trade agreements, together with a shaky currency framework, were evidence of the deeper causes underlying the low volume of intra-European trade.

Such a condition of affairs required European countries to develop a coordinated program of economic reconstruction. Their joint efforts, combined with increased United States assistance, it was thought, might be effective in producing permanent gains. Outspoken United States Government recognition of the possible development of such a concerted effort was given by Secretary of State George C. Marshall in a speech at Harvard University in June of 1947. The program that eventuated came to be called the Marshall plan.

The Marshall plan as outlined in the Harvard address was to be open to all European nations that wished to join in a common

constructive effort for economic recovery. Russia and her eastern European satellites received invitations from the group of European nations, which—following the suggestion of the speech—organized in a collective group to establish a joint plan for economic recovery. However, Russia refused to become a member and took active steps to prevent the participation of any of her satellite nations. Consequently, membership was confined to 16 western European nations and their dependent areas.

Design of the European-recovery program

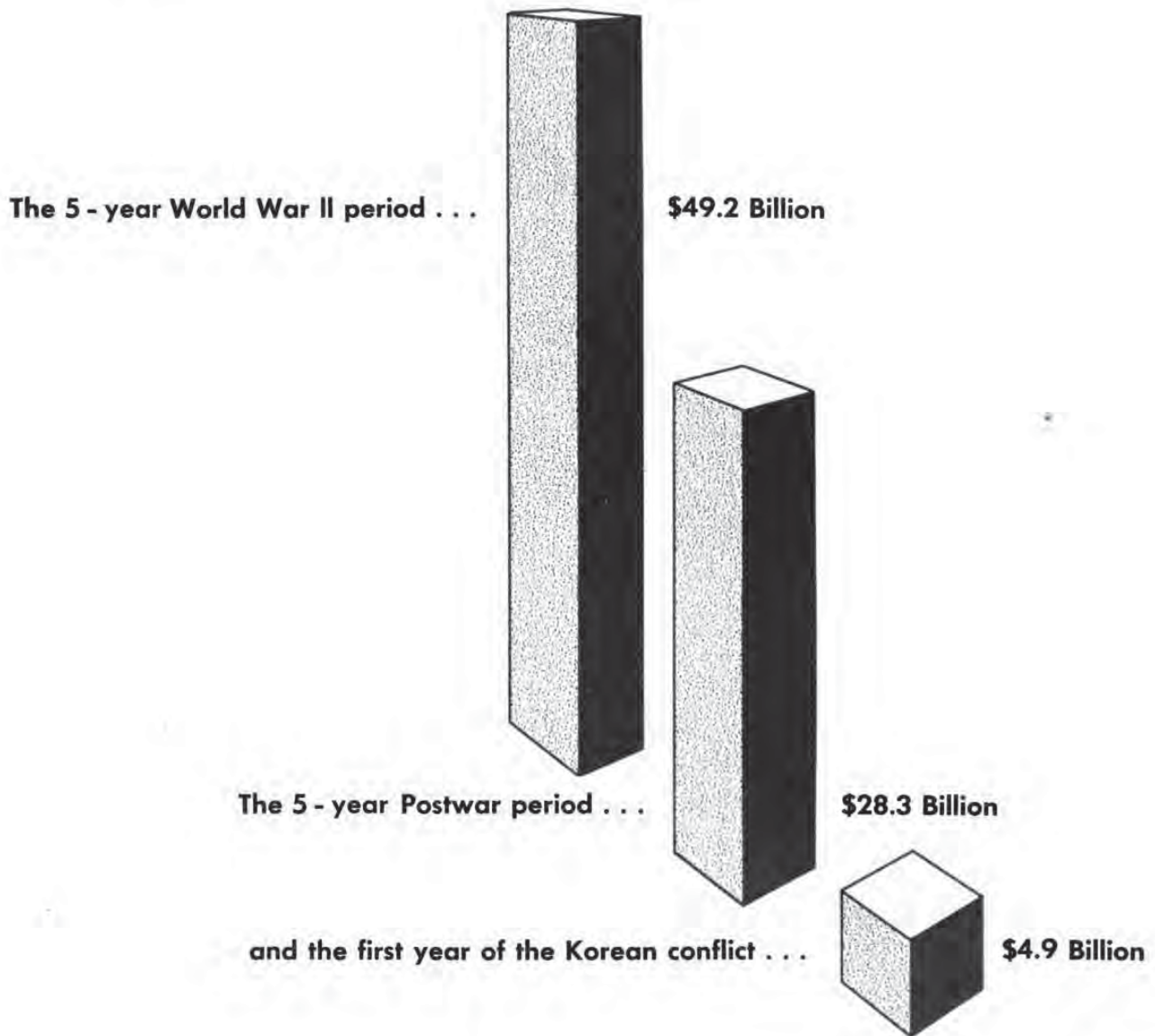
Several months later final passage of the Economic Cooperation Act of 1948 launched the new enterprise. This legislation called for " . . . a plan of European recovery, open to all such nations which cooperate in such a plan, based upon a strong production effort, the expansion of foreign trade, the creation and maintenance of internal financial stability, and the development of economic cooperation, including all possible steps to establish and maintain equitable rates of exchange and to bring about the progressive elimination of trade barriers."

Following the passage of the act, the 16 European nations dissolved their temporary economic group to form a more permanent structure—the Organization for European Economic Cooperation (OEEC)—in which Germany and Trieste were included. OEEC in conjunction with the Economic Cooperation Administration (ECA)—the United States Government agency created to administer the Economic Cooperation Act—developed programs designed to benefit western Europe as a whole. Separate economic-cooperation agreements were negotiated between the United States Government and each of the members of OEEC.

In practice, the OEEC individual country programs and their material requirements were presented to the ECA for screening and recommendation. After review, the funds approved, or quantities of commodities to be shipped, were allocated to specific countries' programs, thus initiating the process of procurement. In this supply process ECA attempted to make the maximum possible use of private trade channels and to avoid heavy reliance upon United States Government agencies for procurement. The supplies provided were mostly disseminated through normal trade channels; the foreign currencies received from the sale of supplies furnished on a grant basis were deposited in an account known as the "counterpart" fund. Five percent of this latter fund was made available to the United States Government to defray administrative expenses and to procure strategic materials. The remaining 95 percent was used with the concurrence of the United States by the foreign government for various recovery purposes within the recipient country. In some instances the 95-percent fund was used to retire foreign-government debt.

A wide range of economic supplies was furnished under the program for European recovery. Some food was still necessary, but to provide against such needs in the future, shipments of feed, fertilizer, and farm machinery were furnished to step up agricultural productivity. Petroleum, coal, cotton, nonferrous metals, semifinished products, railroad transportation equipment, vehicles, construction and mining equipment, and industrial machinery were furnished to raise manufacturing productivity.

\$82 Billion of United States Government Foreign Aid was spread over three periods



By June 30, 1951, assistance totaling \$10.3 billion had been furnished, of which \$1.1 billion was furnished on a credit basis.

Technical assistance increases production

Another means of raising production in addition to the direct transfer of machinery and equipment was through the provision of United States technical assistance to countries participating in the European-recovery program. Advanced American management and production techniques were made available in several ways. Production teams—also known as technical missions—were sent abroad to describe United States industrial procedures and apply their knowledge to specific problems. Industrial testing and research equipment was made available to improve products as well as to increase production. American technical and training films and digests of scientific articles were distributed.

In turn, many European business groups came to the United States to study at first hand the use of American manufacturing and agricultural techniques. This technical-assistance portion of the European-recovery program disseminated a knowledge of production methods and increased productivity that could be absorbed with measurable results in many plants and agricultural areas.

Technical assistance was of value not only to the highly industrialized parent countries of western Europe but also to their overseas territories. Under the European-recovery program the participating dependencies of the United Kingdom, France, Belgium, the Netherlands, and Portugal were entitled to consideration in the distribution of economic assistance. Their economic well-being and capacity for production and trade were an integral part of the pattern of recovery of the parent countries. A number of technical assistance projects were therefore authorized for the overseas territories of OEEC participants. Methods of flood-control, land reclamation, and irrigation were suggested to raise agricultural production and thus increase the economic stability of these areas.

Not all of the funds used for the development of overseas territories came from technical-cooperation allocations. In fact, the major source of funds was from the program allotments to the parent countries. The measures undertaken were approved on the basis of their importance to the economic development of the region, to their contribution to European recovery, and, later, with additional regard for the development of sources of needed strategic materials.

Point 4 aids underdeveloped areas

The overseas development program was paralleled by the Point 4 program of the State Department. Point 4 derived its title from the January 1949 inaugural address of President Truman, where in making his fourth point he said: "We must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas."

The Point 4 program was inaugurated in September 1950 as the Act for International Development, and \$35 million was authorized for the first year of operation. It was considered as a long-range continuing United States assistance program because the very nature of developmental work implied a period of growth and economic adjustment and, thus, no date was specified for its termination.

Previous experience with technical assistance in the American Republics through the Interdepartmental Committee on Scientific and Cultural Cooperation and the Institute of Inter-American Affairs (IIAA) had provided the State Department with a practical background for the world-wide expansion of the program. Consequently, the Western Hemisphere cooperative program—in which the signatories to bilateral agreements provided a fair share of the cost of the program—was absorbed into Point 4. The act also embodied the concept of encouraging capital investment in underdeveloped areas in order to increase productive capacities.

The Point 4 program was limited to economically underdeveloped areas, with the average annual per capita national income used as one of the several means of determining the degree of economic development. Underdeveloped areas included dependencies of countries receiving European-recovery program assistance. Consequently, arrangements between ECA and the State Department were made to obviate the possible duplication of programs.

Postwar military aid begins

The establishment of the Greek-Turkish aid program by the United States Government in May 1947 followed upon and signaled the withdrawal of the United Kingdom from an area of traditional British interest. United Kingdom troops had remained in Greece after December 1944 when they assisted in the suppression of a Communist-inspired revolution. During this period the Greek Government repeatedly requested their continued presence.

In early 1947 the United Kingdom notified the Greek Government that its own resources were becoming so limited that aid could not be continued, and a date was set for British withdrawal. It was evident that Communist pressure would fill the vacuum left by the British troops unless some means of continuing military and economic assistance could be supplied. Greece was subject to revolt, guerrilla action, and territorial demands from contiguous Balkan neighbors. The Communist-led guerrilla forces were receiving supply assistance from Balkan nations on the Greek borders, and their raids had reached within striking distance of Athens. The unsettled conditions and the great flow of refugees from the guerrilla actions had compelled the United Kingdom to provide sizable amounts of civilian supplies.

An additional necessity for extending military aid to Greece was its geographic relationship to Turkey. If Greece had become a Communist country, Turkey could be surrounded and the safety of the eastern Mediterranean endangered. Control of the Dardanelles was vital from a military standpoint, yet Turkey was also in military and economic difficulties.

Back in March 1945 the U. S. S. R. had announced its intention not to renew the 20-year-old Soviet-Turkish pact of friendship and had commenced to put persistent pressure upon Turkey. Russia demanded that the Dardanelles—wholly within the Turkish border—be controlled and defended jointly by the Soviet Union and Turkey. Thus, with both Greece and Turkey subject to the same pressures of territorial demands and to Communist-inspired guerrilla activity, they both made requests to the United States for assistance to maintain their territorial integrity.

In May of 1947 a program for Greek-Turkish economic and

military aid was enacted by the Congress. With the termination of UNRRA, the stream of relief and rehabilitation assistance from that source was ending. To assure the success of military operations, arms were also needed, so it was arranged that of the \$300 million of special aid to Greece half would be earmarked for military and half for civilian use. Turkey was to receive \$100 million, entirely for military purposes.

Early in the next year, April 1948, additional funds were authorized for the continuance of the military portion of the program. When complete responsibility for economic aid was transferred to ECA in July, with such aid to be provided from European-recovery funds, the Greek-Turkish program became entirely military. The April legislation also authorized military aid to assist the Chinese National Government in its struggle against the Chinese Communists.

Need for mutual-defense assistance

The extension of military aid to China and the continuance of such aid to Greece and Turkey were, of course, indicative of unsettled world conditions, for which further remedy was sought in April 1949 when the United States signed the North Atlantic Treaty. Article 5 of this treaty indicates its primary aim:

"The parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by article 51 of the Charter of the United Nations, will assist the party or parties so attacked by taking forthwith, individually and in concert with the other parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area."

In October 1949, Congress passed the Mutual Defense Assistance Act, authorizing the President to furnish military assistance in the form of equipment, materials, and services to nations that were parties to the North Atlantic Treaty. Under this act grant aid was also to be made available to nations other than pact signatories, for example, to Greece, Turkey, Iran, Korea, the Philippines, and China.

Equipment and material to be provided under the mutual-defense assistance program included arms, ammunition, and implements of war and, in addition, any type of raw or finished material, machine, facility, or tool required for the foreign manufacture of necessary equipment and material. Excess United States military equipment to the extent of \$450 million (original cost) was to be made available. The initial 1949 authorization of nearly \$2 billion was followed in the next year by authorizations of more than \$5 billion.

The need for the mutual-defense assistance program became more strikingly apparent in June 1950 when North Korean troops attacked the Republic of Korea and the Republic called upon the United States and the United Nations for aid. The United States responded with divisions taken from Japan; United Nations forces became engaged in active combat.

Mutual-security program is created

Military assistance increased as the mutual-defense program expanded in fiscal year 1951. Meanwhile, under the pressures of

international tensions and the Korean conflict, the character of foreign economic assistance had begun to change, coming primarily to emphasize aid to support rearmament.

The effectiveness of the Marshall-plan economic aid in assisting the restoration of western European production was manifest by the summer of 1951. By that time the industrial production of the participating nations had risen about 43 percent above 1938 volume, with agricultural production almost 10 percent higher than prewar. Intra-European trade had been facilitated by the European Payments Union; coordinated economic-recovery efforts such as the Schuman plan were in development. Aid allotments to several European countries had been greatly reduced, and the record of economic progress clearly indicated that continuing aid for strictly recovery-program purposes could be limited to a few nations. During the fiscal year 1951 the older programs had progressively been reoriented toward defense purposes.

The changing nature of economic assistance—from recovery to defense—and the need for integration with military programs were both carefully considered when hearings on the Mutual Security Act began in June 1951. When final enactment came in October, most of the then current aid programs were consolidated into one mutual-security program. Total transfers authorized for its purposes amounted to \$7.9 billion for fiscal year 1952.

Under the Mutual Security Act the former Economic Cooperation Administration became the Mutual Security Administration. A unique chapter in foreign economic assistance and cooperation had been written with the formal termination of the European-recovery program. This unusual program, designed to assist a group of mutually cooperating nations to achieve increased national production and economic stability in a period of peace, had achieved outstanding results.

Consolidation of aid programs

The present mutual-security program is an extensive and complex project providing equipment, supplies, and technical cooperation to assist the economic and military programs of friendly nations. The military aid provided consists almost wholly of equipment and components. Defense support furnishes raw materials, commodities, and machinery to assist other countries to increase their military strength.

This assistance is directed toward achieving greater returns in military strength than are represented by the receipt of a given amount of military supplies. Other economic and technical assistance provided under the program is directed principally to the underdeveloped areas of the world.

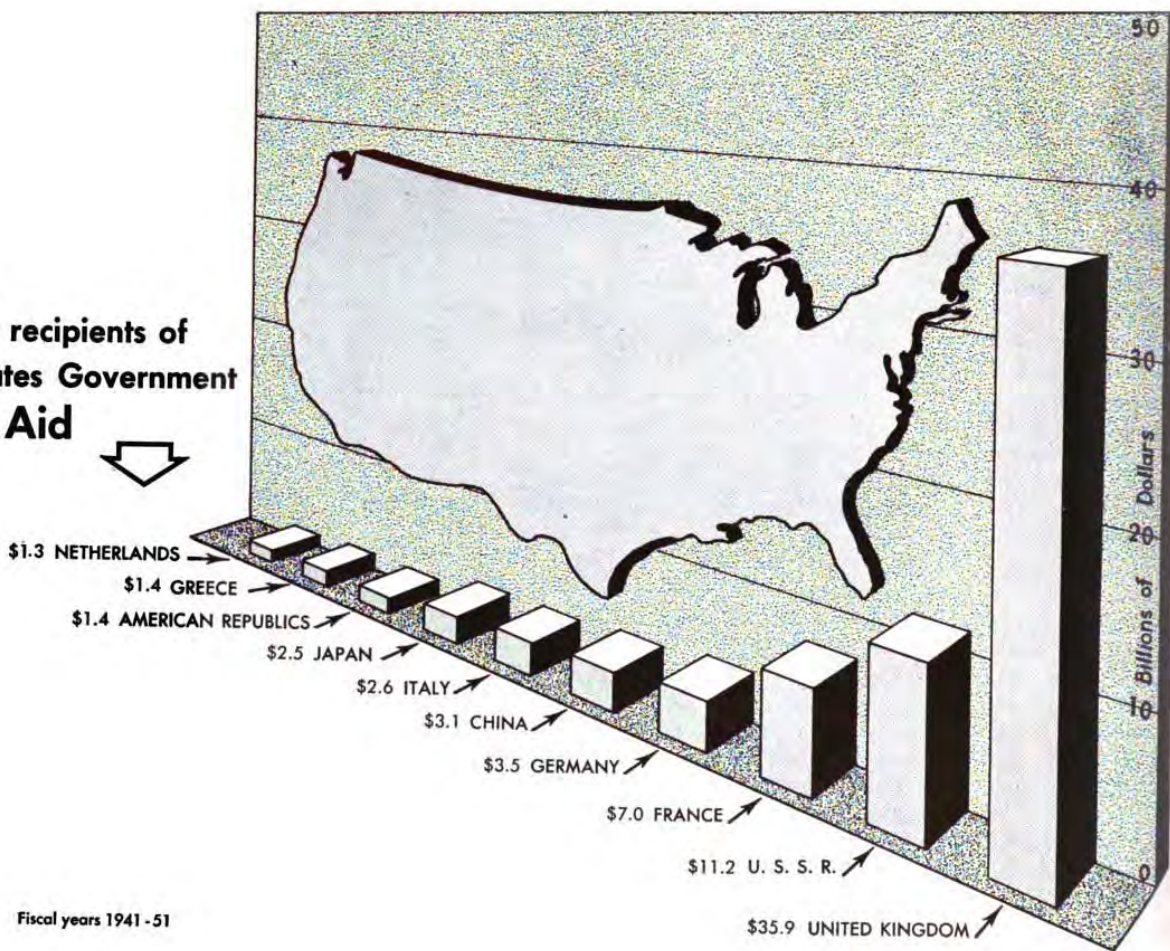
The mutual-security program is administered by operating agencies under the general direction of a Director for Mutual Security. Under these arrangements direct military aid is administered by the Defense Department. Such aid is authorized to be provided to European nations and to countries in the Near East and Africa, Asia and the Pacific, and the American Republics. The Mutual Security Agency administers defense support in Europe, and technical and economic assistance in southeast Asia and the Pacific. In the Near East, south Asia, American Republics, and the independent states of Africa, economic and technical assistance is administered by the Technical Cooperation Administration of the State Department.

Under this arrangement, the United States achieved a con-

solidated aid program designed to lessen the financial impact on foreign countries of intensified rearmament following the invasion of Korea, and to sustain and increase the armament effort already begun. This program completed the succession that had commenced with lend-lease. A single, integrated aid program again became the vehicle of almost all the aid.

The chapters which follow review in greater detail the sequence of aid programs—from the beginning to the mutual-security program—and dwell at greater length upon the distribution of aid to specific countries. Chapter 2 examines the geographical distribution of aid. Chapters 3 and 4 give a more intensive analysis of aid furnished under specific programs.

Ten major recipients of United States Government Foreign Aid



The Geographic Concentration of Aid



THREE countries have received the greater part of the gross aid furnished abroad by the United States Government since the middle of 1940. The United Kingdom, U. S. S. R., and France together received two-thirds of the \$82-billion total grant and credit aid provided in the subsequent 11 years.

The United Kingdom alone was furnished with \$36 billion of assistance, about 44 percent of the total goods, services, and funds provided by the United States Government to foreign nations. Nearly \$29 billion of this amount was transferred during World War II as a part of the international process of pooling resources in the common cause. As a result of wartime aid, our former ally, the U. S. S. R., ranked second with \$11 billion or almost 14 percent of the total. France, which received more help in the postwar period than during the war, ranked third with \$7 billion or 8 percent. Germany, China, Italy, Japan, Greece, and the Netherlands were likewise major recipients, each having been furnished amounts ranging from \$1 billion to over \$3 billion.

Some of these nations have also been provided with other assistance not indicated above or in the country data incorporated in the accompanying tables. For example, these and other countries have benefited from significant amounts of direct United States aid—such as that furnished under the recent mutual-defense assistance program—which for security reasons cannot be identified by country. In many cases, they have been indirectly helped by United States Government contributions to the International Children's Emergency Fund, the International Refugee Organization, and other such international organizations existing for the express purpose of furnishing grant aid. They also have benefited indirectly as a result of our membership payments to the international organizations providing free technical aid. Additional dollar funds have been made available to them through credits extended by the International Bank for Reconstruction and Development and the International Monetary Fund, although the very sizable payments to these agencies which made such credits possible have not been considered in the nature of United States Government foreign aid.

Altogether, the nine countries mentioned above received well over four-fifths of both the gross and net assistance furnished directly by the United States Government. As a corollary, their

returns to this Government were likewise heavy, comprising seven-tenths of the total of reverse or returned grants and repayments on credits. Although United States aid transactions with these comparatively few nations were predominant, grants and credits were actually furnished to many other countries in sizable amounts and some programs encompassed wide geographical areas.

Underlying the formation of lend-lease and certain other major aid programs has been the necessity for resisting the aggressive movements of dictatorships which have sought to extend their spheres of influence. To counter such threats to the independence of the neighboring democracies and to establish economic security the larger aid programs have depended heavily upon the cooperation of countries within threatened areas. In providing help under such programs certain specific considerations and qualifications have been applied to these regions as entities, either to further their economic recovery and military security or to strengthen them so that they may contribute to the common effort.

During recent years this has been most apparent, of course, in the way aid to the western European countries under the European-recovery and mutual-defense assistance programs has been made contingent upon their cooperation with each other and with the United States. The fact that many of the nations in this area have banded together in the Organization for European Economic Cooperation (OEEC) and have become members of the North Atlantic Treaty Organization (NATO) lends additional significance to the study of the region as an entity.

Similarly, the American Republics long have demonstrated certain common attributes which impel a discussion of them as a group. Historically, the United States has always been deeply concerned with their welfare. This concern has been reflected not only in the Monroe Doctrine, but also in our more recent efforts to promote inter-American solidarity and the collective economic and military security of this hemisphere. Since the end of World War II the concepts of pan-Americanism and the "Good Neighbor" policy have been reaffirmed in the Inter-American Treaty of Reciprocal Assistance signed at Rio de Janeiro in 1947, and in the charter of the Organization of American States

Table 1.—Net foreign aid furnished, by area

[Millions of dollars]

Program	Total			European-recovery program countries			Other Europe		
	Total	War period ¹	Postwar period ²	Total	War period ¹	Postwar period ²	Total	War period ¹	Postwar period ²
Net foreign aid.....	71,593	40,971	30,623	48,727	26,579	22,149	12,431	10,836	1,595
Net grants utilized.....	61,584	40,256	21,328	40,407	26,236	14,171	11,972	10,836	1,136
Lend-lease.....	40,392	38,887	1,504	25,949	25,493	456	11,053	10,801	252
European recovery.....	8,685		8,685	8,605		8,605			
Civilian supplies.....	6,134	813	5,321	3,488	737	2,752			
UNRRA, post-UNRRA, and interim aid.....	3,526	83	3,443	1,602	9	1,593	1,073	17	1,056
Mutual-defense assistance.....	1,292		1,292	1,078		1,078	18		18
Greek-Turkish aid.....	657		657	657		657			
Philippine rehabilitation.....	627		627						
Chinese stabilization and military aid.....	623	380	243						
Korean and Far Eastern aid.....	297		297						
Technical assistance and inter-American aid.....	121	56	65	(†)		(†)			
All other.....	637	68	569	32	29	3	52	19	34
Less: Credit-agreement offsets to grants.....	1,256		1,256	969		969	223		223
Cash war-account settlements.....	151	32	120	36	32	4	(†)		(†)
Net credits utilized.....	10,010	715	9,295	8,320	342	7,978	459	(*)	459
Special British loan.....	3,750		3,750	3,750		3,750			
Export-Import Bank (including agent-bank loans).....	2,223	115	2,108	1,537	* 10	1,547	158	(*)	158
Credit-agreement offsets to grants.....	1,232		1,232	958		958	223		223
Surplus property (including merchant ships).....	1,157		1,157	837		837	78		78
European recovery.....	1,132		1,132	1,113		1,113			
Lend-lease current credits and lend-lease silver.....	344	303	41	103	80	23			
All other.....	173	297	* 125	22	272	* 250			

† Less than \$500,000.

* Net return of aid of less than \$500,000.

° Net return of aid to the United States Government.

and the American Treaty of Specific Settlement signed at Bogota in 1948.

More recently, the outbreak of the Korean conflict has placed a particular emphasis on the defense of the Far East from internal and external Communist pressures. The collective resistance of the United Nations to outright aggression has been supplemented

by efforts to assist the Asiatic free nations to establish their economic and military security. Such undertakings include the Colombo plan for economic assistance established under the auspices of the British Commonwealth, and the United States Far Eastern economic and mutual-defense assistance programs.

Western Europe

Foreign aid of the United States Government played an essential role in establishing peace in western Europe¹ and in promoting the area's postwar economic and political security. To further these purposes, \$27 billion of net aid was furnished dur-

¹ Includes the following countries which participated in the European-recovery program: Austria, Belgium, Denmark, France, Germany (Federal Republic), Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Sweden, Switzerland, Trieste (Free Territory), Turkey, and United Kingdom.

ing the war period, and \$22 billion during the postwar period to countries now participating in OEEC. The total represents nearly seven-tenths of the net grant and credit assistance provided to all foreign areas.

World War II destroys economic patterns

During World War II the United States filled an important part of the military and civilian requirements of the European countries

by program: July 1, 1940, through June 30, 1951

[Millions of dollars]

Western Hemisphere			Asia			Africa			International organizations and unclassified areas		
Total	War period ¹	Postwar period ²	Total	War period ¹	Postwar period ²	Total	War period ¹	Postwar period ²	Total	War period ¹	Postwar period ²
1,046	600	446	7,100	1,526	5,574	67	120	^a 53	2,222	1,310	912
562	423	139	6,451	1,337	5,114	21	112	^a 91	2,170	1,310	860
370	365	5	1,652	889	762	94	94		1,274	1,245	29
			80		80						
			2,631	62	2,569	15	15				
			416		416	2	1	1	433	56	377
			196		196						
			627		627						
			623	380	243						
			297		297						
108	56	53	1	1	1	(+)		(+)	11		11
86	2	83	12	6	6	2	2	(+)	452	10	443
2		2	62		62	(+)		(+)			
			22		22	92		92			
484	177	307	649	189	461	46	8	38	52		52
423	105	318	92	20	72	13	(+)	13			
1		1	50		50	(+)		(+)			
10		10	231		231	1		1			
8		8				10		10			
35	62	^a 28	184	153	32	22	7	15			
8	9	^a 2	92	16	75				52		52

¹ July 1, 1940, through June 30, 1945.

² July 1, 1945, through June 30, 1951.

engaged in the common effort to defeat the Axis. In all, the Government provided nearly \$33 billion of aid to western European allies. This help was principally in the form of lend-lease grants, supplies transferred to the civilian populace by the armed forces, and contributions through the United Nations Relief and Rehabilitation Administration (UNRRA). Under the system of mutual aid then in operation between the United Nations—whereby each country helped others according to its capacity—the United States in turn received \$6.1 billion in the form of reverse lend-lease from this same area.

Prior to World War II the OEEC countries carried on nearly one-half of the world's international trade and owned nearly two-thirds of its shipping tonnage. Their income from foreign investments and other invisible exports was sufficient to pay for nearly one-fourth of their imports, including the raw materials needed for their industrial plants and necessary feed and foodstuffs. Their combined output of coal, steel, and chemicals basic to their industrial structure was a little over that of the United States.

These countries had attained a high level of specialization in industry and agriculture. However, the disruption of industrial and agricultural production, the dislocation and destruction of the transport system, and the sacrifice of shipping, gold

reserves, and foreign investments during the war altered the basis of the European economy. Occupation policies, population movements, and the loss of markets or sources of supply in other world areas were likewise influential. These factors left Europe with both a reduced capacity to supply its needs and a greater volume of needs.

Extraordinary aid instituted

During the early postwar period the western European area continued to receive the final flow of lend-lease as well as relief assistance through UNRRA and civilian supplies furnished by the United States armed forces. Additional aid was made available through Export-Import Bank loans for the reequipment of industry, or in the form of surplus-property credits. Drawings on the special British loan began in the September quarter of 1946.

Nevertheless, the exceptionally hard winter of 1946-47 and the drought which followed—together with continued shortages of food, coal, and other basic commodities—brought into sharp focus the incompleteness of recovery. The situation was aggravated by impediments to trade resulting from Communist controls imposed on central and eastern Europe.

It became evident that extraordinary measures were needed to maintain and accelerate the progress already achieved, since

partial efforts, while of salutary value, would not suffice. Shortly before the completion of the UNRRA program in 1947, the Congress of the United States had approved a program for post-UNRRA relief and a program to furnish military as well as economic assistance to Greece and Turkey which were threatened by Communist encroachment. While these moves were of key importance, they had limited objectives.

This was the background against which Secretary of State Marshall delivered the speech at Harvard University in June 1947 that foreshadowed the establishment of OEEC and of the European-recovery program in April 1948. In the meantime, Congress established an interim-aid program to prevent the deterioration of economic conditions in Austria, France, and Italy prior to the initiation of the long-range program. By the time the Marshall plan began operating the United States Government had furnished \$9.5 billion of net foreign aid to western Europe in the postwar period.

Regional organizations advance mutual aid

Under OEEC, certain European nations banded together to consider what measures could be undertaken individually and collectively to solve their major economic problems and to recommend to the United States the division of dollar aid under the European-recovery program. Their principal objectives were to reduce the dollar gap, restore European multilateral trade, expand exports to other world areas, and promote the general recovery of the European economy. This organization has since maintained a continuous process of mutual consultation on a wide range of problems, including postwar inflationary pressures and other factors contributing to internal financial instability. It likewise has turned its attention to various plans for increasing levels of investment in western European countries and their underdeveloped overseas dependencies, and to a wide range of projects for promoting agricultural and industrial production.

However, by the time OEEC was established the U. S. S. R. had built up a zone of buffer states to the west of its border by extending its domination to Estonia, Latvia, and Lithuania (1940), Albania (1944), Rumania (1945), Bulgaria (1946), Poland (1947), Hungary (1947), and Czechoslovakia (1948). The eastern zones of Germany and Austria were likewise under its control by reason of its armies of occupation.

Because of the Communist threat to the free nations of Europe, the United Kingdom, France, Belgium, the Netherlands, and Luxembourg signed a 50-year treaty at Brussels in March 1948 for collective military aid and for economic and social cooperation. At this same time President Truman stated that he was sure that "... the determination of the free countries of Europe to protect themselves will be matched by an equal determination on our part to help them do so." The United States and Canada entered into the consultations of the Permanent Military Committee of the Brussels powers as "nonmembers" in July.

Negotiations for a North Atlantic pact had begun by the end of the year and the United States was preparing to associate itself in a collective defense arrangement with free Europe. The North Atlantic Treaty was signed in April of 1949 by 10 of the nations participating in the European-recovery program and by the United States and Canada. Ratification of the treaty by the United States Senate was followed by congressional authorization

of the mutual-defense assistance program in October. Thereafter grants of military supplies and equipment were furnished in constantly increasing amounts to the North Atlantic Treaty Organization countries and to other world areas.

Still another step toward the attainment of closer integration was taken in July 1950 when OEEC established the European Payments Union to improve the previous intra-European payments system. This move was both accompanied and preceded by a progressive lifting of quantitative restrictions on the movement of commodities within the area. Although by this time a satisfactory degree of recovery had been attained with the help of the United States, certain developments were precipitating further problems within the European economy. Thus, in the year following the inauguration of the Payments Union, OEEC and NATO were required to seek solutions to more recent difficulties engendered by the Korean crisis and by the obligations accepted by certain of their members under the North Atlantic pact and its accompanying agreements.

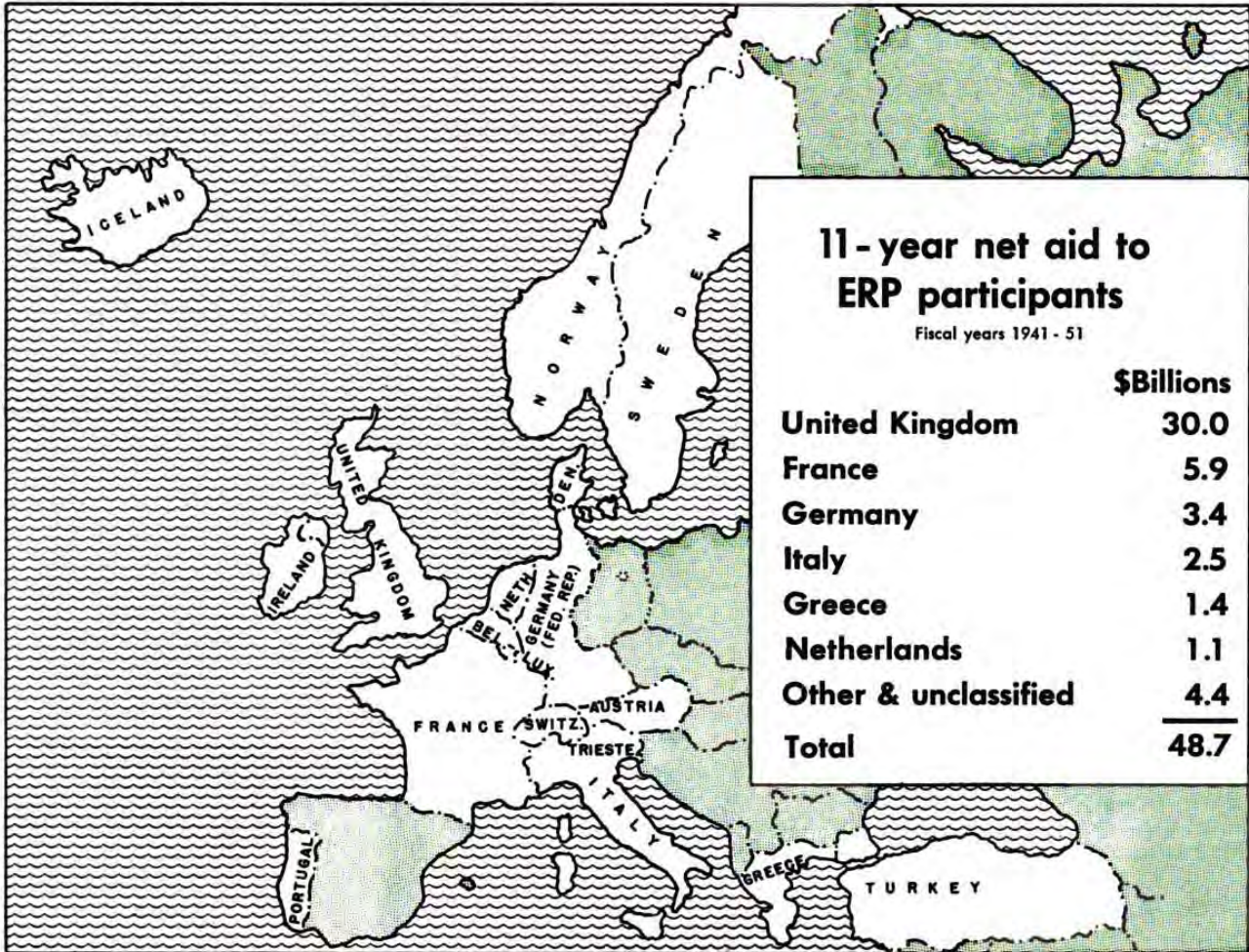
Recovery provides firm basis for rearmament

Western Europe at the time of the Korean invasion was engaged in efforts to expand further its output volume in order to advance mobilization while maintaining the level of consumption needed to resist internal subversion. This endeavor was complicated by a shortage of certain raw materials and an accompanying sharp rise in import prices. In the second quarter of 1951 the trade gap of western Europe with the rest of the world increased to the largest amount since 1947, averaging about \$650 million a month. However, this deficit did not result in a drain on hard-currency reserves. On the contrary, gold and dollar holdings were still increasing at this time because of United States aid and expenditures for raw materials in the overseas dependencies of OEEC countries and in the sterling area.

Although economic progress had varied from one country to another, it was, on the whole, providing a firm basis for an expanding volume of output to support the rearmament effort. The retrospective report on European Economic Cooperation released by OEEC in May 1951 stated that "... in general, member countries' economies have been readjusted to a peacetime basis; some of the most vital physical reconstruction has been achieved; working stocks have been reestablished so that industry can operate more efficiently; the output of key commodities has been increased, and the means of paying for those which have to be imported, greatly improved by the rise in exports; the adverse balance of payments of member countries, as a whole, has been reduced from \$8 billion in 1947 to \$1 billion in 1950; national output has greatly increased in every country; living standards have been restored, on the average, to about the prewar level; and the fight against inflation was, at least until mid-1950, progressively more successful."

Over-all industrial production of the European-recovery area averaged 143 percent of prewar levels in the June quarter of 1951. Agricultural production had increased to almost the same output on a per capita basis as that prevailing before the war. The rate of military production had more than doubled in the two years following the signature of the North Atlantic Treaty and was expected to double again in the next 12 months.

European - recovery program participants received two-thirds of the United States Government net foreign aid



Boundaries do not necessarily correspond to the boundaries recognized by the United States Government.

From April 1948, when OEEC was established, through June 30, 1951, the United States Government furnished \$12.6 billion in net aid to western Europe, made up of \$9.7 billion under the European-recovery program, \$1.1 billion under the mutual-defense assistance program, and \$1.8 billion through other aid programs. A detailed description of the various major programs which have furnished aid to this and other areas is provided in subsequent sections of this report.

Earlier in the postwar period, preceding the establishment of the European-recovery program, the United States had placed a much greater reliance on the provision of aid to western Europe through credits rather than grants, the latter comprising only one-fourth of the \$9.5 billion of net aid furnished to the area (\$11.1 billion gross) in that period. However, by the time the Marshall plan got under way it had been realized that consideration must be given to the future capabilities of countries to repay without prejudicing their recovery. Thus the assistance to this area in the 3½ years shown as the "ERP period" in table 2 was furnished principally as gifts or as aid on a basis as yet indeterminate; net grants aggregated \$11.7 billion as compared to net credits of \$0.9 billion.

UNITED KINGDOM

As noted before, the United Kingdom has been the major beneficiary of United States Government help. In November 1939, shortly after the outbreak of World War II, the Congress took the first concrete step toward assisting that nation by lifting the arms embargo provision of the Neutrality Act, thus permitting the United Kingdom to purchase weapons in the United States.

However, British financial resources were at a dangerously low level by the latter part of 1940. The drain on British gold and dollar resources had amounted to over \$2 billion in the 16-month period since the war began. British ability to purchase the foreign goods necessary to sustain its military efforts was rapidly becoming exhausted; it became obvious that the United Kingdom would have to be supplied with United States goods on some basis other than cash payments if it were to survive. At this time the United States adopted the concept of strengthening its national security by sustaining the United Kingdom and providing the lifeline which would assist in keeping the anti-Nazi cause alive.

Even before passage of the Lend-Lease Act the United States Government had arranged for the outright transfer to the United Kingdom of 50 overage destroyers in exchange for naval and air bases on a 99-year lease. By this action—formally confirmed in September 1940—the United States received rights to bases in the Bahamas, Jamaica, St. Lucia, Trinidad, Antigua, and British Guiana. No attempt was made to place a monetary or commercial value on these rights. In addition, the United Kingdom granted freely and without consideration the rights to bases in Newfoundland and Bermuda. The total original cost of the overage destroyers was \$75 million. Certain articles necessary to maintenance subsequently were requested by the United Kingdom through lend-lease channels.

Enactment of the Lend-Lease Act in March 1941 assured the United Kingdom of an enlarged flow of goods and services without cash outlay. By that spring cooperation between the two

countries included the exchange of scientific and technical knowledge and the pooling of military intelligence and security information. The United States was strengthening its fleet for the purpose of guarding the western Atlantic sea lanes. Damaged British warships were repaired in United States shipyards, and cooperation was developed in a variety of other ways.

RFC credit finances British purchases

Additional aid to the United Kingdom in the early war period was furnished by means of a 3-percent, 15-year collateral loan from the Reconstruction Finance Corporation (RFC). This loan was made under the authority of a law approved June 10, 1941, which permitted RFC to make loans to foreign governments for the purpose of achieving the maximum dollar-exchange value in the United States for the securities or property of such governments or their nationals. Such credits could be made available only on the security of bonds, debentures, stocks, or other obligations of the United States Government or United States private corporations.

During the early war period, a total of \$390 million was disbursed to the United Kingdom under the July 1941 loan commitment of \$425 million. As collateral Britain had pledged listed and unlisted securities of United States corporations and the capital stock of 40 British-owned United States insurance companies, and had assigned the earnings of the United States branches of 41 British insurance companies. The pledged securities were valued in 1946 at approximately \$675 million and the net assets of the branches of British insurance companies, the earnings of which were pledged, were valued at approximately \$220 million. Both principal and interest payments were made almost entirely from the earnings on the pledged collateral. These earnings were larger than anticipated at the time the loan was made, and as a consequence it became possible to complete repayment almost 5 years ahead of maturity date. Final payment was made in September 1951.

Other aid furnished on a credit basis to the United Kingdom during the war period amounted to only \$44 million—representing the dollar value of silver transferred for currency and industrial purposes. An additional \$18 million of silver was likewise transferred in the early postwar period. This silver is to be repaid in kind.

British resources augmented by lend-lease

Lend-lease began to flow in March 1941 and eventually amounted to \$29 billion of gross grant and credit aid to the United Kingdom, its colonies, and its armies in France, Italy, Egypt, and the Middle East. This was equivalent to about three-fifths of all lend-lease assistance provided abroad by the United States. Ordnance, planes, aircraft engines and parts, tanks, trucks, jeeps, heavy artillery, and other military equipment and munitions comprised the greater part of such aid.

Sizable quantities of agricultural and industrial commodities were also furnished to keep the war economy producing at capacity. These included iron and steel, nonferrous metals, and other raw materials, machine tools, and parts for Britain's war production. Shipments of foodstuffs were supplied to maintain rations of the United Kingdom armed forces and its war workers. Farm machinery and fertilizer were sent to increase

food production. Losses of British shipping were somewhat alleviated by the transfer of United States merchant and naval vessels; those which were not lost at sea were returned in the postwar period.

These supplies, which were received without the necessity of finding foreign exchange to finance them, permitted the United Kingdom to turn a portion of its own resources from export and civilian production to the manufacture of war material. Of course, after VE-day lend-lease grants declined precipitously, although goods necessary to the full participation of the United Kingdom in the Japanese war were still being shipped. Chapter 3 contains a detailed discussion of lend-lease transactions, with specific reference to the United Kingdom's leading role.

United Kingdom provides reciprocal aid

As a result of reciprocity arrangements between the two countries, the United States itself received over \$5 billion of grants from the United Kingdom in the form of reverse lend-lease. Since England was used as a base for air attacks on the European mainland and for the invasions of the continent and North Africa, large American forces were quartered there. As a consequence, requirements for maintenance and transport were large.

About one-fourth of the grants furnished to the United States constituted shipping and other services given to the American forces, over one-sixth represented the cost of building airfields, hospitals, and other capital installations. The rest—more than half—consisted of food, materials, and other equipment.

Because the wartime reciprocal grants between the two countries were used in the common cause, no financial obligation was created in the postwar lend-lease settlement in respect to the lend-lease or reverse lend-lease goods which were lost, destroyed, or consumed in defeating the enemy.

Peacetime economic relations established

Of the total foreign assistance which the United States Government furnished on a loan or credit basis in the 11 years ended June 30, 1951, the United Kingdom received nearly 44 percent. Almost \$4.4 billion of the \$5.2 billion of loans and other credits to Britain was provided under agreements formalized on December 6, 1945, after several months of negotiation.

These negotiations were concerned with major problems affecting the basic economic and financial relations between the two countries. They covered the questions of (1) future financial assistance from the United States to the United Kingdom, (2) the settlement of lend-lease and the disposal of surplus war property in the United Kingdom owned by the United States, (3) the demobilization of wartime trade and monetary restrictions, and (4) long-range policies embracing the fields of trade barriers and discrimination, commodities in world surplus, and cartels. Consideration was also given to an international trade organization and the international aspects of domestic measures to maintain employment.

The purpose of the discussions was to arrive at mutually advantageous solutions to these problems with the view of establishing a world trading and monetary system from which the trade of all countries could benefit, and within which trade could be conducted on a multilateral, nondiscriminatory basis. The aim of the United States foreign financial and economic

programs was stated at this time to be the avoidance of economic warfare and rival blocs and the creation of a peaceful and prosperous world economy. The financial agreements were considered vital to the entire international economic program of the United States Government.

War accounts settled

The joint statement of the United States and the United Kingdom signed December 6, 1945, constituted the basis for the settlement of lend-lease and reciprocal aid, for the acquisition by the United Kingdom of the United States-owned surplus property and interest in installations located in the United Kingdom, and for the final settlement of the financial claims of each Government against the other arising out of the conduct of World War II.

The net sum due the United States as a result of this settlement was tentatively set at \$650 million. This amount was made up of two parts. An estimated net sum of \$118 million represented the difference between the amount of lend-lease and reciprocal aid furnished or to be furnished by each Government after VJ-day, less the net sum due the United Kingdom under the claims settlement. All new transactions after 1945 were to be settled by cash payment. The second part was fixed at a net sum of \$532 million for all other lend-lease and reciprocal aid and for American surplus property and interest in installations located in the United Kingdom. Of this amount, \$60 million represented surplus property.

The Mutual-Aid Settlement, incorporating nine specific agreements necessary to implement these understandings, was signed on March 27, 1946. Subsequently, an agreement signed July 12, 1948, with regard to settlement of lend-lease and reciprocal aid accounts, and intergovernmental claims, changed these specific agreements, reducing the previous estimate of \$118 million to a final \$90 million. Thus the total indebtedness of the United Kingdom under the war-account settlement of December 6, 1945, was set at \$622 million.

Special British loan authorized July 1946

The negotiations in late 1945 resulted in the signing of the Anglo-American Financial Agreement, also on December 6, to establish for the United Kingdom a \$3,750-million line of credit. This was to facilitate purchases in the United States and to assist the United Kingdom in meeting transitional postwar deficits in its current balance of payments, maintaining adequate reserves of gold and dollars, and assuming the obligations of multilateral trade. The President on July 15, 1946, signed the joint congressional resolution which implemented the agreement; the first disbursement was made shortly thereafter.

Although the Lend-Lease Agreement with the United Kingdom had contained a clause stating the interest of both the British and United States Governments in the field of international economic policy, the Anglo-American Financial Agreement represented the first major attempt by the United States Government to bargain for the Government's objectives in international financial and commercial policy by offering financial aid in direct exchange for policy commitments. The credit was made available in exchange for specific and firm commitments on the part of the Government of the United Kingdom to carry out stated

policies, and it was on this basis that the agreement was approved by the Congress.

The commitments undertaken by the British covered a wide range. They agreed that after the effective date of the agreement (July 15, 1946) they would not apply exchange controls in such a manner as to restrict payments or transfers in respect of current transactions between the United States and the United Kingdom, or to restrict the use of sterling balances credited to residents of the United States as the result of current transactions. They also agreed, subject to certain exceptions, that after 1946 they would administer their quantitative import restrictions on a basis which did not discriminate against imports from the United States.

The British had further agreed, again subject to certain qualifications, that after July 15, 1947: (1) the sterling receipts from current transactions in all sterling-area countries would be freely available for transactions in any currency without discrimination (the objective here was to remove any discrimination arising from the so-called sterling-area dollar pool and to assure that each member of the sterling area should have at its free disposition its current sterling and dollar receipts from current

transactions anywhere); (2) they would impose no restrictions on payments and transfers for current transactions; and (3) any accumulated sterling balances released or otherwise available for current payments would be freely available for current transactions in any currency area without discrimination.

Toward the end of 1946, the British began to implement these various commitments. Discriminatory import restrictions were eased and a series of negotiations with the governments of other foreign countries was begun. By the July 15, 1947, deadline set by the agreement for implementation of the general convertibility commitment, the British had succeeded in making appropriate arrangements with all but 14 countries. In the case of these 14 countries, the United States Government agreed, after a series of consultations, that the general convertibility obligation might be postponed for 2 months.

Sterling convertibility drains reserves

While the British were developing this system of convertibility and moving to implement their commitments, the drain on their reserves began growing, rather than declining as had been

Table 2.—*Net foreign aid furnished to European-recovery program*

[Millions of dollars]

Program	Total				United Kingdom				France ^a				Germany		
	Total	War period ¹	Postwar period		Total	War period ¹	Postwar period		Total	War period ¹	Postwar period		Total	Postwar period	
			Before ERP period ²	During ERP period ³			Before ERP period ²	During ERP period ³			Before ERP period ²	During ERP period ³		Before ERP period ²	During ERP period ³
Net foreign aid.....	48,727	26,579	9,526	12,622	30,021	23,903	3,723	2,396	5,863	1,754	2,084	2,025	3,441	1,010	2,431
Net grants utilized.....	40,407	26,236	2,444	11,727	25,246	23,586	^a 558	2,217	3,843	1,754	203	1,885	3,372	918	2,455
Lend-lease.....	25,949	25,493	497	^a 41	23,571	23,602	^a 4	^a 26	2,104	1,747	371	^a 14			
European recovery.....	8,605			8,605	2,237			2,237	1,764			1,764	1,115		1,115
Civilian supplies.....	3,488	737	1,414	1,338									2,251	914	1,337
UNRRA, post-UNRRA, and interim aid.....	1,602	9	1,339	254	8		8		317		183	134	6	4	2
Mutual-defense assistance.....	1,078			1,078	7			7	2			2			
Greek-Turkish aid.....	657		165	492											
American Red Cross.....	32	29	3		16	16	(†)		10	7	2				
Technical assistance.....	(†)		(†)												
Less: Credit-agreement offsets to grants.....	969		969		562		562		353		353				
Cash war-account settlements.....	36	32	4		32	32									
Net credits utilized.....	8,320	342	7,082	895	4,775	316	4,281	179	2,020		1,881	140	69	92	^a 23
Special British loan.....	3,750		3,750		3,750		3,750								
Export-Import Bank (including agent-bank loans).....	1,537	^a 10	1,550	^a 3					1,113		1,158	^a 45		3	^a 3
European recovery.....	1,113			1,113	337			337	182			182	2		2
Credit-agreement offsets to grants.....	958		966	^a 9	552		560	^a 8	353		353				
Surplus property (including merchant ships).....	837		872	^a 36	52		54	^a 2	372		370	2	66	67	(*)
Lend-lease current credits and lend-lease silver.....	103	80	23		63	44	18								
RFC loans.....	22	272	^a 102	^a 148	22	272	^a 102	^a 148							
Occupied-area commodity programs.....			23	^a 23										23	^a 23

¹ July 1, 1940, through June 30, 1945.

² July 1, 1945, through March 31, 1948.

³ April 1, 1948, through June 30, 1951.

hoped. In the last quarter of 1946, the dollar deficit was at an annual rate of \$1.5 billion—not an alarming rate. In fact, as the year 1946 drew to a close, the British financial picture seemed unexpectedly bright. Exports had risen at a more rapid rate than had been anticipated; imports had been less than expected; and the United States line of credit had not been utilized as rapidly as had been contemplated at the time the agreement was negotiated. In the first quarter of 1947, however, the dollar drain had risen to an annual rate of \$2.7 billion, and by the second quarter to an annual rate of \$3.8 billion.

These developments were the result of a series of factors. A sharp rise in the demand for imports of dollar goods into the United Kingdom and its dependent territories had followed the elimination of discriminatory import controls. Similarly, in other sterling-area countries, the demand for dollar goods increased materially as governmental controls were eased. When non-sterling-area countries became free to use their sterling anywhere, they tended to use it to buy in the United States rather than in the United Kingdom—partly because essential goods could be more easily obtained in the United States, and partly

because American industry was in many cases able to offer its commodities on more favorable prices and delivery terms. Foreign holders of sterling used facilities designed to permit transfers for current transactions as a means of evading restrictions against the transfer of sterling capital into dollars. Also, as price levels of dollar goods rose, more dollars were required to pay for them.

As a consequence of the increased drain, and of a concurrent Canadian Government decision to limit the rate of use of the Canadian line of credit to the United Kingdom, the rate of utilization of the American credit increased. In the third quarter of 1946, the United Kingdom had drawn \$400 million, in the fourth quarter only \$200 million, and in the first quarter of 1947, \$500 million. Then drawings rose to \$950 million in the second quarter, and between July 1 and August 15 another \$850 million was drawn. Within the next week the British had transmitted to the United States Government requests for further withdrawals totaling \$450 million.

Although the British had taken steps early in August to reduce the level of imports from the United States and had encouraged sterling-area countries to take similar actions, by the middle of

countries, by program: July 1, 1940, through June 30, 1951

(Millions of dollars)

Program	Italy				Greece				Netherlands				All other and unclassified areas			
	Total	War period ¹	Postwar period		Total	War period ¹	Postwar period		Total	War period ¹	Postwar period		Total	War period ¹	Postwar period	
			Before ERP period ²	During ERP period ³			Before ERP period ²	During ERP period ³			Before ERP period ²	During ERP period ³			Before ERP period ²	During ERP period ³
Net foreign aid.....	2,515	306	1,082	1,128	1,355	79	578	698	1,128	114	284	730	4,404	423	767	3,214
Net grants utilized.....	2,176	310	860	1,006	1,257	79	473	705	715	78	19	618	3,798	429	529	2,840
Lend-lease.....					81	75	6		142	78	64		50	* 9	59	(*)
European recovery.....	918			918	353		353		618			618	1,600			1,600
Civilian supplies.....	545	300	244										692	436	255	(†)
UNRRA, post-UNRRA, and interim aid.....	710	7	616	88	319	2	316	1	2		2		240		210	30
Mutual-defense assistance.....	(†)			(†)	4			4	(†)			(†)	1,065			1,065
Greek-Turkish aid.....					499		151	347					158		14	144
American Red Cross.....	3	3	(†)		1	1	(†)	(†)	(†)		(†)		2	1	(†)	
Technical assistance.....					(†)		(†)	(†)								
Less: Credit-agreement offsets to grants.....									47		47		6		6	
Cash war-account settlements.....													4		4	
Net credits utilized.....	338	* 4	221	122	98		105	* 7	413	36	265	112	607	* 6	238	374
Special British loan.....																
Export-Import Bank (including agent-bank loans).....	76	* 4	23	58	15		13	1	151		192	* 41	183	* 6	162	27
European recovery.....	74			74	1			1	151			151	366			366
Credit-agreement offsets to grants.....									47		47	(*)	6		6	
Surplus property (including merchant ships).....	188		199	* 11	82		91	* 9	24		22	2	52		70	* 18
Lend-lease current credits and lend-lease silver.....									40	36	4					
RFC loans.....																
Occupied-areas commodity programs.....																

† Less than \$500,000.

* Net return of aid of less than \$500,000.

* Net return of aid to the United States Government.

that month it had become clear that further adjustments would be required. Therefore on August 20, after consultation with the United States Government, the British suspended most of the convertibility privileges which had been granted earlier in the year.

In announcing the suspension of the convertibility privileges, the British Government stated that it would not request further withdrawals on the line of credit beyond those which had already been transmitted to the United States Government, pending a reassessment of their financial situation and efforts to revise their payments arrangements.

Consultations between the two Governments continued until the Secretary of the Treasury, after an exchange of letters with the Chancellor of the Exchequer, agreed on December 5, 1947, that it was appropriate for the United Kingdom to resume withdrawals against the line of credit. The Secretary acknowledged that while progress had been made toward working out a satisfactory agreement dealing with the convertibility of sterling, serious economic conditions existing in the world would delay for some time the restoration of full convertibility.

Thereafter monthly drawings of \$100 million each occurred from December 1947 through March 1948. As it turned out, utilization of the entire \$3,750-million line of credit by the British was completed just a month before the new European-recovery program was approved. The total of gross credits to the United Kingdom in the postwar period up to the European-recovery program had then reached \$4.4 billion. Postwar grants had amounted to only \$0.4 billion.

Credit repayments begin in 1951

A feature which distinguishes the obligations under the December 6, 1945, Anglo-American agreements from other foreign debts to the United States Government is the lengthy term of repayment. The indebtedness was scheduled to be repaid in 50 equal installments, beginning December 31, 1951, with interest at 2 percent. The installments were calculated at the rate of approximately \$31.8 million for each \$1 billion of indebtedness as of the end of 1951, with the principal repayment represented by the amount remaining after interest due that year is deducted. These payments, however, remain subject to a provision for the waiver of interest payments when the United Kingdom requests it and when Britain's international financial position meets certain specific conditions. No such provision was made for the waiver of principal payments. The British made the first payment of approximately \$138½ million, consisting of \$51½ million principal and \$87 million interest, as scheduled on December 31, 1951.

The war-account settlement agreement contained a provision that from time to time prior to 1952 the United Kingdom at the request of the United States would transfer pounds sterling to be credited against the dollar payments of principal due the United States under this settlement. Such payments in sterling aggregated \$19 million by June 30, 1951, thus reducing the amount outstanding on that date to \$604 million.

Grants again become principal aid medium

The 1947 drain on United Kingdom gold and dollars had reached proportions that could not be long endured. The current deficit with the dollar area that year was \$2.4 billion, and the total drain on reserves—including conversions of sterling for

other countries both inside and outside the sterling area—was \$4.1 billion. At the end of the year the drain was still at an annual rate of about \$2.5 billion, with only \$300 million remaining in the United States line of credit. Extraordinary aid from the United States had to be relied upon to assist the United Kingdom to attain the economic levels necessary to achieve a status of self-support and security.

Under the European-recovery program the United Kingdom once again was buttressed by large grants from the United States. They were to aggregate \$2,237 million (net of the counterpart funds furnished to the United States) from April 1948 to June 1951. Credits under the program amounted to only \$337 million. Britain received no aid under other programs until military aid began to flow under the mutual-defense assistance program early in 1950. Data on such military grants to the United Kingdom have not been released.

However, recovery progress in the United Kingdom was such that by the end of 1950 the United States was able to suspend virtually all economic-aid allotments to the United Kingdom for the ensuing year. Industrial production in the June quarter of 1951 had reached nearly 160 percent of 1938. The heavy postwar drain on British gold and dollars had been alleviated not only by United States assistance, increased production for export, the restriction of imports, and the gradual expansion of world trade, but also by the devaluation of the pound sterling in September 1949. Immediately thereafter the United Kingdom discontinued selling large amounts of gold to the United States and, on the contrary, was able to begin rebuilding its gold holdings.

Net sales of gold to the United States in the 5 years ended June 1945, as a whole, amounted to \$740 million. They more than doubled to total \$1,587 million in the postwar 4¼ years prior to the devaluation. After devaluation the United Kingdom began to purchase gold from the United States. Such purchases were relatively minor until the outbreak of hostilities in Korea, but in the year following that invasion United Kingdom purchases from the United States rose sharply to total \$1,420 million. British gold and dollar holdings totaled \$3,867 million on June 30, 1951, as compared with \$1,426 million at the end of September 1949.

WESTERN CONTINENTAL EUROPE

Among the continental European countries belonging to OEEC are several of the major recipients of United States Government war and postwar aid, including France which ranks third among beneficiaries. This area received \$18.7 billion of net aid in the 11-year period ended June 30, 1951—more than a quarter of the aid provided to all areas.

These countries, which became participants in the European-recovery program in April 1948, had received a net of \$2.2 billion during the war and \$5.6 billion in the postwar period preceding the establishment of the program. Thereafter they received an additional \$9.0 billion. Thus 87 percent of their aid was transferred in the postwar period. It should be noted, however, that over \$1.8 billion of aid to the OEEC area as a whole in the 1940-51 period is not allocated by country.

Dollar aid helps France recover and rearm

France, which acquired \$5.9 billion of United States Government net aid in the 11-year period, was the only country within the area to receive significant amounts of assistance during the war period. After France capitulated to the Germans in June 1940, wartime aid was supplied to the French forces and civilian population in French Africa. Later the French divisions and air force that participated in the Allied invasion of the European continent were almost completely equipped under lend-lease. In addition to munitions, industrial materials were shipped to provide impetus to French industry as the country was freed, so that it could contribute war materials to the common cause. Relief shipments of foodstuffs and other agricultural products were likewise provided. In all, over \$3.0 billion of aid was sent to France under the lend-lease program. In return, almost \$0.9 billion of reverse lend-lease was furnished by France to the United States in billeting, transporting American troops and materials, and in providing other services, including the manpower to build installations and repair war materials.

Additional relief supplies were furnished to France as a result of United States Government grant contributions through the American Red Cross and UNRRA, and—beginning in 1947—by means of the interim-aid program. France was given almost three-fifths of all the assistance furnished under the latter program. Later, since it was burdened by much the same problems affecting other western European countries, it became a prime recipient of recovery grants and credits during the European-recovery program period, receiving one-fifth of all the aid furnished under that program through June 30, 1951. More recently it has likewise been a major beneficiary of grants under the mutual-defense assistance program.

During the early postwar period France also benefited by large recovery credits furnished by the Export-Import Bank (EIB). In fact this country has received about one-third of all the foreign loans provided directly by EIB or through banks acting as agents for this agency. It has likewise utilized about the same proportion of all merchant-ship and other surplus-property credits provided abroad by the United States Government.

Through these various means France received a net of \$1.8 billion of grants during the war period and \$4.1 billion of grants and credits in the postwar period through June 30, 1951, half of the latter consisting of net credits. With this help, French industrial production reached a peak 40 percent above the 1938 level by June 1951 and agricultural production topped prewar levels.

Ex-enemy and occupied areas are recipients

Among those continental European countries participating in the European-recovery program are the ex-enemy nations of Italy and Germany, liberated Austria, and Trieste. The United States still maintains occupation armies in the latter three areas. Italy, after its surrender to the Allies in 1943, was accorded the status of a cobelligerent. Together these four countries had received \$6.8 billion of net United States Government assistance by June 30, 1951, exclusive of military matériel furnished to Italy under the mutual-defense assistance program which cannot be separately identified. Almost 94 percent of this amount consisted of grants.

War-period aid was restricted almost entirely to \$300 million representing relief supplies furnished to the civilian population of Italy during our occupation of that country. Italy, which now ranks sixth among all aid-recipient nations on a world-wide basis, likewise received sizable amounts of aid under the UNRRA program and—in the early postwar period—through lend-lease funds transferred to the Army as an intermediary in distribution.

These countries have been major beneficiaries during the postwar period under several of the larger United States foreign-aid plans. Together they received 49 percent of the total relief grants furnished under civilian-supply programs and 72 percent of that provided through the post-UNRRA program. Austria and Italy received 44 percent of the assistance given under the interim-aid program established in 1947 when Austria was still dependent on United States relief grants and Italy was menaced by internal dissension.

Germany occupies fourth place among all nations furnished United States Government foreign aid, having received a net of \$3.4 billion by June 30, 1951, or over one-tenth of the total net assistance in the postwar period. The policy of the United States Government in Germany and Austria after the war was to provide the subsistence necessary to prevent starvation or to stem disease and unrest. In addition to the exhaustion and destruction resulting from war, other developments delayed the recovery of the occupied areas beyond that of many of their neighbors and were the direct cause of their dependence on United States help.

Problem in Germany particularly acute

After the end of the war the western zones of occupied Germany were unable to draw food and agricultural and forestry products from the Russian zone, their natural source of supply. Furthermore, tremendous damage had been done to the Ruhr coal industry, and the displaced-person problem was unusually difficult because of the movement of millions from the Russian zone to the western zones.

These circumstances handicapped not only Germany but also the rest of western Europe. Prior to the war over one-half of its exports were consumed by western Europe. Thus the revival of Germany's productive capacity was necessary if other European countries were to receive the essential goods which they needed to enable them to become independent of extraordinary aid from the United States.

It became evident in 1946 that the goods furnished under the civilian-supply program, which were essentially of a relief nature, would not be sufficient to reestablish the economy of Germany. The United States Government then initiated several programs designed to restore a portion of the export-import trade. Under these plans German commodities were imported into the United States for sale and stocks of raw cotton and other materials were made available on a credit basis for processing and reexport of the finished goods.

In April 1948 western Germany became a major recipient of economic assistance under the European-recovery program. With the help of these grants it had attained a high degree of recovery by mid-1951. In fact, by that time it was in a position to lend strong economic support to western European security although it was not a member of the North Atlantic Treaty Organization.

Special civilian-supply provided to Italy

The problem of Italian relief also demanded special attention following VE-day. After the surrender of Germany the armed forces believed the expenditure of military funds for relief to Europe no longer justifiable. However, under Presidential instructions, the Army continued to assist the appropriate civilian agencies of the United States Government and the national governments of liberated areas in maintaining adequate supplies. In keeping with this policy, the Army supported a 12-month supply program for Italy which was presented to the Congress by the Foreign Economic Administration and approved as part of the lend-lease appropriation, although Italy was never declared eligible to receive lend-lease aid. This program provided for \$100 million in supplies to be procured through lend-lease channels and given to Italy.

The United States Government provided \$134 million under this special assistance program for basic supply to Italy in the first postwar year—including the cost of ocean transportation financed from regular lend-lease appropriations. Almost half of this aid was in wheat and wheat flour and one-fifth was coal and petroleum products. Most of the remainder, except for \$5 million in cotton, was made up of other essential foodstuffs. Shortly after the inauguration of this program, Italy was accepted as eligible for UNRRA assistance, and further aid was provided under that program. Later, in the war-account settlement with Italy in August 1947 the United States Government waived all claims for the civilian-supply grant to Italy.

While the basic supply program was operating with civilian-agency financing, the military continued to supply the provinces of Venezia-Giulia and Udine in Northeast Italy (the Trieste area) because of the border dispute between the Yugoslav and Italian Governments. This area dominated the supply lines from the Adriatic to occupied Austria.

Greece and Turkey receive defense aid

Greece and Turkey have received special consideration since 1947, because of their common vulnerability to aggression and the menace of guerrilla activities in Greece. These two countries were furnished with \$1.7 billion of net aid by the United States Government from July 1940 through June 1951, most of it in the form of postwar grants. Well over a third of this amount was transferred under the Greek-Turkish aid program established in May 1947. The grants of military material transferred through this medium represented the earliest defense aid transferred to Europe in the postwar period.

This program was precipitated by appeals from both countries for American assistance following the United Kingdom decision to withdraw both its support to the Greek Government and its program for supplying Turkey with military equipment. Greek ability to produce was then seriously handicapped as a result of wartime deterioration. Turkey was faced with an impairment of its economic status because of the requirements of its armed forces, although sufficient resources were available to finance the essential requirements of the civilian economy. This situation gave rise to the Truman Doctrine which first asserted the United States policy of supporting "free peoples who are resisting attempted subjugation by armed minorities or by outside pressures."

Prior to the institution of the program for their security, both Greece and Turkey had received wartime lend-lease aid, which in the case of the former carried into the postwar period. Greece was also furnished relief both through UNRRA channels and through the post-UNRRA program authorized in May 1947 shortly after the establishment of the Greek-Turkish aid program. Greece received a relatively minor amount of economic aid under the latter program; however, both countries later became recipients of such assistance under the European-recovery program. Currently, military aid under the mutual-defense assistance program is replacing that previously furnished through the Greek-Turkish aid program. (See ch. 4.)

These various programs were instrumental in establishing internal stability in Greece and have enabled Turkey to strengthen its position. Turkey's share in United States aid has been much smaller than that of Greece, totaling less than \$0.4 billion net, as compared with almost \$1.4 billion for the latter. Greece actually ranks eighth among all world recipients.

Other western European countries benefit

Although several of the other western European countries, namely Belgium, Netherlands, and Norway, received lend-lease aid from the United States, the amounts furnished were relatively minor as compared with similar aid furnished to France. Furthermore, reverse lend-lease was received from both the Netherlands and Belgium. In fact, the latter country actually furnished more to the United States than it received under the program.

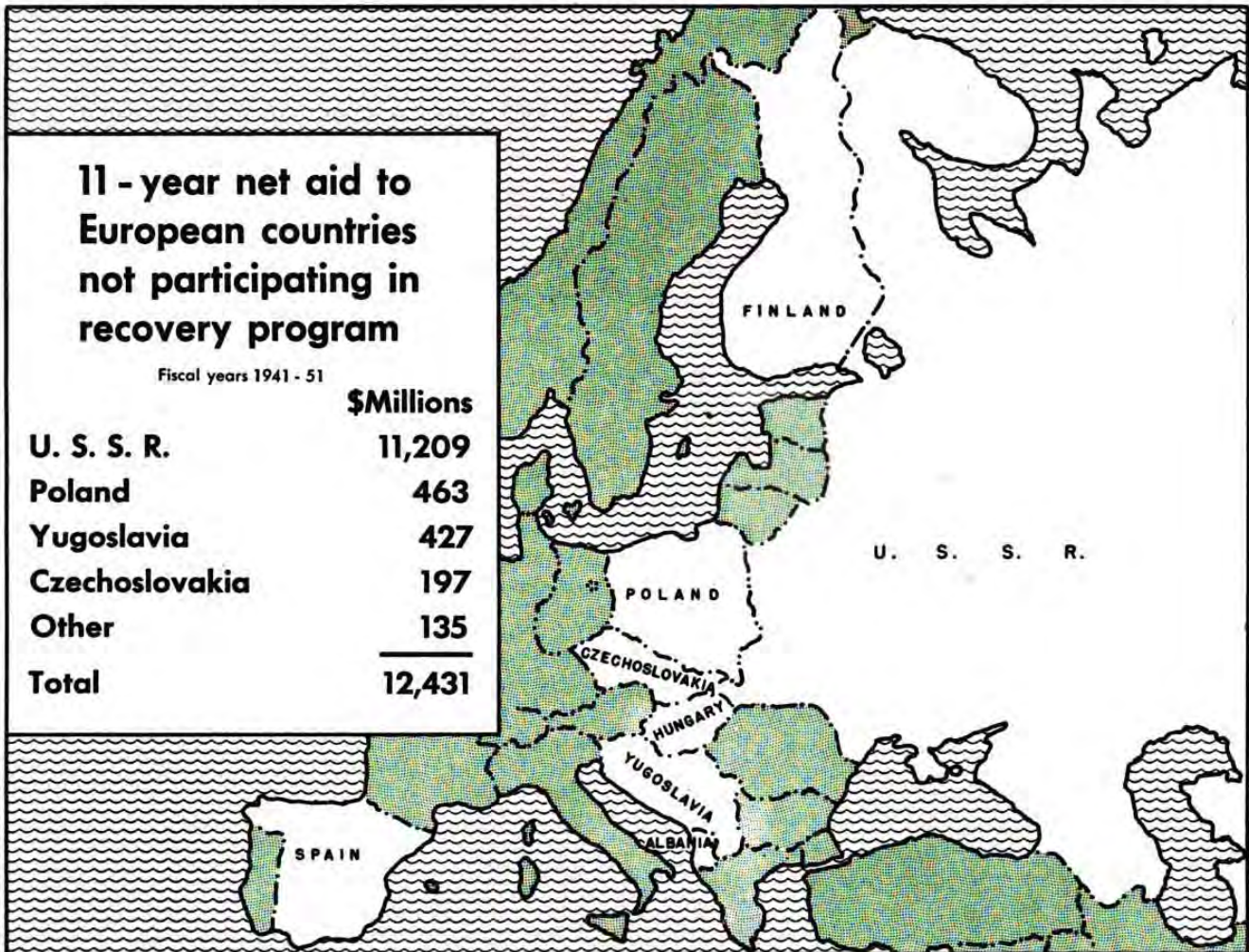
These various countries have benefited principally from the foreign grants and credits furnished under the European-recovery program, the Netherlands having received a net of nearly \$0.8 billion through June 1951 in this manner and Belgium-Luxembourg over \$0.5 billion.

The Scandinavian countries each were furnished with between \$0.1 billion and \$0.2 billion net. Iceland, Ireland, and Portugal also benefited, although to a much lesser extent. In the case of Belgium-Luxembourg, Ireland, Portugal, and Sweden, almost the entire amount represented loans, or grants furnished upon the condition that an equivalent amount of grant aid be given by each of these countries to the other European-recovery nations. (See table 15, ch. 4.) Several of the nations among this group are now receiving aid under the mutual-defense assistance program but individual country data on such grants have not been released.

The Netherlands has been the largest recipient of aid among these smaller countries, its share having reached a net total of \$1.1 billion by June 30, 1951. Over 36 percent of this amount represented net credits. With United States assistance, production attained record peaks in nearly all fields during fiscal year 1951, although the Netherlands was subject to raw-material shortages and other difficulties which hampered its endeavor to increase military productivity.

Belgium, the next most sizable recipient, was furnished with \$0.6 billion of net grants and credits, the latter comprising about one-third of the total. Production and foreign trade soared to all-time heights by June 30, 1951. Furthermore, the annual dollar deficit, which amounted to more than \$200 million at the time the European-recovery program was instituted, had been practically eliminated.

**Net foreign aid to Other Europe was mostly to U. S. S. R.;
other Eastern Europe shared during postwar period**



Boundaries do not necessarily correspond to the boundaries recognized by the United States Government.

Eastern Europe

Almost nine-tenths of the \$12.4-billion total of aid furnished to eastern Europe² in the 11 years under review represented lend-lease transfers principally to the U. S. S. R. in the war period. Another 8 percent represented relief and rehabilitation supplies furnished primarily through UNRRA to Czechoslovakia, Poland, the U. S. S. R., and Yugoslavia in the early postwar period.

Most of the assistance has been in the form of gifts or indeterminate aid. However, nearly all of the countries within the area have received loans or other credits from the United States Government, the net total amounting to \$459 million through June 1951. The majority of them were extended in the postwar period preceding the establishment of the European-recovery program in April 1948. Thereafter only Finland, Poland, and Yugoslavia continued to receive United States Government grants and credits.

U. S. S. R. ranks second among all recipients

Soviet Russia is second only to the United Kingdom in the volume of aid acquired from the United States since July 1940. The United States furnished over \$11 billion of lend-lease to the U. S. S. R. to assist in its defense and later to build up the offensive power of the Soviet forces in the struggle against Germany. This amount, made available despite transport and other difficulties, represented nearly two-fifths of that provided to the United Kingdom, and about one-fourth of that transferred under the entire program to all of our allies. The United States likewise furnished the U. S. S. R. with some \$0.2 billion of relief through UNRRA and the American Red Cross.

Lend-lease assistance began to flow to the Soviet Union in November 1941, about 5 months after the German invasion and 8 months after the Lend-Lease Act became law. Shipments by the second year of operations comprised about three-tenths of exports under the program to all theaters of the war. Munitions made up approximately one-half, industrial materials one-third, and petroleum and agricultural products nearly one-fifth of the vast contribution of United States resources to the Soviet Union.

The Persian Gulf approach to the U. S. S. R. was expanded and modernized with the use of United States equipment, and by the end of 1942 the capacity of this supply route was triple what it had been at the beginning of the year. Aircraft, tanks, trucks, locomotives, freight cars, and other transportation equipment contributed to mobility on the Russian war front. Airplanes, parts, and spare engines represented the largest single group of munitions, constituting about a third of the total. Other munitions included anti-aircraft and submachine guns, explosives, submarine chasers, and torpedo boats.

Chemicals, armor plate, steel, aluminum, copper, zinc, con-

² Includes the following countries which did not participate in the European-recovery program: Albania, Czechoslovakia, Finland, Hungary, Poland, Spain, U. S. S. R., and Yugoslavia.

struction machinery, and other materials were sent to the U. S. S. R. to assist in the expansion of munitions production or the relocation of industries not destroyed by the German army or by the Russians under their scorched-earth policies. Machine tools, petroleum-refining equipment, electrical furnaces and generators, and other industrial machinery—including even entire factories—were shipped to increase Russian war production.

Shipments of supplies to European Russia were almost completely suspended after VE-day, but continued to the Soviet Far East in anticipation of the Russian declaration of war against Japan which occurred on August 8, 1945, just prior to the capitulation of the Japanese. These consisted of war materials and food.

Returns from U. S. S. R. only minor

Lend-lease aid amounting to \$223 million was transferred to the U. S. S. R. on a credit basis after VJ-day under the pipeline agreement of October 15, 1945. Principal payments on these credits are not scheduled to begin until 1954. In addition the United States has asked the Soviet Union to pay \$800 million for the reimbursable portion of wartime lend-lease. Although there have been over four years of direct negotiations, no over-all settlement of the lend-lease account had been concluded by the end of 1951.

The United States has asked payment only for civilian-type articles which remained in Soviet custody at the end of the war. Although the estimated value of these articles after allowances for depreciation has been set at \$2.6 billion, the United States initially proposed the sum of \$1.3 billion as representing the fair value of these articles to the Soviet peacetime economy. However, in an effort to speed the settlement, it subsequently offered to settle for \$1 billion and later for \$800 million. In August 1951, the U. S. S. R. increased its prior offer of \$240 million to \$300 million, a sum considered to be inadequate.

No request has been made for civilian-type articles lost, destroyed, or consumed during the war, or for arms, munitions, and implements of war—exclusive of ships remaining in Soviet hands at the war end. However, the position of the United States has been that the terms of settlement would reserve our right to the return of the latter "military-type" articles.

The reverse lend-lease furnished to the United States by the U. S. S. R. was only slight, just over \$2 million. This amount includes the value of repairs and supplies furnished to United States merchant ships in Russian ports. It also includes food and other supplies and services provided to the United States Air Force at shuttle-bombing bases made available by the U. S. S. R. at the height of the air attack on Germany.

The United States has requested the return of all lend-lease ships and watercraft. By June 30, 1951, the U. S. S. R. had turned back to the United States merchant and navy ships valued at \$30 million at the time of their return. These vessels represent only

a minor portion of those originally lend-leased. In the case of merchant ships the U. S. S. R. had yet to return over two-thirds of those originally lend-leased.

Poland and Yugoslavia helped through UNRRA

Poland and Yugoslavia are the other countries within the eastern European area which have been furnished with sizable amounts of United States assistance. Each received over \$0.4 billion of net grants and credits through June 1951. Most of their aid from the United States was furnished through UNRRA, although they also benefited through lend-lease and American Red Cross channels. Both have received EIB loans, and Poland has been the recipient of surplus-property credits. Albania, Czechoslovakia, Finland, Hungary, and Spain were likewise furnished with small amounts of relief through UNRRA or the American Red Cross, and most of these countries have received EIB and surplus-property credits.

Immediately after the war the foreign trade of Yugoslavia was oriented toward the U. S. S. R. and other nations under Soviet domination. However, after its break with the Cominform in June 1948, Yugoslavia found it necessary to shift its exports gradually from eastern to western Europe and to the United States. Trade between Yugoslavia and the east was at a standstill by the end of 1949 and the many problems created by this change were made more difficult of solution as a result of extreme drought in the summer of 1950.

Yugoslavia requests emergency relief aid

Because of the imminence of famine, Yugoslavia requested relief assistance from the United States on October 20, 1950. To relieve critical food shortage, stopgap aid was provided under

the provision of the Mutual Defense Assistance Act whereby a limited amount of assistance can be provided to any "European nation whose strategic location makes it of direct importance to the defense of the North Atlantic area and whose immediately increased ability to defend itself . . . contributes to the preservation of the peace and security of the North Atlantic area."

Emergency relief was also furnished through Economic Cooperation Administration (ECA) channels by shipping flour directly from Italy and Germany, and a previously negotiated EIB loan was diverted for the purchase of United States foodstuffs. Augmenting the aid already under way, Congress provided for further relief under the Yugoslav Emergency Relief Assistance Act approved in December 1950.

Naturally, the drought which gave rise to the need for famine relief likewise made it impossible for Yugoslavia to export the agricultural products with which it normally acquired the resources to pay for imports of critically needed raw materials. The United States Government considered that the shortage of such materials was so acute as to weaken the ability of Yugoslavia to defend itself against aggression. Thus, additional funds were made available in April 1951 under the mutual-defense assistance program to provide raw materials and other supplies needed to support the requirements of the Yugoslav armed forces. The total net aid to Yugoslavia during the first half of 1951 amounted to \$60 million.

Both the United Kingdom and France in July 1951 agreed to collaborate with the United States in helping Yugoslavia meet its foreign-trade deficit at least until the middle of 1952. Grants furnished by all three countries will provide raw materials, consumer goods, and other essentials to help offset the decline of the earlier flow from eastern Europe.

Table 3.—Net foreign aid furnished to European countries not participating in the European-recovery program, by program: July 1, 1940, through June 30, 1951

[Millions of dollars]

Program	Total			U. S. S. R.			All other countries		
	Total	War period ¹	Postwar period ²	Total	War period ¹	Postwar period ²	Total	War period ¹	Postwar period ²
Net foreign aid.....	12,431	10,836	1,595	11,209	10,769	439	1,222	67	1,155
Net grants utilized.....	11,972	10,836	1,136	10,986	10,769	217	986	67	919
Lend-lease.....	11,053	10,801	252	11,006	10,754	251	47	47	(†)
UNRRA.....	1,073	17	1,056	186	186	186	887	17	870
Yugoslav aid.....	30		30				30		30
American Red Cross.....	22	19	4	17	15	2	5	3	2
Mutual-defense assistance.....	18		18				18		18
Less: Credit-agreement offsets to grants.....	223		223	223		223	1		1
Cash war-account settlements.....	(†)		(†)				(†)		(†)
Net credits utilized.....	459	(*)	459	223		223	236	(*)	236
Credit-agreement offsets to grants.....	223		223	223		223	(†)		(†)
Export-Import Bank (including agent-bank loans).....	158	(*)	158				158	(*)	158
Surplus property.....	78		78				78		78

† Less than \$500,000.

* Net return of aid to the United States Government of less than \$500,000.

¹ July 1, 1940, through June 30, 1945.

² July 1, 1945, through June 30, 1951.

American Republics

At the third meeting of Consultation of Foreign Ministers of the American Republics at Rio de Janeiro in January 1942—just after the attack on Pearl Harbor—the American Republics reaffirmed their declaration to consider any act of aggression on the part of a non-American state against one of them as an act of aggression against all. This was not the first evidence of cooperation between Latin America and the United States. The structure of pan-Americanism, consisting of close political, economic, and military cooperation, was first built upon the Monroe Doctrine which was designed to protect the security and integrity of the American continents. It has been developed primarily under a series of agreements reached at inter-American conferences, the first of which was held at Washington in 1889.

Many measures have been taken under the "Good Neighbor" policy to strengthen the inter-American system and to increase the flow of commerce. For one thing, the economic development of the American Republics has been assisted by the United States through loans extended by the Export-Import Bank created in 1934. Various cooperative measures for improving agricultural and primary industrial production, and health standards, have

Table 4.—Net foreign aid furnished to the American Republics, by program: July 1, 1940, through June 30, 1951

[Millions of dollars]			
Program	Total	War period ¹	Postwar period ²
Net foreign aid.....	1,030	593	437
Net grants utilized.....	562	423	139
Lend-lease.....	370	365	5
Institute of Inter-American Affairs.....	88	50	38
Foot-and-mouth disease eradication.....	83	.....	83
Technical assistance.....	20	5	15
Reconstruction Finance Corporation.....	2	2	(†)
American Red Cross.....	(†)	(†)	.....
Less: Credit-agreement offsets to grants.....	2	.....	2
Net credits utilized.....	468	170	298
Export-Import Bank (including agent-bank loans).....	420	105	315
Lend-lease current credits.....	35	62	* 28
Surplus property (including merchant ships).....	10	.....	10
Reconstruction Finance Corporation.....	2	2	(*)
Credit-agreement offsets to grants.....	1	.....	1
Institute of Inter-American Affairs.....	(†)	(†)	(*)

† Less than \$500,000.

* Net return of aid of less than \$500,000.

° Net return of aid to the United States Government.

¹ July 1, 1940, through June 30, 1945.

² July 1, 1945, through June 30, 1951.

been instituted with the encouragement and help of the United States. Postwar cooperative arrangements to insure the security and solidarity of the Western Hemisphere have included the Inter-American Treaty of Reciprocal Assistance signed in 1947, and the charter of the Organization of American States and the American Treaty of Pacific Settlement signed in 1948.

By June 30, 1951, the United States Government had contributed net aid aggregating \$1.0 billion through various grant and credit programs designed to advance the welfare of Latin America. Over half of this assistance was furnished during the war period to aid in the common defense effort.

Lend-lease predominates during World War II

The United States was increasingly supplied by Latin America with strategic and other materials during the war as alternative sources became inaccessible. It provided a market for \$2 billion more of goods from the American Republics than it exported to that area in the four years ended December 1945.

As early as 1940 Congress authorized sales to the American Republics of munitions purchased or manufactured by the United States Army or Navy. During the war the security of the hemisphere was also increased by stationing 75,000 United States troops and considerable United States naval forces there.

In order to further strengthen our southern neighbors, nearly \$0.5 billion of gross lend-lease aid was furnished, about three-fourths in the form of grants. Brazil, which participated in the Italian campaign, was the chief recipient of grants, acquiring nearly three-fourths of the total assistance furnished under this program to Latin America. Most of the other countries of the area likewise received lend-lease, but in comparatively minor amounts. During the war individual credit agreements were entered into with the American Republics for repayment over a period of years of specified percentages of the lend-lease aid furnished.

EIB credits furnish developmental aid

The American Republics have received more aid through Export-Import Bank credits than through any other foreign-aid medium of the United States Government. From July 1940 through June 1951 the utilization of these loans totaled \$705 million, or \$420 million net of repayments. The Congress had increased the lending authority of EIB from \$100 million to \$200 million early in 1940 and later that year raised it to \$700 million in order that additional loans might be furnished to the American Republics.

The loans furnished during the war—for the purpose of developing sources of supply for strategic materials, assisting in the development of the Inter-American Highway, or for other reasons—amounted to \$207 million, of which \$102 million was repaid during the war years. Postwar operations of EIB have provided further means for the American Republics to accelerate their rate of economic progress. During the 6-year period ended June 1951 EIB loans aggregated \$498 million gross, \$315 million net.

Almost every country within the area has received EIB loans. Brazil, Mexico, Chile, Argentina, and Colombia, in that order, have been the major recipients, their gross amounts ranging from \$57 million for Colombia to \$151 million for Brazil. The American Republics have benefited to only a minor extent under other United States Government credit programs.

Technical aid precedes Point 4

Grants to the American Republics, with the exception of those furnished through lend-lease channels, have been designed to provide scientific and technical aid for the purpose of developing the agricultural and industrial potential of the area. Brazil, Mexico, Peru, Chile, and Ecuador have benefited most by such help, although all countries within the area have been recipients.

Grants of this nature totaled \$194 million in the 11-year period through June 1951. Expenditures incurred under a special program to eradicate foot-and-mouth disease afflicting Mexican cattle amounted to \$83 million, and other assistance to \$111 million. The various projects furthered by means of these grants have been most influential in increasing the efficiency of production and the production potential in many of the Republics. They have likewise served to expand the source of strategic materials necessary to meet the increasing requirements of United States markets.

The major channel for providing technical aid has been the Institute of Inter-American Affairs (IIAA) and its predecessors, the Office of the Coordinator of Inter-American Affairs and subsidiary agencies. Prior to and during the war the latter agency administered a broad program designed to develop closer relations between the United States and the other American Republics. IIAA, which succeeded it in 1942, has been maintained as a Government corporation through which the American

Republics can cooperate in the development of their basic economies, especially in such fields as health, agricultural development, and education.

One of the principal reasons for the origin of IIAA was the desire to improve the living conditions of people contributing to the war effort. However, this program continued to serve as a constructive instrument for furthering the objectives of pan-Americanism in the postwar period. The contribution of the United States as an active participant in the many cooperative projects conducted under the auspices of IIAA or its predecessors had reached \$88 million by the end of June 1951.

Among other accomplishments, these projects have encompassed the establishment of health centers; safe water-supply and sewage systems; the control of malaria, yellow fever, and other diseases; the development of adequate food supplies; and soil and water conservation in various countries. They have likewise provided for the training of medical, nursing, and teaching personnel, and for vocational, technical, and other education.

This program, relatively small in terms of financial contribution, has been the successful forerunner and proving ground for the more recent Point 4 program to provide technical assistance to underdeveloped areas. Additional grants have lately been furnished to the American Republics under the latter program. The various measures providing technical aid to Latin America and to other areas are discussed in detail in chapter 4.

Asia and Oceania

Because of present conflicts in the Far East, and the political unrest and poverty which threaten the security of that area and hence the rest of the world, the history of aid to Asia is of unusual interest at present. Efforts of the United States Government in furthering the welfare of many countries in Asia and Oceania have led to heavy contributions to their support.

A net of more than \$7.1 billion of military and economic assistance was provided through June 1951, most of it in the form of gifts or indeterminate aid. Four-fifths of this aid was furnished in the postwar period to rebuild war-devastated economies and to assist in general rehabilitation.

Several of these countries are new to self-government. In the words of Secretary Acheson, "The desire for national independence is the most powerful spontaneous force in Asia today. It is the common tie among the diverse peoples of Asia, the tie between them and the free peoples of other countries, including the United States. Since the end of the war, more than 500 million people have achieved national independence and self-government—in the Philippines, India, Pakistan, Ceylon, Burma, southern Korea, and Indonesia. The people of Indochina are also moving along this same road, developing with the French a new relationship expressive of their own national aspirations and resting securely on a basis of mutual consent. We welcome this development and shall continue in the future as in the past to encourage it."

The area is significant not only because of its large population

and generally underdeveloped economy, but also because of its large resources of strategic materials. The latter include tin, rubber, jute, petroleum, and many other materials essential in world trade. Furthermore, it borders on the Communist-dominated land mass of Asia. As a result both internal and external pressures have been continuous.

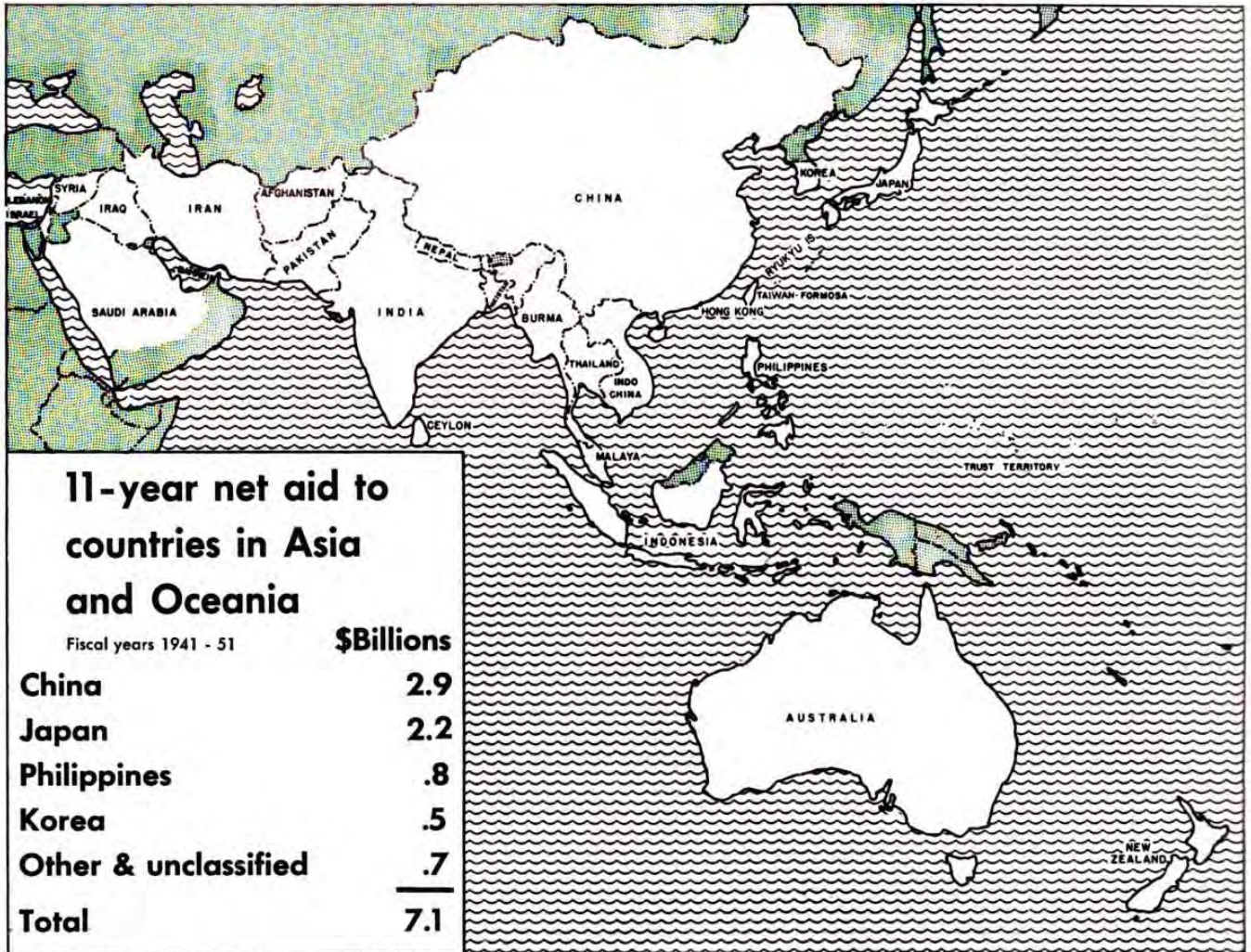
In the case of Japan, United States assistance has brought recovery and political security to a highly industrialized nation economically weakened by defeat. In the Philippines, it has furnished both the military and economic support necessary to enable the new nation to maintain its independence.

China was the major recipient of United States Government aid in Asia and Oceania until the termination of aid to China proper after the loss of the mainland by the Nationalist Government. The net amount provided to China and Taiwan aggregated \$2.9 billion through June 1951. Japan ranks second with \$2.1 billion, the Philippines third with \$0.8 billion, and Korea fourth with \$0.5 billion. Together these four countries received nine-tenths of the assistance furnished to the area as a whole.

CHINA

The support furnished to China during the war to prevent its complete subjugation, and thereafter to establish order and further economic stability, has given abundant emphasis to the traditional friendly policy of the United States toward the Chinese

Almost all Asia and Oceania received some net foreign aid from United States



Boundaries do not necessarily correspond to the boundaries recognized by the United States Government.

people. Most of the aid to this country has been in the form of grants; in the war period it aggregated a net of over \$1.2 billion and in the postwar period through June 1951 nearly \$1.7 billion.

Lend-lease assists defense effort

Late in 1940 it became increasingly evident that China would need further support if it were to carry on the fight for independence which it already had waged for several years. Therefore, on May 6, 1941, the defense of China was declared vital to the defense of the United States and a lend-lease program was established. Prior to this time the Chinese had been purchasing United States goods with the proceeds of EIB loans.

Lend-lease aid moved very slowly in the earlier part of the program because of the other heavy demands on United States resources, and the long distances involved. The Japanese sea blockade and occupation of Chinese coastal waters left only the Burma Road as a principal route for transporting supplies into China.

The first shipments consisted mostly of trucks, spare parts, gasoline, and lubricants for use on the road. Technical traffic advisers were likewise sent to Burma to improve the administration of the transport facilities. Soon after Pearl Harbor, before the projected improvement could be realized, this access to China was cut off by the Japanese. From that time until VJ-day almost all supplies were flown to China from India over the "Hump" of the Himalaya Mountains. This route was developed to the full capacity of distribution at Chinese terminals.

The lend-lease supplies furnished to China during the war consisted mostly of ordnance and ammunition, aircraft, motor vehicles, and machinery. Other aid included the training of Chinese troops, pilots, and civilian technicians in India, China, and the United States. At the close of the war heavy emphasis was being placed upon efforts to improve internal transportation in preparation for a possible large-scale offensive upon the mainland. Despite the difficulties of transport, the total of wartime lend-lease amounted to \$846 million.

China's war efforts required all the supplies it could procure in addition to those furnished under lend-lease. It was not in a position to provide reverse lend-lease to the United States forces in any great quantity. The \$4 million of reverse lend-lease reported as received from China represents only the value of fighter planes turned over to the United States when General Chennault's Flying Tigers were disbanded in 1942. However, China also furnished food and lodging to United States military forces and the services of hundreds of thousands of workmen for the construction of air bases in China.

Military help continued after VJ-day

Lend-lease aid was continued after VJ-day to assist in the re-occupation of China and Manchuria and the disarmament and repatriation of approximately 3,000,000 Japanese, including 1,250,000 troops. The cost to the United States Government of moving Chinese armies in United States planes to the areas to be reoccupied was in itself almost \$300 million. Furthermore, vehicles, ammunition, and clothing were lend-leased from United States Army stocks in the theater.

In anticipation of improvement in the supply lines, the pro-

urement program for goods other than munitions was being speeded up by the end of the war. In June 1946 China and the United States signed an agreement whereby China agreed to pay—in 30 annual installments beginning July 1, 1947—for \$50 million of goods that had been in procurement channels or awaiting shipment in the United States on VJ-day.

Also in 1946 Congress authorized the transfer of naval vessels to augment and maintain the naval establishment of the Republic of China. These vessels, transferred under the Presidential order of 1947, consisted of 131 units which had seen service during World War II. They originally cost the United States Government over \$140 million. No value was put upon them when they were delivered; however, 96 of these vessels had been previously transferred under lend-lease in the war and postwar periods at a value of \$67 million. For the latter 96 the new transfer comprised a technicality whereby the Chinese were absolved from the original Lend-Lease Act requirement of returning the vessels to the United States.

The total lend-lease aid reported as furnished in the postwar period reached \$769 million. Other help to the Nationalist Government included that rendered by United States Marines in North China—in occupying key areas and maintaining control of essential railroads—and by the United States Military Advisory Group.

Stabilization aid also furnished

Two months after Pearl Harbor Congress approved a joint resolution "to loan or extend credit or give other financial aid to China in an amount not to exceed in the aggregate \$500 million." In March 1942 the United States and China signed an agreement placing this amount at the disposal of China. Transfers were made at the request of and for purposes determined by the Chinese Government.

China withdrew \$220 million of the available funds in gold, much of which was shipped to China, principally in 1945, to be sold internally as an anti-inflationary measure. An additional \$200 million was reserved for the redemption of Chinese Government savings certificates and bonds denominated in United States dollars. However, in 1946 the earmarking for the bonds was abandoned and the funds were made available for foreign payment. Thereafter such bonds were to be redeemed in Chinese currency or in foreign currency in the case of registered bondholders outside of China. The balance of the available funds was used for the purchase of \$55 million of supplies and services to print Chinese bank notes and for \$25 million of textiles and raw cotton. Since no settlement has been concluded with China for repayment of this assistance, it has been considered as indeterminate aid and included with grants in the tables appended here.

Relief and economic aid made available

Most of the assistance furnished to China was transferred under the lend-lease or stabilization programs discussed above. Such aid constituted over two-thirds of the total made available. But before the end of the war China also began to receive American relief and rehabilitation supplies through the American Red Cross and UNRRA. The United States contributed the major share of the extensive assistance provided by the latter agency. These shipments were later supplemented by post-UNRRA aid.

financial help to Chinese students in the United States, and grants to China and Taiwan under the ECA Far Eastern program. Altogether the gifts provided under these various programs, which were essentially of a relief nature, comprised one-fifth of the China aid total.

Congress recognized the special problems in China by authorizing ECA to establish a Joint Commission on Rural Reconstruction in China. It was anticipated that the Commission would engage in a program costing as much as 10 percent of the aid provided by this agency. Actually, less than \$10 million was expended, including sizable amounts of local-currency counterpart proceeds. The Commission established projects to contribute to immediate increases in food production and to satisfy other basic needs of the rural population. Irrigation, control of animal diseases, distribution of improved seeds, and improvement of rural health were the first problems approached. Subsequently, land reform was added to the Commission's endeavors as a major factor in combating Communism in the rural areas of China.

However, ECA assistance to China retained many other aspects of the older relief programs, because of the Chinese situation. Of the nearly \$200 million in ECA aid to the Chinese mainland and Formosa, one-third represented rice and bread grains. Raw cotton comprised another third of the aid. Fuel and fertilizer constituted almost all of the remainder.

Economic aid was also extended through EIB loans, surplus-property credits, and merchant-ship credits, which represented about one-twelfth of the aggregate assistance through June 1951. EIB loans assisted China in both the war and postwar periods. Postwar surplus-property credits were the means by which the United States Government made available large quantities of goods and equipment at minimum cost to the Chinese Government.

General assistance used for military goods

Because of the large amount of lend-lease aid which it received in the immediate post-VJ-day period, China ranked high among the recipients of postwar military assistance.

That aid was supplemented in 1948 when the Congress authorized \$125 million in grant assistance to be used as the Government of China desired, upon such terms as the President established. The latter was actually used to obtain military equipment. Of the total, \$25 million had been disbursed directly to the Chinese Government by the end of the year to purchase material and equipment. The major part of the available funds was used by the United States Government defense agencies, particularly the Army, to provide other supplies desired by the Chinese Government. Although most of the assistance under this authorization was rendered by the United States Government within 15 months

Table 5.—Net foreign aid furnished to Asia and Oceania,

[Millions of dollars]

Program	Total				China—Taiwan (Formosa)				Japan and Ryukyu Islands			
	Total	War period ¹	Postwar period		Total	War period ¹	Postwar period		Total	War period ¹	Postwar period	
			Prior to Korean conflict ²	During Korean conflict ³			Prior to Korean conflict ²	During Korean conflict ²			Prior to Korean conflict ²	During Korean conflict ²
Net foreign aid.....	7,100	1,526	4,762	812	2,929	1,247	1,653	30	2,184	4	1,884	296
Net grants utilized.....	6,451	1,337	4,368	746	2,798	1,227	1,533	37	2,173	4	1,870	299
Civilian supplies.....	2,631	62	2,200	370					2,173	4	1,870	299
Lend-lease.....	1,652	889	762		1,611	842	769					
Philippine rehabilitation.....	627		519	108								
Chinese stabilization and military aid.....	623	380	238	5	623	380	238	5				
UNRRA and post-UNRRA.....	416		416		407	(†)	407		(†)		(†)	
Korean and Far Eastern aid.....	297		229	68	196		167	29				
Mutual-defense assistance.....	196		5	191								
European recovery.....	80		80	(*)								
American Red Cross.....	8	6	2		6	5	2		(†)		(†)	
Technical assistance and Chinese student assistance.....	5		2	3	4		2	3				
Less: Credit-agreement offsets to grants.....	62		62		50		50					
Cash war-account settlements.....	22		22									
Net credits utilized.....	649	189	394	67	132	20	119	*7	11		14	*3
Surplus property (including merchant ships).....	231		241	*10	78		85	*6	11		14	*3
Lend-lease current credits and lend-lease silver.....	184	153	32									
Export-Import Bank (including agent-bank loans).....	92	20	28	45	7	20	*12	*1				
Reconstruction Finance Corporation loans.....	60	16	44									
Credit-agreement offsets to grants.....	50		50	(*)	47		47					
Philippine funding.....	32			32								

¹ July 1, 1940, through June 30, 1945.

² July 1, 1945, through June 30, 1950.

³ July 1, 1950, through June 30, 1951.

after the congressional authorization, small amounts of supplies were still being forwarded to Taiwan 3 years after the authorization was established.

Grants shift from mainland to Taiwan

The burden of 8 years of war with Japan and the long-standing civil war brought about a rapid economic deterioration which could not be stemmed by the generous grants and credits of the United States Government. In fact, a large proportion of the goods so furnished were lost to Communists as Nationalist armies retreated.

By the spring of 1949 Chinese Communists controlled the major centers of population and railways from Manchuria south to the Yangtze. Aid to the Chinese mainland was terminated only after overwhelming Communist successes. Thereafter it was confined to Taiwan where the Nationalist Government, a large military establishment, and a sharply increased population were being supported out of limited resources.

JAPAN

The United States has provided the critical margin of resources necessary to bring about Japanese recovery from the military

damage and economic dislocation resulting from war. The growing political and economic stability of this country could not have been gained so rapidly after defeat without the supplies from the United States financed through grants and credits.

Since Japan is a highly industrialized country lacking in many natural resources, its well-being is largely dependent upon foreign trade. Following the war, United States occupation authorities were faced with the problems engendered by an almost complete cessation of foreign commerce. Japan had experienced the nearly complete loss of its prewar sources of food and raw material in China, Taiwan, and Korea.

Japan recovers with United States help

While steps were being taken to promote trade, the Japanese people were furnished with grants of food and other necessities under the civilian-supply program. These supplies included diversions from military stocks in Japan as well as direct shipments from the United States and elsewhere. In addition to food-stuffs, the United States Army provided agricultural supplies and equipment, clothing and textiles, fuel and petroleum, medical supplies, and communication and other equipment. Later in the postwar period these grants were augmented by large quantities of economic rehabilitation materials. The aggregate value of such assistance reached \$2.2 billion in the six years ended June 30, 1951.

by program: July 1, 1940, through June 30, 1951

[Millions of dollars]

Program	Philippines				Korea			All other and unclassified areas			
	Total	War period ¹	Postwar period		Total	Postwar period		Total	War period ¹	Postwar period	
			Prior to Korean conflict ²	During Korean conflict ³		Prior to Korean conflict ²	During Korean conflict ³			Prior to Korean conflict ²	During Korean conflict ³
Net foreign aid.....	813	53	620	140	475	376	99	699	222	229	248
Net grants utilized.....	716	53	555	109	454	355	99	310	54	54	203
Civilian supplies.....	80	52	28		364	293	71	14	6	9	
Lend-lease.....								41	47	* 6	
Philippine rehabilitation.....	627		519	108							
Chinese stabilization and military aid.....											
UNRRA and post-UNRRA.....	8		8		1	1		(†)		(†)	
Korean and Far Eastern aid.....	(†)		(†)		90	62	28	11		(†)	11
Mutual-defense assistance.....								196		5	191
European recovery.....								80		80	(*)
American Red Cross.....	(†)	(†)	(†)					1	1		
Technical assistance and Chinese student assistance.....	(†)		(†)	(†)				1		(†)	1
Less: Credit-agreement offsets to grants.....								11		11	
Cash war-account settlements.....								22		22	
Net credits utilized.....	97		65	31	21	21		389	169	175	45
Surplus property (including merchant ships).....	5		5	(*)	21	21		116		116	* 7
Lend-lease current credits and lend-lease silver.....								184	153	32	
Export-Import Bank (including agent-bank loans).....	(†)		(†)					85		40	46
Reconstruction Finance Corporation loans.....	60		60						16	* 16	
Credit-agreement offsets to grants.....								3		3	(*)
Philippine funding.....	32			32							

† Less than \$500,000.

* Net return of aid of less than \$500,000.

* Net return of aid to the United States Government.

The Ryukyu Islands were also furnished with similar goods, but in a comparatively minor way, the total value amounting to \$67 million.

Credit programs provide impetus to trade

As early as 1946 two special programs were established to provide impetus to Japanese production and to restore a portion of prewar trade. Under the first of these, raw cotton was shipped to Japan on a credit basis for manufacture into textiles. The dollar proceeds from sales of such textiles were used to reimburse the United States Government for all costs incurred. Following the termination of this program, additional supplies of cotton were furnished on a credit basis by means of the natural-fibers revolving fund authorized by Congress in 1948. EIB loans and surplus-property credits were also utilized to furnish economic assistance. The total of assistance provided to Japan on a credit basis, less payments of principal, amounted to a net of \$11 million through June 1951.

In the meantime, the reopening of normal trade with the United States was also fostered through the other program begun in 1946 whereby Japanese commodities were sold by the United States Government on the domestic market. Net dollar proceeds were used for the procurement of imports essential to the economic rehabilitation of Japan.

Further large grants unnecessary

Within five years of its defeat Japan had regained its predominant industrial status in the Far East. It was therefore in a position to sell sizable quantities of manufactures and other supplies and services to United States forces when they became engaged in the conflict in Korea.

As Japan increased its production and exports the need for United States grants and credits declined sharply. The productive ability of Japan at the close of the first year of the Korean hostilities was sufficient to make unnecessary the further extension of major grants under the civilian-supply program.

PHILIPPINES

The close of the war found the Philippines with most of its physical capital demolished or impaired. Transportation and communication facilities were severely damaged, and agricultural production seriously depleted. Industrial, commercial, and residential sections of the major cities had been severely damaged. Most of the vessels in the interisland service had been sunk or appropriated by the Japanese. Railways and bridges were totally or partially destroyed. Particularly heavy damage was inflicted on the Philippine export industries, including sugar mills, coconut-oil mills, saw mills, cordage mills, and tobacco factories. Hospitals, schools, and office buildings of the Philippine Government were either severely damaged or totally destroyed.

Special program advances rehabilitation

Several months before the termination of United States political sovereignty in the Philippines the Congress approved the Philippine Rehabilitation Act of 1946 for the purpose of partially compensating for destruction or damage to property during World

War II and for restoring and improving public property and essential public services.

Under titles I and III of the act, the Philippine War Damage Commission expended \$387 million in payment of claims for compensation of damage to private property and \$55 million for damage to public property. These awards provided a marked stimulus to rehabilitation, although private claimants probably received no more than a fifth of the cost of reproduction of their homes, farms, and businesses. However, they permitted many industries to attract new capital or to obtain credit to start rebuilding industrial, commercial, and agricultural enterprises.

Although the funds were insufficient to provide for the complete reconstruction of government property, emphasis was placed on projects considered to be of maximum benefit, and considerable construction and repair was completed. Over 62 percent of the amount available for public claims was allocated for educational institutions, 24 percent for government buildings and corporations, 8 percent for hospitals and dispensaries, and almost 6 percent for waterworks and irrigation systems.

An additional \$73 million of aid was furnished under title III through activities of various United States Government agencies which materially assisted in the construction or improvement of airports and other transportation facilities, public-health services, fisheries, weather services, and coast and geodetic surveys. Provision was also made for training technicians in each of these fields.

Title II of the act authorized the State Department's Foreign Liquidation Commissioner (OFLC) to furnish surplus property up to a maximum fair value of \$100 million to assist in repairing and replacing property owned by the Philippine Government. The aid furnished under this authorization was principally in the form of machinery and construction equipment, although it also included communication, maritime, medical, railroad, and automotive equipment. Clothing, food, medicinals, and other commodities were likewise transferred.

The country has likewise benefited through heavy disbursements by various United States Government agencies in the Philippines. These include back pay for Philippine armed forces (including redemption of guerrilla currency) as well as veterans' pensions, disability compensation, insurance benefits, and medical treatment.

Grants furnished under the Philippine-rehabilitation program—including administrative expenses—reached \$627 million, constituting more than three-fourths of the assistance extended to this country. All claim payments were completed in the 4-year period prior to April 1951. However, services continued to be provided in diminishing amounts. Other grants to the Philippines consisted primarily of \$80 million of civilian supplies furnished by the United States Army after the Japanese forces were driven from the islands.

Credits include funding loan

Loans and other credits comprised only about one-eighth of the \$813 million of total net assistance furnished through June 1951. The single major credit, \$70 million, was extended by RFC in 1947 under specific congressional authority, for the purpose of helping the new Republic through a budgetary crisis; \$10 million was returned within the year as being not required.

Another credit of \$35 million was extended in November 1950 under an agreement funding the Philippine obligation to return to the United States Government the unused portion of certain dollar funds advanced in 1948. These advances were made to meet claims for pay resulting from wartime operations of the Philippine army and guerrilla forces. Under the terms of the original agreement, the unexpended balances were to revert to the United States prior to 1950. By the November 1950 agreement the Philippine Government was permitted to use these balances, which were held in pesos, to meet domestic obligations, and to repay this loan in dollars, with interest, over a period of 10 years.

Military aid also furnished

Military aid is now being provided under the mutual-defense assistance program to strengthen the Philippine forces and discourage outside attack. However, the value of such assistance cannot be separately identified. Additional sizable grants of military equipment, naval vessels, and training have been furnished to this country under several congressional authorizations including the Philippine Military Assistance Act of 1946. Data on the total value of these transfers are not available at the present time.

KOREA

When United States forces entered southern Korea in 1945 they were faced with many economic problems resulting from 40 years of Japanese occupation and exploitation, wartime disruption, and the subsequent partition of Korea into north and south zones.

At the end of World War II the economy was virtually on the point of collapse. The repatriation of Japanese left Korea with a very limited management personnel and an acute shortage of technicians and qualified civil servants. Prior to the partition, southern Korea had been primarily an agricultural area with considerable emphasis on marine products. It had depended upon northern Korea, which is an industrial region containing both mineral products and hydroelectric facilities, for fertilizer, fuel, and power. Over three-fourths of Korea's industrial facilities were located in the north. During the Allied occupation commerce between the two areas was almost nonexistent except for the transmission of electric power. The latter was cut off in May 1948.

Civilian supplies succeeded by economic aid

The Army Department furnished \$298 million of civilian supplies to south Korea, primarily during the period of occupation. Responsibility for Korean aid was transferred to ECA in January 1949, although shipments of Army-procured goods continued for some time. The Army program was essentially of a relief nature with an increasing emphasis on rehabilitation. The ECA program was basically intended to further economic development and placed principal emphasis on technical assistance, raw materials, fertilizer, and various goods for recovery projects. The north-Korean invasion and subsequent hostilities were responsible

for a sharp decline in economic aid, although the net total amounted to \$90 million by June 30, 1951.

Additional aid was made available to Korea by the United States Army after the June 1950 invasion in the form of food, clothing, and other civilian supplies. The value of these supplies totaled \$66 million by the middle of 1951, exclusive of certain transfers in the field still to be reported.

In April 1951 the Army Department assumed complete responsibility for aid deliveries in Korea, supervising the remaining ECA deliveries as well as those under its own program.

Mutual-defense aid furnished during conflict

Southern Korea had become the Republic of Korea in August 1948 after United Nations efforts to establish a united independent Korea proved unavailing. After the withdrawal of United States forces in July 1949, the United States had maintained a Military Advisory Group to train Korean security forces and to insure the efficient utilization of large quantities of military materials left behind when the United States occupation forces withdrew.

According to information released by the Defense Department, the original cost of these materials was about \$141 million. In order to transfer such equipment to the Republic of Korea, the United States military establishment declared these properties surplus to OFLC and the latter agency contracted with the Korean Government under various terms for their transfer. A part of this surplus—originally costing \$92 million—was thus provided to Korea under a \$25-million credit; principal collections on this credit totaled \$4 million through June 1951. Since the transfer value of the rest of the surplus is not available, it is not included as aid here.

Under these arrangements Korea was the recipient of materials for specifically military purposes with a procurement cost value of \$56 million. In addition to ground-force equipment, the transfers included 20 liaison-type airplanes and 79 vessels. Nearly \$1 million represented individual organizational equipment for 15,000 troops, which was transferred during fiscal year 1950 from United States stocks in Japan. The balance was usable for either military or civilian purposes and included trucks, tractors, signal supplies, medical installations, and construction and other machinery and equipment.

Military aid under the mutual-defense assistance program supplemented these prior transfers and included maintenance material. When the invasion of the Republic of Korea occurred, the mutual-defense assistance supplies urgently needed were rushed from stocks of the United States Far Eastern command in Japan.

Through various measures for relief, economic recovery, and military assistance instituted by the United States Government, southern Korea had received net foreign aid amounting to \$475 million by mid-1951. This amount, of course, does not include the cost to the United States of the military aid extended through the operations of United Nations forces opposing the attempted subjugation of the Republic of Korea by the north-Korean and Chinese armies.

Africa

Assistance furnished to the continent of Africa by the United States Government aggregated \$67 million net through June 1951. An estimated \$94 million of lend-lease grants was furnished to the Union of South Africa during the war, but the United States Government has received an equivalent amount in the form of postwar cash payments or reverse lend-lease. Liberia was still receiving lend-lease aid in 1950 as the result of a program established in December 1943 for the construction of a port, port facilities, and access roads. This project was financed as a credit to be repaid from revenues of the port.

Significant amounts of grant aid have also been provided to the African dependencies of the European-recovery program countries in the postwar period. However grant aid furnished to these dependencies was provided through the mother countries and shows as aid to the latter. Africa actually has benefited significantly through European-recovery grants, the total amount being in the neighborhood of a quarter billion dollars.

More than a fifth of the \$46 million of net credit assistance to this area represents ECA loans for the purpose of encouraging the

production of strategic and other materials in short supply. Such assistance was extended to the Belgian Congo, British East Africa, Southern Rhodesia, French Equatorial Africa, and French Morocco, under the European-recovery program. Over one-fourth more of net credits was in the form of EIB loans to Angola, Egypt, Ethiopia, and Liberia. Most of the balance represented lend-lease credits to Ethiopia and Liberia.

Civilian supplies furnished to Algeria during the war period constituted about three-quarters of the \$21 million of net grants provided to Africa. The remainder was comprised of very small contributions to various countries through UNRRA, the American Red Cross, and under technical-assistance programs.

Several technical-assistance programs under the Point 4 program for aid to the underdeveloped areas have already been established or are in the planning stages for Egypt, Liberia, and Libya, which do not benefit under the European-recovery program. These place emphasis on projects for agricultural development and the processing of agricultural products, and on activities in public health and education.

Table 6.—*Net foreign aid furnished to Africa, by program:
July 1, 1940, through June 30, 1951*

[Millions of dollars]

Program	Total	War period ¹	Postwar period ²
Net foreign aid.....	67	120	* 53
Net grants utilized.....	21	112	* 91
Lend-lease.....	94	94	
Civilian supplies.....	15	15	
American Red Cross.....	2	2	(†)
UNRRA.....	2	1	1
Technical assistance.....	(†)		(†)
Less: Credit-agreement offsets to grants.....	(†)		(†)
Cash war-account settlements.....	93		93
Net credits utilized.....	46	8	38
Lend-lease current credits and lend-lease silver.....	22	7	15
Export-Import Bank (including agent-bank loans).....	13	(†)	13
European recovery.....	10		10
Surplus property (including merchant ships).....	1		1
Credit-agreement offsets to grants.....	(†)		(†)

† Less than \$500,000.

* Net return of aid to the United States Government.

¹ July 1, 1940, through June 30, 1945.

² July 1, 1945, through June 30, 1951.

Aid for Victory and Rehabilitation



UNITED STATES foreign aid in World War II centered about lend-lease and concentrated upon winning the war. Lend-lease aid was not terminated after the victory, however, but continued to be significant for some time longer. Indeed, the byproducts and concomitants of direct military operations heavily influenced the assistance programs for several more years and in consequence it is difficult even now to set a definite terminal point for wartime foreign-aid activity.

A change in the character of the aid—a more considered approach to the total problem of foreign aid—was discernible following VJ-day. This shift makes it easier in retrospect to distinguish between the programs meeting wartime exigencies and those for economic recovery and development. The experience and perspective gained through the wartime programs

provided the United States Government with the basic approaches to the more recent aid programs which are reviewed in the next chapter.

Many common factors of the programs prior to VJ-day came more clearly into view during the years immediately following. Despite these similarities, the aid programs of the war and its immediate aftermath all evolved under pressure of rapidly changing circumstances. In many respects the earlier aid programs, focused upon winning the war, lacked realization of the economic scope of the problems the United States Government was attacking. Further, the *modus operandi* of some aid programs frequently created problems which the subsequent programs had to meet.

Lend-Lease

A study of foreign aid in the decade between Dunkirk and the Communist invasion of South Korea is in many respects an analysis of lend-lease, for the lend-lease aid of \$49 million comprised almost two-thirds of the total gross foreign aid in this period.

From early 1941 when the Lend-Lease Act was first passed, until Japan surrendered in 1945, the wartime lend-lease—\$47 billion—accounted for almost all of the United States Government foreign aid. Naturally, after the end of the war this proportion diminished, but in the 10 months from VJ-day to the end of fiscal year 1946 the lend-lease program still provided over one-third of the Government gross foreign aid. Subsequently, smaller amounts of lend-lease aid were provided all the way through fiscal year 1950.

Government procurement and financing

“Lend-lease” is a term with many meanings. It is most generally applied to the Government operations under the act of March 11, 1941, and “defense aid” has been used as a synonym.

There were two prominent purposes of defense-aid operations. First, the program provided for *procurement* of goods and services for export through Government channels, thus affording a better control over the effect of these foreign transactions on the domestic economy—and over their relation to the domestic military build-up. Second, the program removed, or deferred, the major part of the problem with respect to the *financing* of exports of those United States goods and services which were considered necessary in the light of the Government’s international political and military policy, but for which the foreign countries could not find resources to pay.

These two major principles were established as significant keystones of the foreign economic policy of the Government in the original lend-lease program. Succeeding foreign-aid programs can be characterized by their similarities and dissimilarities to the lend-lease operations.

A third prominent facet of the lend-lease program was reciprocity. Since each Allied country was contributing in some fashion toward a common objective, the United States received

reverse lend-lease to further its war effort. Reverse lend-lease to the United States was equivalent to about one-sixth of lend-lease aid provided.

The net outflow of goods and services financed by the United States Government as its share in achieving the objective of an acceptable international stability is a measure of the net lend-lease foreign aid. Some further returns, tangible in a financial sense, were made against this original net lend-lease aid. Deduction of the tangible returns that the United States Government received abroad from lend-lease operations reduces the net "gift" to approximately three-fourths of the original aid amount, as follows:

	<i>(Billions of dollars)</i>
Lend-lease aid (grants and credits).....	49.1
Less: Reverse lend-lease.....	8.0
Net original lend-lease aid.....	41.1
Less:	
To be repaid as a credit.....	.1
Silver to be returned in kind.....	.3
Approximate cash and credit consideration for lend-lease in war-account settlements and other postwar agreements.....	1.2
Approximate value of ships returned.....	.3
Estimated maximum value of lend-lease goods returned to United States Government to be disposed as surplus..	2.0
Yields: Net gift (for intangible return).....	37.2

While no tabulation of returns of lend-lease aid is available, a report to Congress on foreign surplus disposal as far back as April 1947 estimated that the surplus lend-lease property made available to the United States by the United Kingdom's withdrawal of its forces from Egypt and other areas and from reduction of its army of occupation in Germany alone amounted to almost \$1 billion at original cost. It is likely that the allowance for returns shown in the tabulation above is conservative.

In one major sense the defense-aid program could have been labeled "grant (or gift) lend-lease" to properly reflect the preponderance of assistance for which there exists no financial consideration. However, lend-lease was not an "act of charity": the attainment of an international economic and political situation conducive to the United States national security must be reckoned as a great consideration for the grants.

Some assistance precedes lend-lease

Government procurement and Government financing were not unique to the lend-lease program, but were developed from the Government experience in the period immediately preceding 1941. As early as 1938 the United States Government had authorized a credit of \$25 million for China to buy supplies essential to that country's war effort against Japan, although purchase of arms and ammunition was not permitted. In addition, the resources of the procurement staff of the Treasury Department were made available to assist and advise the Chinese in ordering supplies in this country.

Such cooperation by Government agencies was continued in the Liaison Committee appointed by President Roosevelt after the start of World War II. The committee, with representatives from the Treasury, War, and Navy Departments, worked with the French, the British, and with other countries in interrelating foreign and domestic demands upon the "arsenal of democracy." Much of the production—particularly of aircraft—which was instigated by the French and British Governments in 1939 and 1940 stimulated the expansion of military production capacity which was to prove so valuable after Pearl Harbor.

The United States Government moved more actively into foreign supply following the British withdrawal from Dunkirk. British survivors began arriving across the channel on May 29, 1940. By June 3, over the weekend, in response to a message for assistance from the British Prime Minister, United States Army depots and arsenals were ordered to start packing half a million 1917-18 Enfield rifles, 900 75-mm. field guns, and ammunition. These supplies were part of American reserve ordnance and munitions stocks. On June 11, the Government sold these ordnance stocks to the United States Steel Export Corp. as a trade-in on new contracts for armor plate and larger guns. The company then immediately sold the material to the British and French Governments, at the same price, and loading of vessels began. Aircraft were also released by the United States, "traded-in" to manufacturers on later-type planes, and quickly resold by the companies for immediate use abroad. The first shipment from Army stocks was halfway to Europe when France fell to Hitler.

Legislation to protect the United States

Thus the United States at the beginning of fiscal year 1941 stood on the threshold of a major foreign-aid program "to keep the war from this hemisphere."

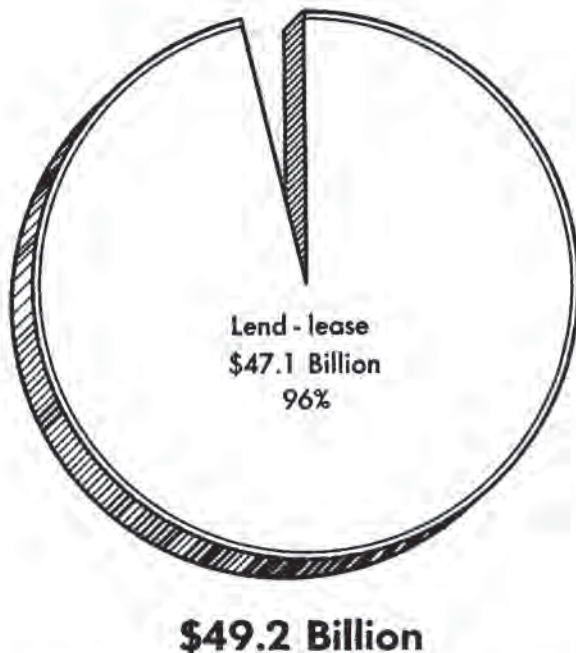
While the arms and ammunition that the Government had traded in on new procurement were being loaded aboard ship for the defense of Britain, the Congress authorized the Secretary of War and Secretary of the Navy to manufacture in Government arsenals or shipyards, or to purchase on the open market, munitions of war for direct sale to the government of any American Republic.

This direct entry of the Government into procurement for foreign powers, under the Pittman Act of June 15, 1940, did for the American Republics most of what the lend-lease program was later to do for all nations whose defense was vital to the United States—except relieve them of the necessity of paying cash for the goods. That was accomplished three months later when the Congress increased the lending authority of the Export-Import Bank by \$500 million for the American Republics. By the time any munitions were manufactured and ready for shipment under the Pittman Act, the lend-lease program had been established, and it was under this program that arms were supplied to the American Republics.

The time lag in the actual rendering of effective aid to a foreign country after financial authorization is one which runs throughout the foreign-aid programs. Conversely, the rapidity with which already extant Government stocks can be shipped, as demonstrated in the post-Dunkirk days, is an advantageous characteristic in a foreign-aid program which is closely related to a standing Government supply program.

While the legislative precedents for Government supply and Government financing were being established, the concept of reciprocity for the common weal was emerging in practice. On Labor Day, 1940, the United States exchanged 50 overage destroyers from the World War I reserve fleet for 99-year leases on 6 British West Indies and South American bases. The United Kingdom also freely gave the United States similar lease rights to bases in Newfoundland and Bermuda, of special value to the defense of Canada.

Lend-lease dominated the war period



Cooperation continued with the exchange of ideas—the British granting the United States the right to produce equipment of British design and the United States making American designs available for British Army purchase. These interchanges resulted in a partial standardization of arms and equipment which was to prove valuable in the next few years. For when the United States finally was attacked by the Axis Powers in December 1941 the experience gained in the cooperative program had provided a large impetus to our defense efforts.

Passage of H. R. 1776 begins lend-lease

A year before Pearl Harbor, in December 1940, President Roosevelt at a press conference outlined the essentials of the lend-lease program with the "garden hose" parable. At the same time the President established as major lend-lease principles (1) that the Government should place all contracts for materials

required from limited United States production, determining the distribution at the time supplies actually became available, and (2) that the United States should "eliminate the dollar sign" as an obstruction to the success of our allies defending themselves and us. Within 3 months, the lend-lease program had been enacted by the Congress in a bill bearing the historic number H. R. 1776.

Military and naval equipment immediately began to flow from the United States to Britain and to Greece, the latter having been invaded by Italy in October 1940. Throughout 1941 Britain continued to receive large quantities of United States goods from the contracts it had placed before the establishment of the lend-lease program. United States exports to the United Kingdom in this year were nearly double those of 1940 and quadruple those in 1939.

By the end of the year the war had entered the Western Hemisphere. Nevertheless, lend-lease aid continued as a considerable factor in the active defense of the United States. This country continued as the provider of material for the joint Allied war effort, with increasing emphasis on the global strategies as opposed to economic considerations.

Lend-lease shipments supplement private trade

Early in 1942, lend-lease shipments accounted for 70 percent of the constantly rising exports to the United Kingdom, and by 1943, for over 90 percent. In the latter year half of the exports for the defense of other Commonwealth areas and Egypt—which in the 1938-40 period had been increasingly financed by Britain—were also under this program. Lend-lease aid to U. S. S. R.—which began to flow late in 1941—was by mid-1943 exceeding the prewar level of total United States exports to all countries.

Within a year of its inaugural, therefore, the lend-lease program was financing more than half of United States exports. Other Government aid programs were also financing shipments to our allies. The Reconstruction Finance Corporation loan to the United Kingdom, discussed in the previous chapter, was being used to pay for goods supplied to that country from cash contracts placed prior to the lend-lease program.

As more American production became available, sizable portions were allocated to the United Nations and transferred under the lend-lease program. The flow of aid reached its peak immediately preceding the invasion of Normandy. Subsequently lend-lease aid declined, dipping noticeably after VE-day and being virtually curtailed after VJ-day, except for special cases.

Lend-lease aid represented approximately 15 cents of every United States Government dollar spent in defeating Germany and Japan. The same ratio prevailed with respect to the part of actual United States munitions production which was provided to our allies through lend-lease procurement channels.

Over half of the lend-lease aid comprised munitions. Petroleum was also a significant product supplied under the program, both from the United States and from other sources in the Western Hemisphere using United States funds. Lend-lease, as a weapon for victory, furnished raw materials and machinery to foreign countries and enabled them to utilize better their manpower and productive resources in the common fight. Foodstuffs, essential in warfare, represented one-eighth of the lend-lease provided by the United States.

In the first year of the lend-lease program foodstuffs comprised a much greater proportion of the aid, because they were more readily obtainable. As military production in the United States swelled, munitions—particularly aircraft—became the predominant aid category. A considerable portion of lend-lease aid comprised training services in the United States and shipping services throughout the world.

Because lend-lease was the basic American supply program for our allies, the composition of supplies ranged from bullets to butter (for wounded Russian soldiers), from scalpels to safety pins (for hospitals), from entire submarine bases to diamond tool bits. Each lend-lease shipment, before approval, was considered on the merits of its necessity in the total global strategy.

From Greece in 1941 onward

As a major weapon in global warfare, lend-lease went to all corners of the world. Commencing with the March 1941 shipments to Greece, military equipment was rushed to critical areas, some of which like Greece, Netherlands Indies, and British Malaya were later overrun by the Axis advances. Other areas such as Cyprus, Malta, and Egypt where British forces operated also received early lend-lease supplies to resist attack and then to build up for the Allied counteroffensives. Finally, lend-lease aid was to pour into areas behind the advancing Allied forces—such as North Africa and Italy in 1943 and France and the Lowlands in 1944—and again to go to the Netherlands Indies, Malaya, and Burma in 1945. Throughout the war supplies were continually shipped over devious routes to assist the Chinese against the Japanese invaders.

Meanwhile, American assistance flowed into strengthening the defenses of the American Republics and Turkey; into the behind-the-lines production and the supply-route areas of South Africa, India, Ceylon, Iran, Iraq, and the Rhodesias; and into the staging areas such as Palestine, Australia, and New Zealand. As late as 1950 lend-lease was still flowing into Liberia where the United States had in December 1943 agreed to finance the construction of a port, shipping facilities, and access roads.

British receive most lend-lease

Two-thirds of the lend-lease aid, or \$31 billion, was provided at the request of the British. Of course, much of the British aid was not physically provided to the United Kingdom, but went to the Dominions and colonies as well as to British troops in Egypt and the Middle East, in France and Italy. Supplies procured through lend-lease channels for direct Canadian use were paid for by the Dominion and are thus not included in the aid totals. Aid to the civilian economies of the other Dominions was included in their postwar settlements, with due consideration to the reverse lend-lease they had provided the United States.

Russia, the other leading recipient of lend-lease aid, received more than \$11 billion, or a quarter of the grant total. The French received aid originally in the colonial outposts controlled by the Free French forces, later in liberated North Africa, and finally in the Metropole after D-day—in all, a total of nearly \$3 billion. Much of the more than \$1½ billion given China accrued after VJ-day when American arms were provided to reassert Chinese sovereignty over the rich coastal provinces, which for

years had been under Japanese occupation, and to assist the Chinese in demilitarizing and repatriating the Japanese in that area.

All told, goods and services supplied as lend-lease aid exceeded \$49 billion. Moreover, nearly \$1 billion additional obtained through lend-lease channels was paid for in advance or upon delivery by the recipient country as shown in table 7, and that amount is not included as part of the aid totals.

Cash purchases relatively small

As just noted, a billion dollars of cash payment was received by the United States Government for goods and services provided foreign governments through lend-lease procurement channels. These channels were used—even when foreign countries were clearly capable of financing their own purchases—in consequence of the desire to establish foreign demand upon domestic production as a clear defense necessity. In such transactions the United States did not finance aid by deferring settlement for goods and services exported. Later, after announcement of the Japanese surrender, the United States Government notified lend-lease recipients that future deliveries of goods from lend-lease channels would be exclusively on a cash or credit basis. In consequence, to maintain supply flow, many countries deposited funds under these terms.

Table 7.—Lend-lease procurement on a cash basis, by country

(Millions of dollars)	
Country	Amount
Total	933
British Commonwealth	479
Canada	389
United Kingdom and colonies	61
Other Dominions	29
France and possessions	284
Egypt, Turkey, and other Middle East countries	47
Belgium and possessions	28
Netherlands and possessions	27
China	23
U. S. S. R.	16
American Republics	14
Other countries	15

Purchases by Canada, which comprised 42 percent of the cash lend-lease operations, included materials to be installed in finished products under manufacture in Canada for the United Kingdom. The United Kingdom cash purchases were mostly for post-VJ-day shipments where United States Government procurement was desired.

Shipments for French account constituted 30 percent of the cash-reimbursable transactions. In accordance with the Modus Vivendi signed in September 1943, these reimbursements were largely in payment for foodstuffs and trade goods provided the civilian economy in North and West Africa after the liberation. Post-VJ-day cash deliveries accounted for over \$40 million in French deposits.

The United States also engaged in a sizable Middle East supply operation, shipping to several countries for payment in dollars and in the local currency.

Deferred repayment aid under lend-lease

The individual lend-lease agreements entered into with 18 of the 20 American Republics called for repayment, over a period of years, of specified percentages of the total aid provided. Such credit aid to the American Republics exceeded \$100 million, or almost one-fourth of the total lend-lease aid to our southern neighbors. A major share of the grant aid went to Brazil, whose expeditionary force used lend-lease equipment in the Italian campaign.

Beginning in 1943, silver was lend-leased for industrial and coinage purposes. Under special agreements, this silver was to be returned on an ounce-for-ounce basis, within specified periods after the end of the war. Some of the silver was furnished in bar form, some minted into coins. The cost of coinage was provided as a lend-lease grant in most instances, but in a few cases the foreign country paid for this service. Table 8 shows by country the total number of ounces of silver lend-leased as a credit, to be returned. This silver is included in the lend-lease aid data at a value of 71½ cents a fine ounce.

The port project in Liberia, financed by lend-lease as a credit to be repaid from revenues of the harbor, comprises the third class of lend-lease current credits which were utilized as aid under the program.

Credits committed for postwar lend-lease

During the greater part of the war, shipments of nonmilitary and industrial character had been purchased through lend-lease procurement channels for cash by recipient countries where the civilian populations were not engaged in all-out military support. However, the inadequacy of depleted foreign reserves to meet current and forthcoming reconstruction demands was realized by early 1945. While actual war operations were in process, this situation was not so acute, since combat areas were provided with critical civilian supplies by the Allied armed forces. Even so, with the defeat of Germany rapidly approaching the United States recognized that some form of financial assistance was necessary for France, Belgium, and the Netherlands.

The United States therefore concluded agreements with these three countries, defining supply programs so as to insure continued shipment of specified supplies even when no longer necessary to the prosecution of the European war. The listed commodities included food, medicinals, and other essential civilian supplies, together with raw materials to increase the production of military cloth, tires, and other goods for the use of the Allied forces under reverse lend-lease. The pacts envisaged the continued need of these lend-lease supplies in support of military activities through the period of redeployment of troops and supplies from the European theater to the Pacific—and also for postwar use, on a repayable basis, if desired by the foreign governments.

In addition to establishing specific programs of supply, the three agreements set principles for the efficient and orderly termination of the existing war-supply programs with these countries. Here the interests of the United States were protected by advance determination of some of the financial obligations of the aid recipients. The contracts established repayable credits for

any portions of the supplies these western European countries were to receive after determination by the President that aid was no longer necessary to the prosecution of the war. These credits were to be repaid over a period of 30 years with interest on the unpaid balance at 2½ percent per annum.

The United States specifically intended that supplies and services solely for reconstruction and rehabilitation would be excluded from these agreements, but that items in pipelines as of the end of the war would continue to their destinations. The French agreement which was the first to be signed, on February 28, 1945, anticipated that the United States would provide long-life supplies such as locomotives and machine tools for use both

Table 8.—*Silver lend-leased on a credit basis, by country*

[Thousands of fine ounces]	
Country	Amount
Total	409,783
Belgium	1,261
British Commonwealth	326,043
United Kingdom	88,270
Australia	11,773
India	226,000
Ethiopia	5,425
Netherlands	56,737
Saudi Arabia	21,316

¹ Entire amount returned by Belgium in 1947.

during the war and in rehabilitation and recovery. However, this equipment, which would have a large residual peacetime value, was to be completely paid for, 20 percent at the time of delivery and the remainder on the standard 30-year term, 2½-percent interest basis.

The total maximum credit commitment to the three countries was over \$3 billion, as follows:

(Millions of dollars)	
France	2,575
Civilian supplies and raw materials	1,675
Long-life equipment	900
Belgium: Civilian supplies and raw materials	325
Netherlands: Civilian supplies and raw materials	242

VJ-day starts lend-lease settlements

While these agreements were in process, the United States Government as a matter of policy moved to terminate lend-lease at the end of the war, and to provide reconstruction assistance through other programs. The credit agreements with France, Belgium, and the Netherlands proceeded under the terms of section 3 (c) of the Lend-Lease Act, which authorized the President to continue to provide lend-lease aid after the end of the war "to the extent necessary to carry out a contract or agreement . . . with a foreign government." However, between the signing of the French agreement and those with Belgium and the Netherlands, the Congress amended section 3 to prohibit contracts or agreements "for postwar relief, postwar rehabilitation, or postwar reconstruction." This established as law the

policy that lend-lease was not to be used for reconstruction. Thus the latter agreements, signed in April 1945, were confined to the provision of civilian supplies and raw materials.

These agreements were, in effect, terminated within 2 weeks after the surrender of Japan when the Government took additional positive steps to curtail lend-lease aid in favor of a new form of postwar assistance. Lend-lease countries were advised that the following general principles applied to future lend-lease aid:

(1) No new contracts would be entered into for goods or services to be furnished as lend-lease aid;

(2) Supplies in the process of manufacture, in storage, awaiting shipment, or not yet transferred as of September 2, 1945, and services within agreed programs would be provided against payment on appropriate terms and conditions;

(3) All existing supplies on VJ-day which had been transferred on lend-lease terms, and which were in transit or in inventory, could be retained against payment on appropriate terms and conditions; and

(4) "Cash reimbursement lend-lease" would be available for 60 days after VJ-day during which time requisitions within agreed programs could be filed with the United States Government.

By the end of the year, an agreement had been reached with the United Kingdom settling in principle all lend-lease and other war accounts. This agreement estimated the net return due to the United States at \$650 million, to be repaid over a period of 50 years with interest at 2 percent. Subsequently the amounts of the accounts included were definitely established and the credit was adjusted to \$622 million, of which \$60 million was for surplus property.

Similar agreements—encompassing lend-lease, civilian supplies furnished by the armed forces, and other war accounts—were signed with other countries during the next five years. In all, the settlements called for \$151 million in cash and the funding of \$983 million (exclusive of surplus property separately recorded), mostly for long terms at 2 percent interest. These settlements frequently included surplus property from the United States as a *quid pro quo*, and always embraced the lend-lease post-VJ-day shipments, inventories, and residual peacetime values.

Lend-lease accounts with China and U. S. S. R. are still to be settled. Some post-VJ-day aid (China, \$50 million; U. S. S. R.,

\$223 million) was accepted by these countries as long-term credits with 2½ percent interest.

Postwar credits established in settlement agreements and not specifically for surplus property represented for the most part fundings of lend-lease or other grant aid supplied by the United States.

Reverse lend-lease to United States

Reverse lend-lease totaling some \$8 billion was a significant amount in the postwar settlements. The British Commonwealth, which received 63 percent of the United States lend-lease aid, provided 86 percent of the reverse lend-lease. France, Belgium, and the Netherlands supplied almost all the remainder. Since the war-account settlement also took cognizance of civilian-supply transfers from the United States approximating \$90 million, the Belgian-United States accounts were considered substantially in balance.

The bulk of reverse lend-lease was furnished the United States as military support and subsistence, commonly in the military staging areas such as the United Kingdom, Australia, and New Zealand. This aid included buildings and other structures, airports, rail and truck transport, and provisions. Petroleum products from sterling-area sources accounted for one-sixth of the reverse lend-lease.

Almost \$75 million was refunded by foreign governments to repay the United States for goods it purchased abroad which should have been given as reverse lend-lease. Over \$200 million more was realized by the United States Government from the sale of commodities received under reverse lend-lease.

Vessels comprise major return

Only a modicum of information on lend-lease returns exists. The return of merchant and naval vessels was required by law; ships which were not destroyed were to be returned. Most merchant vessels had a salvage or resale value approximating one-third of their original lend-lease value. In some cases the ships were resold to the countries which had lend-leased them and the returned value represents the value recovered from the foreign government. Naval ships were recorded as returned, in most instances, at a salvage value of 5 percent of the original value. In all, over \$200 million for merchant vessels and \$100 million for naval vessels are included as the value of lend-lease returns.

Aid Furnished by the Armed Forces

Foreign aid was furnished by the armed forces of the United States Government in two distinct phases: first, as an integral part of battle operations, and second, in our role of occupation authorities. This aid was termed "civilian supply" by the armed forces. About a fifth of the \$6 billion in civilian supplies provided was furnished in the first phase; the remainder was shipped during the second phase. The need for the civilian-supply program was one of the earliest and most important reasons for the continuation of United States foreign aid after the war.

The responsibility of military commanders for the public order, safety, and welfare of populations within liberated and occupied areas is recognized by international law. The humanitarian necessity to relieve distress and starvation was heightened during World War II by new political, military, and economic considerations. As a matter of military interest, the Allied armies were compelled for supply-line and rear-area security and control to restore and maintain order. In the political respect, the armed forces of the United States and other Allied armies entered the

enemy-held countries as liberators committed to provision of adequate means of life. Economically, the military authorities determined to achieve the maximum utilization of essential resources of the liberated areas in the common fight, and assumed responsibility for supplementing local resources to the extent required for the development of a degree of self-support of the populations.

Throughout the entire postwar period, the military forces were charged with the occupation of several former enemy countries. In fulfillment of this responsibility the armed forces provided assistance to restore and maintain minimum economic levels, in keeping with the international policies of the United States. After United Nations intercession in Korea, the United States Army again issued relief supplies to civilians in that country as part of battle operations.

Lend-lease procurement precedes Army aid

The problem of supply of the civilian economy in battle areas, or in the wake of troop advances, first arose for the United States and its allies with the invasion of French North Africa in November 1942. At that time responsibility for civilian-supply was lodged in the State Department, which had authority over all civil affairs and relations with liberated areas. The Department operated through its own Office of Foreign Relief and Rehabilitation Operations (OFRRO) as well as through other civilian agencies such as the Office of Lend-Lease Administration (OLLA).

In addition to assisting the State Department in OFRRO operations, OLLA was directly responsible for lend-lease aid to French North Africa. OLLA supply channels were used to ship to the civilian economy in French Africa beginning in February 1943; since these areas had financial reserves in the United States and were earning dollars from the sale of goods and services to American troops, they paid for their lend-lease shipments. Procurement through the Government (lend-lease) afforded the advantage of coordination with the military operations in supply and movement.

These methods were continued throughout the African campaigns, in which the political considerations of supplying our allies were primarily involved. Military considerations emerged in considerable importance, however, in respect to the impending invasion of the European Continent. It had been increasingly evident that duplication in stockpiles and supply lines to the combat areas existed because of the military and civilian demands. Further, distribution in the battle areas was of necessity under military control and supply to these areas had to be planned and executed in conjunction with the British forces operating there.

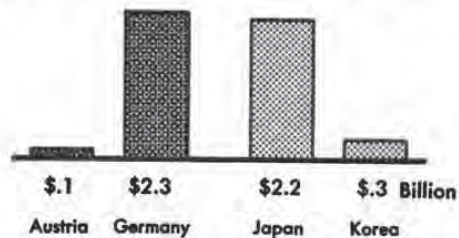
American-British military forces begin aid

In these circumstances, with lend-lease not available to supply ex-enemy areas, the armed forces under Presidential instructions took responsibility to ship and distribute relief supplies for a limited initial period. This mandate provided for military control during—and for a period up to 6 months after—active military operations in an area. Beginning with the landings on Sicily in July 1943 the Army Department furnished foodstuffs and medical supplies under United Kingdom-United States arrange-

Civilian Supplies went first into the battle areas . . .



later into the countries where the United States kept occupation armies . . .



returning as battleground aid in Korea in 1950.

\$66 million in fiscal year 1951

ments for combined operations, and the civilian agencies (OFRRO and OLLA) withdrew from supply operations.

By the end of 1943 Army shipments of civilian supplies to Italy in the Mediterranean theater of operations were exceeding 100,000 tons a month. During late 1943 and early 1944 the United States and the British were mounting OVERLORD, the major invasion of Europe. Concurrently they developed estimates of the import requirements into Europe which would exist in the event of Axis collapse and unconditional surrender. Plans were developed on two assumptions: (a) collapse of the Axis forces without their "scorching of the earth" as they retreated, and (b) collapse of the Axis forces with "scorching." Although the former (the so-called "Plan A") was based on the assumption of optimum conditions, it was adopted for action and modified by actual experience in the field after operations began.

In addition to anticipating requirements, the supply program was established in terms of a combined financial responsibility of the United States and the United Kingdom. The program divided the responsibility based upon the probable source of supply for the required imports.

First-phase supply ceases with war end

Civilian supplies continued to be shipped by the Army into northwest Europe and Italy as operational areas in increasing magnitudes, reaching a total over 2 million tons in the 3 months following VE-day. As the United Nations armies advanced in the war's final year, civilian supplies were also shipped by the military to Austria and the Balkan countries under the combined-supply program which was now being financially supported by Canada as well as by the United Kingdom and United States.

In that year after the invasion of northwest Europe, actual combat had been pushed beyond many of the liberated areas into Germany. As combat declined, the national import programs of the northwest European countries began to function with lend-lease procurement assistance, and the United Nations Relief and Rehabilitation Administration (UNRRA) emerged as a supplier of aid. The armed forces for a while continued to furnish these areas with coal, petroleum products, and clothing and textiles in addition to food. However, by June 1945 civilian-supply shipments by the military had declined to less than half of total North American exports to the liberated countries, and the wartime kind of combined-supply operations virtually ceased at the end of 1945. The more protracted military provision of civilian supplies to Italy was under a special program discussed in the previous chapter.

Meanwhile, from September 1944 through the end of 1945 the United States was providing civilian-supply assistance in the Pacific theater of operations, to the Netherlands Indies (now Indonesia) and the Philippines as the Allied forces liberated these areas.

The Navy Department in mid-1946 was still conducting certain minor civilian-supply activities in Okinawa, Saipan, Tinian, and the Caroline, Marianas, Marshall, and Ryukyu Islands. Food-stuffs comprised the major portion of the \$25 million in aid furnished. Unlike the Army Department procedure of rendering bills to the governments receiving civilian supplies, the Navy distributed most of the supplies direct to civilians through trade-goods stores. The Army took over responsibility for the Ryukyus from the Navy late in 1946.

Recipients billed for wartime grants

The supplies contributed in Europe by the three Governments—Canadian, British, and United States—were pooled under a central control and issued to the liberated areas without regard to source. Before billing operations were discontinued, the total tally for issues to the recipient countries amounted to \$1.4 billion. By agreement among the supplying countries, the United States share of each bill to a northwest European country was set at 62 percent. In each Balkan country the percentage was slightly higher, and in Italy (which includes issues to Venezia-Giulia and Udine) it worked out to 71 percent.

Table 9.—*Combined operations civilian-supply shipments and billings, by country*

[Millions of dollars]

Country	Billings by Combined Civil Affairs Liquidating Agency	
	Total	United States share
Total	1,446	957
Albania.....	2	1
Belgium.....	156	97
Denmark.....	11	7
France.....	269	167
Greece.....	28	17
Italy.....	633	448
Luxembourg.....	9	5
Netherlands ¹	294	186
Norway.....	34	21
Yugoslavia.....	10	6

¹ No settlement agreement recorded.

² Includes United States shipments to Indonesia which were not actually included under combined operations. Settlement for shipments to Indonesia was incorporated into the war-account settlement with the Netherlands Government of May 28, 1946.

The United States share of the bill was waived by this Government as part of the war-account settlements with each country signing a settlement. Table 9 shows the total of bills presented and the United States share.

Supplies required for occupation support

A new or second phase of civilian-supply began after the collapse of Germany in May and Japan in August 1945, with the occupation of these former enemy territories by United States forces. Civilian-supply was necessary in the occupied territories if only to safeguard our own troops from disease and civil unrest.

The objectives of the occupation were taken into account in determining the extent of relief to be provided the occupied countries. Particularly was this true in Germany where the basic living standards of the inhabitants of the United States zone of occupation were not to be supported at a higher level than the average level existing in the neighboring countries

which had been victims of German aggression. In Japan, economic conditions allowed a generally lower standard than in Europe, but nevertheless Japan required a large volume of aid.

In addition to occupying the ex-enemy countries, United States forces remained in Austria and Korea and provided civilian supplies to these countries. Italy after surrendering to the Allies in 1943 had earned the status of a "cobelligent" and was provided with civilian supplies by the military until, as noted previously, the United Nations Relief and Rehabilitation Administration accepted that country as a full participant. Austria, too, was accorded the status of a liberated area and accepted as an UNRRA recipient about a year after the end of the war. Following the liquidation of UNRRA, the armed forces of necessity supplied Austria until later United States Government rehabilitation and recovery programs were established.

Relief items dominate civilian-supply

In its attempts to relieve privation in Germany and Japan the United States Government provided \$4 billion in civilian supplies, divided about equally between the two countries. For a while, funds necessary for civilian supplies in the liberated and occupied areas were included as part of the budget presentations for regular Army appropriations. Beginning with fiscal year 1947, the major portion of the aid was financed by United States appropriations for "Government and relief in occupied areas" (GARIOA).

Foodstuffs, of course, predominated in the relief supplies going to the occupied areas. Fuel and petroleum products, and agricultural supplies and equipment to raise the food production of these countries, represented the other significant categories of assistance.

To support the major relief operation in occupied areas, the Government throughout fiscal years 1948 and 1949 released quantities of clothing and related commodities from excess Army stocks and from surplus stocks of other Government agencies. These supplies were used as incentives to stimulate increased production and collection of food from producers in occupied Japan and Germany.

Armed-forces credit aid for rehabilitation

The internal economies of the occupied countries together with their external-trade patterns—distorted by the war—were difficult to reestablish. The United States Government soon recognized that the single policy of relief feeding of the occupied populations would not be sufficient to regenerate the economies of these areas. Relief demands upon the United States would continue as an increasing burden on the taxpayers unless steps were taken to rejuvenate production and trade in the ex-enemy countries.

Implementing this policy of reestablishing production and trade, the Agriculture Department exported on a credit basis large quantities of cotton to Japan for processing. The credits were later repaid with the proceeds earned by Japan from the sale of textiles in normal trade channels in the Far East. Germany also received and repaid this type of credit aid. The U. S. Commercial Company, a subsidiary of the Reconstruction Finance Corporation, assisted the occupation authorities in administering this program, extending its services as credit aid until repaid. On the same credit basis, the Corporation also provided some other

specialized industrial raw materials to Germany to help that country expand its export trade and was repaid.

In 1949 the Army Department also began to ship cotton to Japan, using the resources of the natural-fibers revolving fund which the Congress had created for this purpose, and also received repayment on this credit aid within a short time.

The total credit aid on these occupied-areas programs exceeded \$275 million, in comparison with the \$6,134-million grants furnished as civilian supplies by the armed forces.

Recovery aid instituted by Army Department

Prior to the evolution of the European-recovery program, agreements had been signed with the United Kingdom Government making one economic entity of the United Kingdom and the United States zones of occupation in Germany. The combined zone continued to receive Army shipments of civilian supplies. When, under the over-all European program, the necessity of integrating Germany into the western European economy was recognized, Western Germany came to include these zones and the French zone of occupation also. Thus aid to Western Germany for recovery purposes was included under the new European program administered by the Economic Cooperation Administration (ECA). Beginning in January 1950, ECA assumed the administration of civilian-supply shipments to Germany; after the residual funds were utilized early in 1951, Germany ceased receiving civilian-supply assistance.

Concurrent with the extension of a program for economic recovery to Germany the United States Government expanded the Army Department civilian-supply program for Japan and the Ryukyu Islands to include raw and finished industrial materials and industrial machinery to speed up recovery in these areas so that they might become self-sustaining.

Military-operation aid revived in Korea

United States forces also occupied Korea south of the thirty-eighth parallel until the Republic of Korea was established in mid-1948. During this occupation the Army provided civilian supplies to support the economy of its zone. ECA assumed supply responsibility for an independent Korea in January 1949, providing increasing economic assistance to Korea as Army shipments dwindled throughout the year.

When the United States armed forces entered battle operations as part of the United Nations forces repulsing the aggression of North Korea, military operations again involved the necessity for direct relief to civilians. Civilian supplies, including material transferred from Army stocks in Japan and Korea, were financed from regular Army appropriations and from a special appropriation for civilian relief in Korea. Responsibility for all supply in the area was returned by ECA to the Army Department late in fiscal year 1951.

Settlements for aid to occupied areas

Civilian supplies have generally been furnished to occupied areas subject to final settlement of United States occupation charges. The principle that costs of such imports by the occupation powers shall be a first charge against the foreign-exchange proceeds has been an accepted part of Government policy since the beginning of occupations. This principle was first explicitly stated as regards Germany at the Potsdam Conference. It was

repeated in the (German) Bizonal Fusion Agreement between the United States and the United Kingdom in December 1946, and accepted by the Federal Republic of Germany in signing the Economic Cooperation Agreement of December 15, 1949, for all aid thereafter.

As a matter of economic policy, however, the United States Government has recognized the danger of inhibiting the economic welfare of the occupied countries with enormous external debts just as they return to the community of free democratic nations. Civilian-supply charges are therefore being written off in accordance with ability to repay, as were most war accounts with liberated countries. The United States, together with the

United Kingdom and France, has indicated its willingness to scale down a substantial portion of its claim against Germany for postwar economic assistance and to fund the remainder on terms similar to those used in European-recovery program loan agreements. The terms of settlement with Japan have not yet been developed.

With respect to Austria, the United States Government offered to delete from the Allied claims against Austria the value of imported civilian supplies delivered between May 8, 1945, and the coming into force of the Austrian treaty. Claims for all relief and rehabilitation to Korea prior to September 11, 1948, were waived in the United States-Korean settlement of that date.

United States Participation in UNRRA

Interallied collaboration on relief to the victims of war began as early as 1941. The United States did not participate in the September 1941 conference at St. James's Palace, but the Government became a member of the Interallied Committee on Postwar Requirements after our entry into the war. By the summer of 1942, Anglo-American discussions for a United Nations organization for relief and reconstruction were well in process.

The immediacy of military success was not apparent, and decision on such an organization was withheld until May 1943, after the United Nations Conference on Food and Agriculture. Within a month, the first draft of an agreement for a United Nations Relief and Rehabilitation Administration (UNRRA) was published by the United States Government on behalf of the United States, United Kingdom, China, and U. S. S. R. On November 9, 1943, representatives of 44 nations signed the UNRRA agreement at the White House before convening at Atlantic City.

UNRRA emerges as postwar assistance

Notwithstanding the planning which took place throughout the war, UNRRA was essentially a postwar activity. Its operations began with the withdrawal of military civilian-supply from an area, generally six months after the actual battle had ceased. The first UNRRA shipments moved from the United States in September 1944, almost a year after creation of the international organization. By the end of June 1945, only \$83 million had been provided from the United States contribution to the program and over half of that constituted cash contributions to the administrative-expense and free-fund accounts of the new agency.

In each of the next two fiscal years, however, over \$1 billion in assistance was provided by the United States Government at the request of UNRRA. Such assistance comprised approximately one-fifth of total United States Government aid in these 2 years. Shortly after June 30, 1947, the United States Government disbursed a final \$16 million to UNRRA to assist the international organization in liquidation of the program.

The United States Government contribution to the work of UNRRA comprised about 73 percent of all governmental contributions to that organization. The ratio was not set as such, but this turned out to be the actual United States contribution to this international relief burden. Each contribution from governments of countries where home territory had not been occupied was set at 1 percent of the national income in the base year ended June 30, 1943. The two United States contributions, authorized in 1944 and 1945, totaled \$2.7 billion. The cumulative UNRRA resources of \$3.7 billion from member governments had the following origin:

	<i>Billions of dollars</i>	<i>Percent</i>
Total contributions by member governments.....	3.66	100
United States.....	2.67	73
British Commonwealth.....	.89	24
United Kingdom.....	.62	17
Canada.....	.14	4
Other.....	.14	4
Other member governments.....	.10	3

UNRRA operations develop from lend-lease

In the original planning for the postwar relief program, consideration had been given to the extension of lend-lease aid to cover these needs. As noted previously, the first Allied counter-invasion, in North Africa, was supported by supplies furnished for the civilian economies through the lend-lease program, most of which were paid for by the recipients. The facility of the lend-lease procurement method, plus the ability to use Government funds to purchase for stockpiles, had been evident.

In the lend-lease operations, however, relief was subject to being subordinated to the strictly military requirements for lend-lease aid. The interjection of a multilateral international organization like UNRRA, with both donors and recipients formally participating, relieved the United States of some of the

relief burden, assured a more vigorous international cooperation, and by pooling of even the smallest of donations, added to the nonoverlapping, efficacious use of the available assets.

Similarities between the United States participation in UNRRA and the lend-lease program were noticeable in the domestic operations of the supply program. Here UNRRA, like lend-lease, encompassed direct Government financing and supply, including the contribution of goods and services in kind through direct Government operations. Noticeable also was the coordination of the UNRRA program with the lend-lease and military programs in summing the demands on the United States economy.

In the field of foreign relations, however, dissimilarities between UNRRA and lend-lease appeared. Although UNRRA was a mutual program, an important distinction from lend-lease existed in that no reciprocal aid returned to the United States. The contribution to UNRRA was completely a grant—without recourse to later settlement or discussion—to an international organization. This organization, with more than 40 nations participating, was designed to allocate the world's contributions of resources in equitable fashion to the deserving.

Free funds provided for UNRRA to spend

Whereas the Congress had provided separate appropriations for specific categories of lend-lease aid by commodity, no such limitations applied to the UNRRA program; the total amounts were made available without commodity limitations. Nineteenth of the aid the United States contributed represented supplies and services furnished through Government procurement channels. Such United States Government-procured supplies represented 63 percent of the total commodities handled by UNRRA. By the terms of the international agreement and subsequent United States legislation, 10 percent of the United States contribution was given to the international organization as free funds to be expended anywhere, for such purposes as UNRRA chose.

Of course, in some countries the United States contributed more than its over-all 63 percent share of the total aid UNRRA shipped; in others, non-United States Government procurement sources were more predominant. Table 10 shows the general range of distribution of the commodities contributed by the United States against the total supply operation. The Government-procured commodities, plus the Government-supplied freight, are the basis for the geographical destination of the UNRRA aid data generally used in this report. (See appendix table E.)

UNRRA was primarily designed to help the liberated countries which did not possess foreign exchange or means of acquiring funds. For this reason, its assistance was not provided to western European countries, most of which were considered to have reserves available to purchase relief items.

Relief supplies concentrated in foods

The UNRRA program incorporated the first two of the three "R's" of the postwar economic problem—Relief, Rehabilitation, and Reconstruction. The first of these was, of course, the primary objective. But it was necessary also to restore those parts

of a nation's economy which were essential to administration of the relief program, and to give each country and its people some tools with which to begin helping themselves. UNRRA rehabilitation shipments thus primarily consisted of transportation equipment to move the relief foodstuffs, agricultural equipment to expand indigenous food production, and raw materials and tools to be used in fabricating relief goods.

Foodstuffs and feeds comprised over half of the supplies provided by the United States for the UNRRA program. Such shipments included grains and flours, fats, milk, vitamins, and other commodities required for direct nutrition. Another

Table 10.—UNRRA total supply operation and share met directly from United States Government shipments, by country

[Amounts in millions of dollars]

Country	Total UNRRA operations	United States Government shipments	
		Amount	Percent
Total contributions by member governments¹.....	3,663	2,671	73
Commodities distributed.....	2,863	1,806	63
Finland.....	2	2	75
Philippines.....	10	7	71
Italy.....	418	287	69
U. S. S. R.....	249	166	67
Albania.....	26	17	65
Greece.....	351	227	65
Poland.....	478	307	64
Yugoslavia.....	416	256	62
Czechoslovakia.....	261	160	61
China.....	509	309	61
Korea.....	1	1	55
Hungary.....	4	2	48
Austria.....	136	65	48
Ethiopia.....	1	(†)	41

† Less than \$500,000.

¹ Includes expenses for freight, administration, and other services, and free-fund contributions.

² Includes commodities procured with free funds contributed by the United States Government totaling \$225 million; thus the United States contribution financed as much as 71 percent of all commodities supplied.

Sources: The Financial Report of the United Nations Relief and Rehabilitation Administration and United States Department of State.

one-sixth of the materials supplied consisted of clothing, textiles, and footwear, including wool and cotton for the manufacture of clothing and blankets for the war-devastated countries. Additional used clothing valued at over half this amount was donated by individual Americans to UNRRA through private channels, to be repaired and then shipped abroad.

The remaining third of the supplies furnished by the United States included communication and transportation equipment and the fuel, lubricants, and petroleum products to operate these; other industrial machinery and equipment and necessary raw materials; and agricultural supplies and equipment such as horses, cattles, implements, fertilizers, pesticides, and seeds.

An important element in the contribution of supplies to UNRRA by the United States Government was the use of surpluses

available from our military and lend-lease stocks. UNRRA obtained over \$200 million worth of such material from United States overseas surplus.

UNRRA assists refugees and resettlement

From 1944 until June 1947 the UNRRA organization was the focus for care and resettlement of the displaced refugees, particularly children, in the aftermath of the war. UNRRA fed and cared for these people, kept them healthy, ran schools, taught new trades. Meanwhile families were reunited through UNRRA's Central Tracing Bureau, and over a million persons were repatriated with UNRRA assistance.

Much of the work with displaced persons was carried on by private voluntary relief agencies with UNRRA coordination and supervision.

When UNRRA operations ceased in 1947, over half a million people were still in displaced persons camps in Germany, needing resettlement but not able or not willing to return to their homelands. The camps were turned over to the Preparatory Commission of the International Refugee Organization established by the United Nations to ameliorate the problems of this last "hard core" of stateless peoples.

Concept of secondary assistance introduced

Control of local-currency proceeds from foreign aid had its genesis in the UNRRA program, introducing a major variation

from the lend-lease practice. Lend-lease goods granted without cost to the recipient governments had, to the extent that they flowed into the normal consumption channels of the receiving country, resulted in local-currency proceeds from their sale to individuals. Such lend-lease proceeds were retained by the beneficiary governments and used at their sole discretion. Local-currency proceeds from civilian-supply shipments had been used by the beneficiary governments or retained in reserve accounts pending final international settlement of war accounts.

UNRRA goods, although "relief" commodities, were turned over to the national government involved upon entry at its ports and were distributed as much as possible through normal wholesale and retail channels. People who were able to pay purchased their share of relief supplies, while those unable to pay received their share without charge. The proceeds derived from the sale of UNRRA supplies were used to defray the cost of UNRRA missions in the country; for operation of the displaced-persons program; and for rehabilitation projects—such as transportation facilities, hospitals, and nurseries—which could be constructed by local labor and paid for with local currency.

The local disbursements under UNRRA surveillance provided a secondary benefit of the aid program in stimulating local economic improvement. This new concept of controlled use of the local proceeds of foreign aid was to be elaborated in subsequent United States Government foreign-aid programs.

Post-UNRRA Relief and Interim Aid

In many countries the UNRRA program achieved its major objective, paving the way for reconstruction. Even after the experience of the longest and coldest European winter of a century in 1946-47, UNRRA aid had made itself felt and, in words of its first director, "saved millions of people in Europe and Asia from starvation, fatal disorder, and black despair." However, before the conclusion of the UNRRA program it had become increasingly evident that some additional foreign-aid measures on the part of the United States Government would be necessary to complete the task of postwar relief. This assistance was required in western and central Europe in order to maintain the physical strength and economic vitality which UNRRA had been able to restore. In particular, relief was necessary in 1947 before the harvests became available. This relief was provided by the post-UNRRA program enacted by the Congress.

The United States Government in the post-UNRRA program entered into direct relief supply instead of supply to an international pool as had been the case with UNRRA. Nevertheless, the post-UNRRA program was established with the consideration that this Government would bear only 50 to 60 percent of the foreign requirement for external relief, with the remainder to be met by other nations in a position to assist.

At the end of fiscal year 1947, when the United States contribution to UNRRA stopped, shipments were beginning from the post-UNRRA relief program. By this time, proposals for the

Marshall plan had been made. Pending such a long-range program, it was obvious that still further assistance than that offered by the post-UNRRA program would be required to provide the Austrian and Italian people with the basic essentials of life. Furthermore, aid was also needed by France, which had received no assistance through UNRRA or under the post-UNRRA program. These additional relief requirements were met by the interim-aid program.

Total aid furnished under the two programs—post-UNRRA and interim aid—exceeded \$800 million, almost entirely in the transitional year between the end of UNRRA and the beginning of the European-recovery program. This aid was shared by Austria, France, Italy, and China. Trieste also received a portion. After completion of post-UNRRA shipments to Greece, some relief aid was also provided under the Greek-Turkish program, to tide it over until the recovery program began.

Government curtails supply operations

The post-UNRRA program operated for the most part through Government agencies actually purchasing and supplying commodities required under programs developed in conjunction with the American missions abroad and the recipient countries.

However, the expressed policy of the United States Government was to withdraw from the supply field and return such operations to private trade channels. The withdrawal began in

the post-UNRRA program with the financing of coal shipments to Italy. Here the foreign government bought from domestic suppliers and was reimbursed in cash by the United States Government.

This method of operation was continued in the interim-aid program. Interim-aid funds were provided to Italy to buy other commodities, and France procured two-thirds of its supplies in this manner. Thus in fiscal year 1948 the United States Government discarded any stress on Government supply and concentrated on Government financing. Such concentration was to be the focus of the forthcoming European-recovery program. In the latter program, procedures were to be carried further, fostering international trade through commercial channels also in the foreign countries, as an extra stimulus to their economic freedom and recuperative development.

The grants financed under the post-UNRRA and interim-aid programs did not include any rehabilitation equipment, but were confined primarily to foodstuffs, cotton, and fuel. Some seeds, fertilizers, and pesticides, as well as medical supplies, were also made available.

The United States Government engaged in the post-UNRRA relief and interim-aid programs not only because of economic and political considerations but also because of an inherent humanitarianism. During this period, gift parcels worth almost a quarter of a billion dollars were shipped abroad each year by private American citizens, as individuals and through relief agencies. Through its post-UNRRA program the Government

stimulated these donations by paying for the ocean transportation of supplies donated to or purchased by American voluntary and nonprofit relief agencies.

American controls instituted abroad

Because the United States entered into the post-UNRRA relief and interim-aid programs directly with each individual country, bilateral agreements were negotiated outlining general procedures and controls governing each grant. Agreement provisions called for a rationing and price-control system in each country so that all classes of people within a country would receive their fair share of essential supplies. The local proceeds which a recipient country derived from the sale of relief goods were set aside in special funds, and used for secondary assistance, following the practice instituted by UNRRA. In these new programs, however, the funds were usable only with the approval of the United States—for relief and allied rehabilitation purposes and for the local-currency expenses of the United States incident to the furnishing of relief.

In further continued development from the experiences of the lend-lease and UNRRA operations, the agreements for the post-UNRRA and interim-aid programs provided for American missions to supervise and inspect the distribution of relief supplies in the foreign countries. The Government insisted upon adequate publicity regarding the United States origin of this relief as further evidence to the individual beneficiary of our collective interest in the welfare of foreign countries.

Other War Relief Operations

The United States Government's recent interest in the innocent victims of total war's chaos extends back to the founding of the Intergovernmental Committee on Refugees in 1938 and to the foreign war-relief contributions through the American Red Cross in 1940. Assistance through these programs preceded the UNRRA and other relief operations.

Although the Government after the conclusion of the UNRRA program decided to restrict further foreign aid to direct contributions to beneficiary governments, it continued its participation in two specialized intergovernmental relief agencies: the United Nations International Children's Emergency Fund (ICEF) and the International Refugee Organization (IRO). These organizations took over from UNRRA in the provision of relief to children and displaced refugees.

Refugees assisted during the war

United States interest in activities on behalf of refugees caused the Government in 1938 to propose the conference which established the Intergovernmental Committee on Refugees. Contributions were made to the Intergovernmental Committee until the establishment of IRO in fiscal year 1947. From early 1944 until just after VJ-day, the War Refugee Board was the United States Government agency responsible for the development and opera-

tion of measures for the rescue, transportation, maintenance, and relief of victims of enemy oppression.

The War Refugee Board was concerned with the immediate rescue and relief of persecuted persons, while the Intergovernmental Committee was more concerned with subsequent relief, repatriation, and resettlement. Operations of the Intergovernmental Committee, financed principally by the British Government and by the United States Government through the War Refugee Board and the State Department, ended with the establishment of the International Refugee Organization.

IRO resettles war-disturbed populations

When UNRRA concluded its operations on behalf of displaced persons in mid-year 1947, the Preparatory Commission for the International Refugee Organization took over the burden of resettling more than a million Europeans, most of them temporarily residing in displaced-persons camps. The United States Government contributions to the Preparatory Commission and to IRO exceeded \$70 million in each of the fiscal years 1948-50 and amounted to \$25 million more in fiscal year 1951 for the final wind up. These contributions represented from 50 to 60 percent of the total funds made available by the United Nations governments participating in IRO.

IRO responsibilities with respect to displaced persons and refugees included repatriation, care and assistance, legal and political protection, transport, and resettlement and reestablishment in countries willing and able to take them. About half of the IRO's resources were used in repatriation and resettlement, and about 40 percent for health, care, and maintenance of the refugees. In this connection, over \$8 million of the United States contributions was given to IRO as merchandise by the Army. IRO purchased supplies worth \$24 million more from the Army and Agriculture Departments and paid \$57 million to the Army and Navy Departments for use of transports in the mass resettlement of the refugees all over the world.

Red Cross helps distribute aid abroad

The first United States relief funds for the war-disturbed populations were appropriated by the Congress in June 1940 for "refugee men, women, and children who have been driven from their homes or otherwise rendered destitute by hostilities or invasion." This legislation authorized the transfers of agricultural, medical, and other relief supplies through the American Red Cross.

Some Government-procured supplies such as textiles were made into garments or otherwise processed, in many instances by the Red Cross chapters in the United States. The total value of supplies distributed abroad by the Red Cross exceeded \$200 million. This amount included \$23 million in raw materials supplied by the Government and incorporated into other Red Cross donations, and \$50 million in Government foodstuffs and supplies turned over to the Red Cross.

Distribution of the Government-supplied foreign aid through the Red Cross was supervised by the American or other national Red Cross societies abroad and continued in an even flow throughout the war. Shipments ceased in the first postwar year.

Children's relief under post-UNRRA program

The first United States Government contribution to the International Children's Emergency Fund was authorized in the enactment of the post-UNRRA relief program. With the stipulation that, except for an initial contribution of \$15 million, the United States contribution should not exceed 57 percent of that provided by all participating governments, \$40 million was made available for ICEF. One year later an additional \$35 million was appropriated for the children's program and the basis of matching was changed to be 72 parts from the United States Government to 28 parts of other governmental contributions. Disbursement of these funds was made periodically over the 4 years until they were completely expended in February 1951.

Most ICEF resources were devoted to the feeding of children and of expectant and nursing mothers who required relatively high nutritive diets. Each area receiving aid matched the Fund contribution with local foodstuffs of an equivalent caloric value. ICEF also provided raw materials for clothing and shoes; the recipient countries provided labor and manufacturing expenses and returned the product to the Fund missions for distribution. Over four million children and mothers received ICEF assistance.

An important aspect of the ICEF program was the anti-tuberculosis immunization campaign, carried on to combat one of the gravest of the postwar child-welfare problems. ICEF also provided other medical aid.

Recovery and Rearmament



IN the Atlantic Charter Declaration of 1941, the United States and United Kingdom Governments set forth certain basic objectives of a postwar international economy. These avowals were reinforced early the next year in article VII of the Lend-Lease Master Agreement. Throughout the United States participation in the war, international and domestic discussions resulted in further development and elaboration of these principles.

United States economic policy in the postwar period moved to eliminate the burden of restrictive and discriminatory practices and to promote stability in international exchanges and the expansion of multilateral trade. The Government also recognized the necessity of encouraging productive investment in other

countries in order to provide dollar exchange for sustained large purchases of American exports.

With this background and perspective, the United States Government—concurrent with the relief and rehabilitation undertakings described in the preceding chapter—instituted several programs for foreign economic reconstruction, adaptation, and development. Many of these programs, in contrast with those of wartime origin, called for eventual repayment of the aid extended by the United States Government. Meanwhile the Truman Doctrine offered assistance in combating political and military pressures against the democratic nations. These pressures were to force a return to mutual military aid as the major factor in foreign aid.

International Institutions

The Articles of Agreement for the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) were prepared at a Conference of the United Nations which met at Bretton Woods, New Hampshire, in July 1944. This Conference evolved from international consultations over a long period and established the two institutions as a practical basis for cooperation by all the United Nations in dealing with postwar monetary and financial problems.

United States Government participation in the Fund and the Bank was approved by legislation just a week before the Japanese surrender. A number of other countries took the necessary steps to join the two international organizations, and their establishment according to the Articles of Agreement was assured in 1945.

Aid totals exclude Bank and Fund subscriptions

By June 30, 1951, the United States Government had disbursed \$2.1 billion in dollars and gold and had issued (net) \$1.3 billion in non-interest-bearing nonnegotiable notes toward payment of its subscriptions in the two Bretton Woods Conference institu-

tions. The two international organizations used \$1.4 billion from these funds—and from additional funds raised in the capital market and supplied by other members—to assist member countries in expanding and stabilizing their economies, particularly their international trade, and in economic reconstruction and development.

Although the payments of the United States Government to the International Bank and the Fund represent another effort to promote foreign economic development, neither the original capital investment of the United States Government nor the disbursement to a beneficiary country is included in the United States Government foreign-aid totals appearing throughout this publication.

Monetary Fund promotes growth of trade

One of the purposes of the International Monetary Fund is to facilitate the expansion and balanced growth of international trade. In this field it operates through stabilization of exchange rates; through cooperative, progressive removal of exchange and

payment restrictions; and by provision of a supplementary source of foreign exchange from which a member country may receive assistance in correcting short-run balance-of-payments maladjustments without resort to restrictive measures.

The Articles of Agreement of the Fund are designed to provide standards of fair exchange practices to guard all participants against arbitrary and destructive measures. They also provide for the establishment of par values; changes in parity require the approval of the Fund (unless cumulative changes have not exceeded 10 percent) and may be made only to correct a fundamental disequilibrium.

An important provision of the Fund Agreement is that current transactions should be free of exchange restrictions—except as approved by the Fund. During the postwar transitional period members may retain restrictions. Because large and persistent disequilibriums in the dollar accounts of many countries have caused heavy drains on their gold and dollar reserves, only a few countries have fully eliminated their exchange restrictions.

IMF operations concentrate in dollars

The provision of the Fund's resources to aid member countries is intended to be for temporary uses only, not to finance a persistent deficit. Thus, IMF resources are available to a member to meet an adverse balance of payments on current account, but are not to be used to enable a member to accumulate foreign balances or to make permanent investment abroad.

Table 11.—*International Monetary Fund transactions in United States currency, by country: From inception through June 30, 1951*

[Millions of dollars]

Purchaser or seller	IMF sales	IMF purchases ¹
Total	765.9	43.2
United Kingdom.....	300.0	
France.....	125.0	
Netherlands.....	62.5	
Belgium.....	33.0	12.1
Other European members.....	41.3	
Brazil.....	37.5	
Mexico.....	22.5	7.6
Other American Republics.....	10.5	5.2
India.....	100.0	
Australia.....	20.0	
Other members.....	13.6	18.3

¹ Represents IMF purchases of dollars from countries repurchasing their own currencies in settlement of previous sale.

Source: *International Financial Statistics*, December 1951, page ix.

The resources of the Fund result from subscriptions made by the members in their own currencies and in gold, the latter generally comprising at least 25 percent of the quota. The total resources of the Fund on June 30, 1951, were equivalent to \$8 billion, of which the United States Government had provided \$2½ billion.

With the persistent disequilibrium in the international accounts of most countries centered largely in dollar transactions, IMF operations have been almost entirely in United States currency.

From the time the Fund began exchange transactions in March 1947 through the end of fiscal year 1951, the Fund's net dollar sales have totaled over \$700 million. In 1947 they exceeded \$450 million, but were less than half that amount in 1948, and halved again in 1949. Subsequently no further sales were made through June 30, 1951, but some repurchases occurred.¹

The Fund received \$687½ million in gold and \$280½ million in dollars from the United States as part of its subscription; and accepted \$1,782 million in non-interest-bearing nonnegotiable demand notes from the Government for the remainder not currently needed for operations. After a series of redemptions and repurchases the Fund on June 30, 1951, still held \$1,283 million in these notes.

Thus, direct United States Government operations with IMF provided that organization with almost \$800 million in United States dollars which the Fund sold to other countries for use in paying for their current trade deficits, as shown in the accompanying table 11.

Government subscribes to Bank capital

The second Bretton Woods institution—the International Bank for Reconstruction and Development—is intended to play a major role in long-range productive international investment. As its name shows, this organization was intended to provide capital both to build factories, dams, power plants, and transportation systems in countries ravaged by the war, and to enhance the resources of the economically underdeveloped areas of the world. Direct loans and guaranteed loans of IBRD are additional loans, over and above the private loans that would ordinarily be made.

As a reflection of the concentration of international financing demand in dollars, over \$600 million of total IBRD disbursements were in United States currency. Under the Articles of Agreement of the Bank, the United States Government generally must give prior consent to any use of its currency subscription; most of the dollars disbursed on loans have accrued to the Bank by virtue of the United States Government subscription.

Although the total subscribed capital stock of the Bank is \$8.3 billion, only 20 percent has been paid in by member countries; 2 percent was called in gold or United States dollars, and 18 percent in the members' currencies. The remaining four-fifths of the capital-stock subscription is subject to call to meet the obligations of the Bank. The United States Government has paid \$635 million (representing 20 percent of its total subscription of \$3,175 million) to the Bank. Most of the original payment was made in non-interest-bearing nonnegotiable demand notes of the United States. The Bank presented these for payment in 1947-49 as the disbursements on its loans rose.

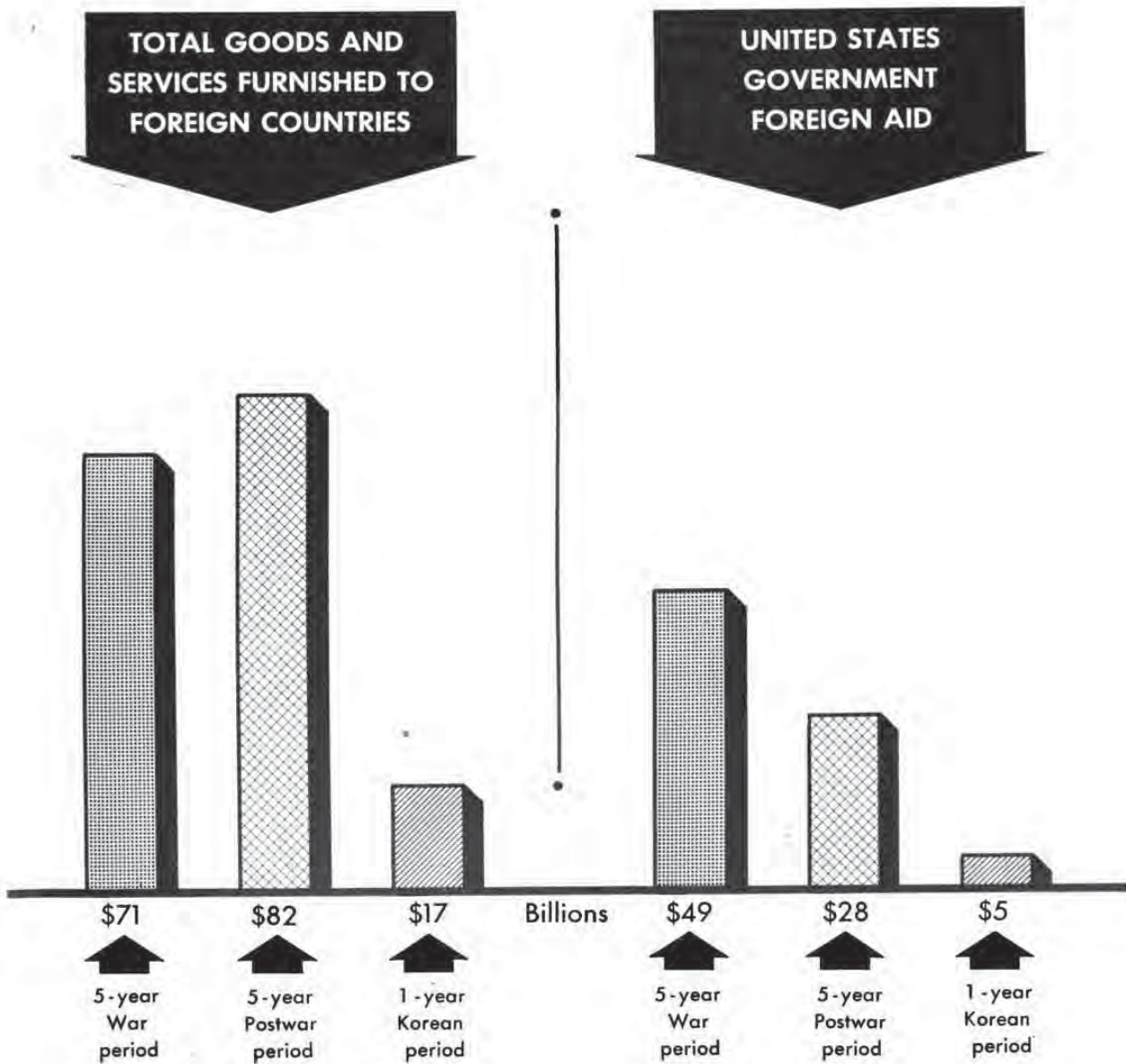
The International Bank had also by the end of June 1951 sold over \$300 million of its bonds to private investors for dollars. The proceeds of these bond issues have been used, with United States Government approval, to extend loans.

IBRD operations turned to development loans

The International Bank loans were at first directed toward reconstruction in western Europe. As in the case of the Fund,

¹ In reality, purchases by individual member countries did not generally exceed the amounts of gold or dollars paid into the Fund by those members as the part of their quota required in gold or dollars. For those countries in which an excess did occur, the total excess of dollar sales by IMF was less than \$175 million.

Foreign Aid financed a large volume of the goods and services furnished to other countries by the United States



however, it became clear that the magnitude of the European-recovery problem was more than had been originally anticipated at Bretton Woods and that the complete program could not be financed predominantly on a loan basis under the charter of the Bank. The European-recovery program of the United States Government took over the burden of reconstruction aid, and the International Bank concentrated on development loans.

The Bank's loans then went principally to Latin America; India, Australia, and the Union of South Africa also received large commitments for development credits. The biggest portion of IBRD loan disbursements was made in 1947 and 1948, although sizable outlays have since been made. The equivalent of almost \$700 million had been disbursed by June 30, 1951, at which time over \$400 million more was committed for future disbursement.

Export-Import Bank

At the end of World War II it was recognized that, although the International Bank might eventually be the principal avenue for dollar credits to foreign countries for reconstruction and development, it would not be in effective operation for 1½ to 2 years. Even then there would be need for a United States Government agency such as the Export-Import Bank (EIB) in the field of foreign-trade financing. This was true partly because there were certain types of financing in which the International Bank would not engage and partly because there were certain national purposes to be served through the institution already in existence.

The Export-Import Bank had been created in 1934 pursuant to the National Industrial Recovery Act, to make loans for the purpose of promoting the recovery of United States foreign trade. Helped by an increase in its loan authority to \$700 million in September 1940, EIB became a significant instrument in the Western Hemisphere foreign-economic policy of the United States Government. With its added funds, EIB began to make loans to assist in combatting the extensive economic penetration of the Axis Powers in the American Republics. Loans were also made for the purpose of developing needed sources of supply for strategic materials such as iron ore, tin, and tungsten.

The most significant change in the character of Export-Import Bank activities coincided with a further, and much larger, increase in lending authority—to \$3½ billion in July 1945. At this time the Congress removed the prohibitions on loans to countries in default on their World War I debts. Testimony preceding this legislation made it clear that in addition to promoting foreign trade the Bank was now charged with the specific task of assisting in the reconstruction of Europe and other war-devastated areas. The immediate postwar years saw a tremendous increase in the activity of the Bank. Outstanding credits expanded from \$214 million in mid-1945 to \$2,236 million in June 1948.

The effect of the International Bank for Reconstruction and Development and the European-recovery program upon Export-Import Bank's expansion was marked; in the next 3 years outstanding credits rose slowly—to \$2,322 million by the end of fiscal year 1951. Shortly thereafter the lending power of the Bank was raised another \$1,000 million to continue and extend operations, with increased emphasis on development of supply sources for strategic materials for the United States.

Bulk of wartime loans to American Republics

No limit had been set upon the loan authority of the Export-Import Bank in its first 5 years of existence, and the first one was

set at \$100 million in outstanding loans. In the 6-year period through June 30, 1940, total net credit authorizations by the Bank were only \$318 million, and slightly more than half this amount had been utilized. As a result of repayments, the net outstanding credits reached \$98 million—just within the initial limit, which existed until March 1940. At that time the limit was raised to \$200 million—to be further raised, as has been mentioned, to \$700 million a few months later.

During the next 5 years the Bank extended over \$500 million in net credit authorizations, over four-fifths of which went to the American Republics. Most of the remainder was authorized for China and Canada. During these 5 years utilizations aggregated \$329 million, and repayments \$214 million, for a net increase in outstanding indebtedness to the Bank of \$115 million.

Loan credits extended by the Bank were generally to foreign governments for development projects or in participation with United States exporters to finance specific transactions. As an instrumentality of United States Government foreign-economic policy, EIB lent to facilitate the construction of the Inter-American Highway and the development of strategic-material resources. For the most part these credits were for medium terms at 4 percent interest.

EIB finances residual lend-lease contracts

In view of the termination of European hostilities and the expressed congressional restrictions on the use of the lend-lease program for postwar purposes, the lend-lease appropriation passed in July 1945 had been explicitly based on the assumption that the lending authority of the Export-Import Bank would be increased to finance deliveries of industrial equipment and supplies which were not required for the direct prosecution of the war. In that same month a \$2.8-billion increase in EIB lending authority was voted.

The Bank's net loan commitments exceeded \$2 billion in fiscal year 1946. These commitments were mainly to liberated and war-devastated countries of Europe for reconstruction purposes. Such reconstruction loans were of two distinct types: "lend-lease" credits and other reconstruction credits.

As part of the lend-lease program described in chapter 3, the United States Government early in 1945 had signed agreements to provide supplies to France, Belgium, and the Netherlands. In September 1945 Export-Import Bank authorized credits totaling \$655 million to these countries to finance the purchase of products for which requisitions had been filed and approved before VJ-day under provisions of the earlier lend-lease

agreements but for which the Government had not contracted with suppliers as of September 2, 1945. Since these credits served to carry out previous commitments of the United States Government, the terms with respect to maturities and interest rate were made the same as those of the canceled lend-lease agreements.

Other reconstruction credits over \$1 billion

Other reconstruction credits totaling \$1,181 million were authorized by EIB in fiscal year 1946 as shown in table 12. Eighty-seven percent of these were to European countries and the remainder to Asiatic countries. The largest of these was the \$650-million credit to France authorized in May 1946 for the purchase of equipment and materials required for the reconstruction and modernization of French industry. This credit is on terms and conditions similar to those of most of the other reconstruction credits of EIB. It bears 3 percent interest and the principal is repayable over 20 years in semiannual installments beginning January 1, 1952.

Table 12.—Net credit authorizations by the Export-Import Bank, by country: Fiscal year ended June 30, 1946

[Millions of dollars]

Area and country	Total	"Lend-lease" terms	General reconstruction	Exporter and export trade development	Cotton credits
Total	2,080	655	1,181	111	133
Europe	1,762	655	1,022	^a 15	100
Belgium.....	100	55	45		
France.....	1,200	550	650		
Finland.....	32		15	^a 8	5
Netherlands.....	217	50	157		10
Norway.....	40		50	^a 10	
Poland.....	40		40		
Other Europe.....	133		45	3	85
Asia	192		159		33
China.....	67		34		33
Indonesia.....	100		100		
Saudi Arabia.....	25		25		
American Republics	126			126	
Brazil.....	43			43	
Chile.....	37			37	
Other American Republics.....	46			46	

^a Excess of cancellations and expirations.

^b Later reclassified as a development loan.

The Netherlands was the other major negotiator of reconstruction loans, for a total of \$250 million in two credits. One of these, originally for \$200 million, was a short-term credit payable in two equal annual installments with interest at 2½ percent. A notable feature of this credit was the participation in it by private capital (about 45 commercial banks) to the extent of \$93 million without recourse to or guaranty by the Export-Import Bank, thus reducing the EIB commitment on this loan to a net figure of \$107 million. In August 1947 at the request of the Netherlands the obligations to the Bank on this credit

due to mature in 1948 and 1949 were extended to permit repayment in three equal installments in the years 1950, 1951, and 1952, with interest increased to 3 percent.

Another part of the fiscal year 1946 credit authorizations was the cotton credits which were designed to promote the return of the postwar cotton trade to normal private channels. These credits carried maturities from 15 to 24 months after the approximate date of arrival of the cotton abroad. The interest rate was 2½ percent. Such credits totaling \$100 million were established in October 1945 to finance shipments of cotton to a number of European countries. In January 1946, the Bank authorized a separate cotton credit of \$33 million to China.

After reconstruction, authorizations decline

Anticipating the opening of operations of the International Bank for Reconstruction and Development, the Export-Import Bank early in fiscal year 1947 began to bring to an end its emergency program of large reconstruction loans of a general character. At the same time it began reverting largely to the types of foreign-trade financing characteristic of its prewar operations—namely, a selective program of financing individual export transactions or specific development projects in foreign countries. This program was specifically designed to contribute, over a period of time, toward a better balanced two-way foreign trade.

Credits authorized during fiscal year 1947 were one-eighth those authorized in the first postwar year, thus illustrating the change in the character of EIB loans. Even before the inception of the European-recovery program, the Export-Import Bank generally discontinued the authorization of substantial credits to Europe, and in fiscal year 1948 the Bank authorized no reconstruction credits to European countries.

Canada draws on short-term EIB loan

A \$300-million credit commitment to the Government of Canada comprised two-thirds of the EIB fiscal year 1948 gross credit commitment. The advances on this sizable credit to Canada were repayable in three approximately equal annual installments beginning at the end of the third year, with interest at the rate of 2½ percent. In addition, the Canadian Government agreed to pay one-half of 1 percent during the life of the credit on any portion not utilized commencing with the date of the credit agreement (January 2, 1948). This commitment charge provision is unusual in loans of the Export-Import Bank but is usually contained in loan agreements of the International Bank.

Canada had experienced a substantial loss of gold and dollar resources as a result of a deficit in its trade with the United States, although it had a surplus in its trade with European countries. The loan was made for the purpose of assisting Canada to continue importing essential equipment and industrial raw materials from the United States with a view to maintaining a high level of production in Canada. The American private credit market had been approached, but it was not then responsive to any substantial Canadian borrowing.

The loan by EIB tided over the Government of Canada until the private capital market became receptive. Then in August 1948 the Canadian Government placed a loan of \$150 million with three American insurance companies. Of this loan, \$140 million was used on August 16, 1948, to repay that part of the EIB credit

which had been drawn down. The remaining \$160 million of the line of credit was canceled owing to the easing of the Canadian dollar position.

Foreign-production development fostered

In fiscal year 1949, EIB endeavored to direct its credits toward the financing of exports of equipment, materials, and services which would expand the productive and export capacities of the borrowing country. It attempted to facilitate private investment in productive enterprises abroad by sharing credit risks with United States investors. The Bank also tried to promote the export of United States skills and organizational and managerial experience by requiring and financing such services in connection with projects which it financed.

However, at the same time the Marshall plan had removed most of Europe from the range of EIB operations. EIB gross credit authorizations in the year were at a postwar low of \$175 million, of which the Government of Israel accounted for \$100 million. This latter credit was designed to assist in financing development projects forming part of an over-all program for balanced economic growth in the new state.

Authorizations increased in fiscal years 1950 and 1951; in each of these years about \$400 million in new credits was authorized. Credits authorized to Mexico (\$153 million), Argentina (\$130 million), Indonesia (\$100 million), Brazil (\$71 million), and Yugoslavia (\$55 million) comprised over half the total. The remainder consisted of smaller loans to several countries and were mostly for development purposes.

In the latter year EIB began extending credits to finance the development in foreign countries of strategic and critical materials needed by the United States for its rearmament program. Such credit agreements were usually tied into procurement agreements between the General Services Administration and the borrower whereby the entire production, or most of it, from the financed projects would be sold to the United States Government over the period of the credit. Most commonly these projects were approved—but the credits were not guaranteed—by the foreign government.

Utilizations follow pattern of postwar rise

It is quite evident from this record that credit authorizations in the postwar period tended to change rapidly with economic developments. Utilizations from these authorizations, while representing the actual foreign aid as measured in this analysis, lagged by one to two years. The peak year for utilizations was thus fiscal year 1947, when over \$1 billion was actually provided for foreign account. During the succeeding year nearly \$600 million was utilized on EIB credits. In fiscal years 1949 through 1951 utilizations declined to about \$200 million annually. Gross EIB utilizations during the 6-year postwar period amounted to \$2,878 million.

Principal repayments in the same period totaled \$770 million, rising from \$38 million in the first postwar year to \$138 million in fiscal year 1951. The extraordinary repayment of the Canadian loan in fiscal year 1949 raised EIB principal collections that year to \$279 million and brought a decline in the outstanding credits during that year.

On the whole, EIB net credits, representing the increase in

outstanding indebtedness to the Bank, rose \$2,023 million in the first three postwar years and then only \$85 million in the second 3-year period. That the EIB operations were in two waves—the immediate postwar, and a later one—is also disclosed by examination of the unutilized authorizations carried on the Bank books, which ran from \$336 million to \$1,849 million in the first postwar year, and dropped through fiscal year 1949 to \$381 million before turning upward to reach \$685 million on June 30, 1951.

EIB integrates with private capital market

To foster private trade, the Export-Import Bank has commercial banks in various parts of the United States act as agents under agency agreements in instances where the loan transactions are better conducted through customary private trade channels

Table 13.—*Export-Import Bank loans outstanding and held by agent banks*

[Amounts in millions of dollars]

Date	Total	Held by agent banks	
		Amount	Percent
June 30, 1940	99	48	48
June 30, 1944	223	56	25
June 30, 1945	214	79	37
June 30, 1946	734	127	17
June 30, 1947	1,758	192	11
June 30, 1948	2,236	173	8
June 30, 1949	2,172	120	6
June 30, 1950	2,233	83	4
June 30, 1951	2,322	45	2

than through direct advances by the bank. The banks to be employed as agents are selected by the borrowers with the approval of the Export-Import Bank. A separate agreement is executed with each bank under each loan involving the use of agent banks, and generally provides that—

1. The agent bank shall make disbursements under the loan negotiated by EIB from the agent bank's own funds.
2. The agent bank shall receive directly the payments of principal and interest made by the borrower.
3. The interest received under the loan shall be divided between the agent bank and EIB on a fixed basis.
4. EIB shall at any time on demand by the agent bank—and may at any time voluntarily—reimburse the agent bank for advances made and interest earned but unpaid, thereby acquiring the evidence of obligations held by the agent bank under the loans.

Commercial banks and other lending institutions are also urged to participate directly, without recourse to the Export-Import Bank, in loans authorized by the Bank. This was done, for example, in the \$200-million reconstruction credit to the Netherlands authorized in fiscal year 1946.

In 1940, when the role of EIB was primarily foreign-trade promotion, agent-banks held \$48 million, or almost half the

outstanding credits. Despite a fourfold rise in actual amount to a high in 1947, the ratio of outstanding credits held by agent banks had dropped to 11 percent. By June 30, 1951, at which time the agent banks held about the same amount as in 1940, these holdings represented only 2 percent of the total. (See table 13.) The decline in recent years was principally because the commercial banks have preferred to earn larger interest income from other investments, even though their investments in Export-Import Bank loans were at no risk.

Europe owes most to Export-Import Bank

The predominance of France as the major EIB loan recipient and Europe as the major receiving area for the 11-year period since 1940 indicates the great effect of changing the scope of Export-Import Bank activity from financing short-term credits for export promotion to financing long-term reconstruction projects. Participants in the European-recovery program owed three-fourths of the total outstanding EIB credits as of June 30, 1951. However, further unutilized authorizations to these countries were small on that date.

On the other hand, the return to shorter-term credits in the more recent years was emphasized by the predominating position of the American Republics, to which over half of the unutilized credits (as of June 30, 1951) were available. Further, although the American Republics were responsible for only one-fifth of the outstanding indebtedness, the shorter terms generally applicable to this area resulted in these countries having already repaid over 40 percent of their original drawings—considerably above the average for all EIB credits. The American Republics have con-

stituted a fundamental area of operations for the greater part of EIB's history.

As a result of the large European indebtedness most of the interest return to EIB came from this area. Approximately \$63 million annually is received by EIB as interest and commission on its outstanding indebtedness. During fiscal year 1951 this represented an average return of 2.7 percent on the indebtedness outstanding at the year end.

EIB remains the primary lender

Of all the United States Government agencies, the Export-Import Bank has the longest consecutive history of foreign-credit operations, and has specialized in extending aid on a repayable basis. Although some credits authorized to certain specified countries by the Congress have been administered by other Federal agencies, EIB retained the primary responsibility for funds furnished as foreign credits by the United States Government.

Both the liquidation of postwar surplus commodities and the war-account settlements were not within the EIB province, since it operates on the customary banking basis. Some EIB credits were utilized, however, to purchase surplus materials from the United States Government.

In keeping with its position as the most significant United States Government lending agency, EIB has since April 1948 been the agent of the Economic Cooperation Administration (ECA) in making and administering its agreements on both loans and guaranties. These ECA loans and guaranties are discussed in the succeeding section on the European-recovery program.

Surplus-Property Credits

The postwar task of disposing of surplus property was gigantic, starting with hundreds of thousands of different types of goods scattered virtually all over the globe. Initially, they had to be located and described, their condition was yet to be determined, and their marketability to be decided. Another necessary preliminary to their disposal was the establishment of sales policies, in the face of various pressures and conflicting interests. Of course, to sell at all in a foreign country it was necessary that agreements be reached with the foreign government.

The requisite policies evolved throughout 1944 and 1945 in the Executive Branch of the Government, and were in concurrence with the congressional intent expressed in the Surplus Property Act of October 1944 and its major amendment in September 1945. The problems peculiar to overseas sales involved not only the Government interest in securing the highest possible net return, but also its foreign policy. In order to protect future foreign export markets, it was determined that care was to be taken not to sell in quantities beyond rehabilitation needs. Surplus property was also to be used to settle claims of foreign governments and nations against the United States.

Most of the large amount of surplus property abroad was owned by the Army and Navy, a small proportion by the Foreign Economic Administration (FEA). The disposal of property located on foreign soil had to be guided very largely by inter-

national political considerations which were the province of the State Department. Because the task of disposal was so intricately interwoven with the United States relations with foreign countries, the State Department late in 1945 was designated—pursuant to the provisions of the Surplus Property Act of 1944—as the disposal agency for all surplus property in foreign areas except certain vessels.

Thereafter, the Office of the Foreign Liquidation Commissioner (OFLC) in the State Department, from its establishment in October 1945 until its liquidation in June 1949, sold surplus property abroad with the realization of about \$1.6 billion. The Army and Navy Departments also sold property, particularly prior to OFLC operations, for a realization of approximately \$130 million. In addition to these disposals of foreign surpluses the Maritime Commission realized nearly \$900 million in the sale of vessels to foreign countries. Only a small amount of domestic surplus was sold abroad.

Realization on foreign sales of surplus property thus approached \$2½ billion, including credits totaling \$1½ billion extended as foreign aid to accomplish this high sales volume. By June 30, 1951, the original cash realization on sales had been augmented by principal collections of \$180 million on the surplus-property credits, which had also yielded \$86 million in interest, leaving a principal balance of \$1,157 million to be amortized.

In addition to the sales, disposals by OFLC included grant aid by the United States Government. These grants include nearly \$200 million in surplus property transferred to UNRRA as part of the United States contribution to the international program already mentioned in the preceding chapter. Also included in grants was the transfer of surplus property valued at \$100 million as part of the Philippine-rehabilitation program.

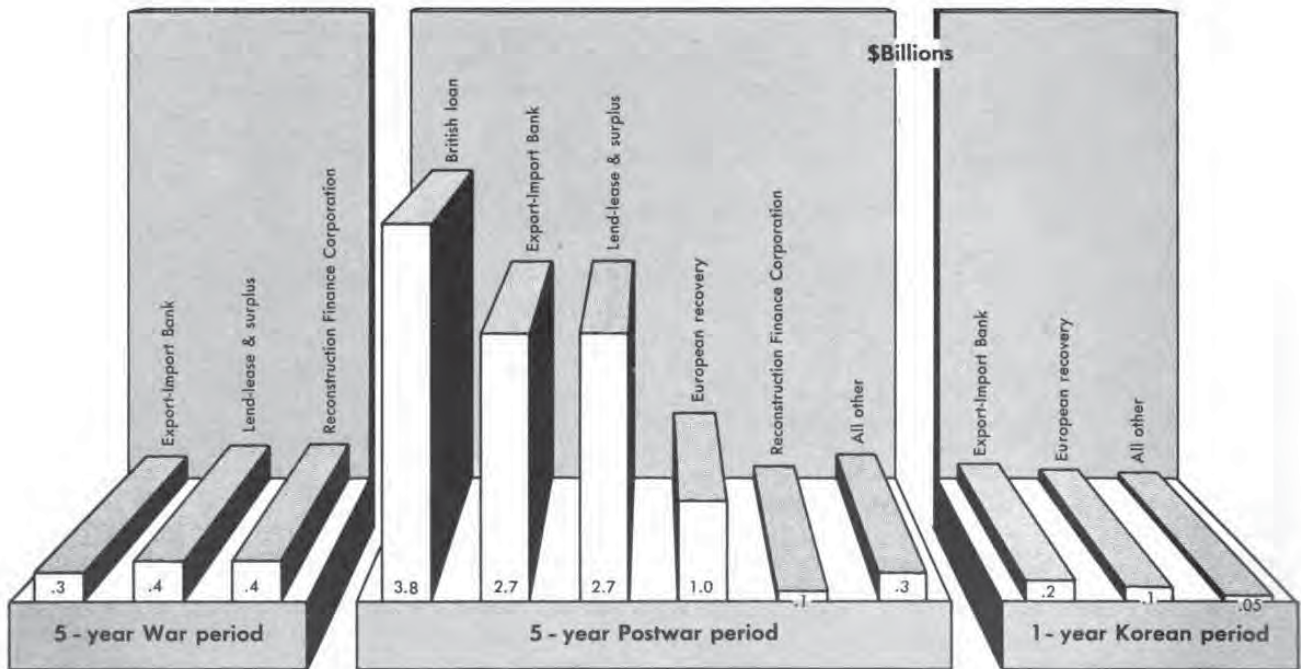
Two-thirds of OFLC sales on credit

OFLC extended \$1,067 million in surplus-property credits, taking about two-thirds of its total realization in that form. The

original value of the property represented by its sales was approximately \$8.6 billion; thus OFLC realized nearly one-fifth on total sales.

Close to \$5.2 billion (at cost) was sold under bulk-sale agreements with foreign governments at a realization of \$0.9 billion or 17 percent. Property originally costing \$3.4 billion was sold on a selective basis, with a realization of 20 percent. While the over-all rate of realization on the bulk sales was almost 3 percent less than on the other sales, the advantages of not being further burdened with the expenses incident to the care, protection, and disposal of these stocks of surplus more than com-

Credit-aid programs were large in postwar period



compensated for the lower rate of realization. These bulk-sale surpluses—in all manner of condition—were transferred on an "as is, where is" basis, the United States making no warranty other than as to title.

Bulk sales comprised most of OFLC credit extensions. Several of the bulk sales were concluded as part of the war-account settlement agreements with the governments involved. The \$300-million credit extended to France is the major example of such a war-account settlement sale.

Principal repayment on OFLC credits totaled \$109 million by June 30, 1951, and interest collections \$58 million, leaving an unpaid balance of \$959 million to be amortized. OFLC credits followed the general pattern established for the other early postwar property credits under lend-lease and war-account settlement agreement, providing for low interest rates of 2 and 2½ percent. Most of these credits ran to maturities of up to 30 years. Many of the agreements provided for the acquisition of real property by the United States Government in repayment, or for principal and interest payments in local currencies to be used in educational and cultural projects and for other expenses of the United States Government abroad.

Maritime credits require downpayment

The efficient disposal of a tremendous American merchant marine—developed during World War II while the fleets of most other countries were diminishing—was one of the early postwar problems of the United States Government. A more normal balance was attained, and the United States surplus was decreased, by the sale of some of these ships to foreign countries.

The Maritime Commission (now the Maritime Administration of the Commerce Department), under three separate acts of Congress, sold over 1,100 ships to 44 foreign countries at a realization of \$863 million. (See table 14.) Almost two-thirds of these sales were for cash. Of the credit sales, made entirely under the Ship Sales Act of 1946, a quarter of the sales price was required by law to be paid in cash as a down payment. Hence, cash downpayments amounted to \$77 million of the \$306 million in credit sales, leaving a balance of \$229 million to be paid. By June 30, 1951, the balance was down to \$162 million, \$67 million having been repaid, together with interest of \$27 million.

The Ship Sales Act of 1946 set out formulas by which a floor price—related to original cost and other factors—was to be calculated for use in ship sales. Many of the ships were sold to foreign countries at figures above the floor price. The average sales price of the 446 ships sold abroad on credit terms was 34 percent of estimated vessel cost. Only two notably wide deviations occurred within this over-all average realization—the average price of the 100 ships sold on credit to Greece was 27 percent of cost, while the 11 ships to the Netherlands were at 47 percent of cost.

Domestic surplus also sold abroad

The major role in actual disposition of domestic surplus property was vested in the War Assets Corporation, a subsidiary of the Reconstruction Finance Corporation, until all its functions were transferred to the War Assets Administration (WAA) in March 1946. This new agency, from that time until its absorp-

tion into General Services Administration (GSA) in 1949, was responsible for the disposal of domestic surplus property, only a small amount of which was sold on credit terms to foreign countries. GSA has had complete responsibility for domestic surplus property since June 30, 1949.

The War Assets Administration's small sales of domestic surplus property to foreign governments were on credit terms. One such sale, to Iran, was begun by WAA but was taken over

Table 14.—Ship sales to foreign countries by the Maritime Administration: July 1, 1945, through June 30, 1951

[Millions of dollars]

Authority and area	Total sales	Cash sales	Credit sales		
			Total	Cash down-payments	Credits extended
Total	863.3	557.6	305.7	76.7	229.0
By Authority					
Under Ship Sales Act of 1946.....	845.8	540.1	305.7	76.7	229.0
Under Surplus Property Act of 1944.....	13.1	13.1			
Under Merchant Marine Act of 1940.....	4.4	4.4			
By Area					
OEEC countries	611.4	348.1	263.3	66.1	197.2
Belgium.....	14.0	14.0			
Denmark.....	13.9	13.9			
France.....	77.5	2.7	74.8	18.7	56.0
Greece.....	67.9	12.8	55.1	13.8	41.3
Italy.....	89.1	1.9	87.2	21.9	65.2
Netherlands.....	67.0	54.2	12.8	3.2	9.6
Norway.....	87.8	62.5	25.3	6.4	19.0
United Kingdom.....	179.2	179.2			
Other OEEC countries.....	15.0	6.9	8.1	2.0	6.1
American Republics	169.6	153.3	16.3	4.1	12.2
Argentina.....	24.8	24.8			
Brazil.....	9.8	1.5	8.3	2.1	6.2
Panama.....	104.8	104.8			
Uruguay.....	12.2	9.7	2.5	.6	1.9
Other American Republics.....	17.9	12.5	5.5	1.4	4.1
Other foreign countries	82.3	56.1	26.2	6.6	19.6
Canada.....	23.0	23.0			
China.....	26.7	4.9	21.9	5.5	16.4
India.....	11.0	11.0			
All other countries.....	21.6	17.3	4.3	1.1	3.2

¹ Two ships were transferred early in 1951 from Uruguay to Liberia with an unpaid principal indebtedness of \$698,400.

by OFLC and has been included in the \$1,067 million total of credits extended by that agency. Other credit sales by WAA amounted to only \$18 million, on which \$2 million of principal had been paid by mid-1951. Credits extended by WAA were limited to maturities of less than 7 years and to interest set at the rate of 3 percent, with one exception at 3½ percent.

Two other Government agencies extended credits in the disposal of surplus property abroad. RFC sold \$2 million of surplus property to Brazil in 1946 on credit terms. This credit has been repaid. In addition, there was a \$20-million sale to China on credit terms by the Army early in 1946.

European-Recovery Program

Postwar recuperation of the European economic structure was hindered by the continued political and economic encroachment of the U. S. S. R. into central and eastern Europe, at the expense of an integrated, balanced European economy. Russia prevented the economic unification of Germany and precluded the return of Germany as a full working-partner in the European economy. Two years after the surrender of Germany, such recovery as had been accomplished was facilitated by assistance from the United States Government.

Continuance of European recovery was of vital interest to the United States Government. But it appeared that further internal progress could not be achieved without outside aid. Poor crops intensified the immediate problem in 1947. No diminution of the need for American products was in sight nor did it appear possible that European resources would suffice to pay for imports at the required level. The European balance of payments with the United States early in 1947, according to a report of the Committee of European Economic Cooperation, showed a deficit approaching \$10 billion a year.

It became apparent that future United States assistance must seek to provide a cure rather than a palliative. This view was expressed by Secretary of State George Marshall in a speech on June 5, 1947, in which he proposed a European-sponsored program embodying foreign aid, self-help, and mutual assistance, designed to place Europe on its feet economically. The proposal met with an instantaneous response in Europe.

Marshall plan emerges from proposal

The proposal put forth by Secretary Marshall underlined the position of the United States in support of the drafting of a joint agreement as to goals and methods for a period of from 3 to 4 years. The U. S. S. R. declined to associate with the United Kingdom and France in framing a reply to the Marshall proposal. The latter two countries issued invitations to all other European countries (except Spain) to attend a conference in Paris. Because the eastern European countries under Russian influence decided not to take part, the conference was unable to deal with the problem of Europe as a whole, as envisaged in the original proposal. Nonetheless, the 16 countries² participating organized the Committee of European Economic Cooperation and submitted a report to the United States in September 1947 setting forth their needs and their willingness to cooperate in a joint recovery program.

The participants recognized that the establishment of a program of concerted action by their own efforts and with such support as the United States might supply was a significant step in the attainment of economic well-being. To this end, the participating countries outlined production targets for a 4-year period and measures for coordinated action to achieve these aims, providing for a freer flow of goods and labor and a fuller use of

² Austria, Belgium, Denmark, France, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Sweden, Switzerland, Turkey, and the United Kingdom.

their own resources. Steps toward creating and maintaining internal financial stability were sketched. Finally, the report of the Committee attacked the problem of the continued deficit in the balance of international payments with the American Continent—the area where dollar exchange forms the primary international financial medium.

Aid closes balance-of-payments gap

The western European "dollar deficit" on current account was estimated as likely to total \$22 billion for the 4-year period ahead. A major purpose of the program was to reduce this deficit as fast as possible; complete removal was not expected, but reduction to manageable terms was expected by 1951. Special aid from the United States Government was to be the factor in meeting the \$22-billion deficit.

Meanwhile, various United States Government agencies attacked the problem to determine America's ability to provide further aid. In November the President's Committee on Foreign Aid, reviewing the program and the United States relation to it, estimated that the European-aid program would cost the Government \$5½ billion in the first year—and a total of \$12 billion to \$17 billion. It was concluded that this country could absorb the impact on our natural resources and productive capacity.

In April 1948, the Congress passed the Economic Cooperation Act (1) to furnish the means for covering essential import needs of the participating countries for commodities and equipment which could not be financed by their own efforts, and (2) to support the measures of self and mutual help on the part of the participating countries necessary to achieve true economic recovery. Under this program the United States Government eventually provided \$10 billion in grant and credit aid by mid-1951; this aid was equivalent to one-half of all goods and services exported from the United States to the participating areas.

The legislation also created the Economic Cooperation Administration (ECA) to operate the program, with the intention of more closely centralizing administration of United States Government foreign-aid programs. The agency administered the European-recovery program and several other aid programs until it was succeeded by the Mutual Security Agency in December 1951. The Economic Cooperation Act established a Special Representative of the United States in Europe, as part of ECA. The Office of the Special Representative in Paris, and the missions in recipient countries, worked in close conjunction with members of the Organization for European Economic Cooperation (OEEC) in furthering the Marshall plan.

Participants form permanent organization

The 16 nations which participated in the Paris Conference formally established OEEC on April 16, 1948. The zones of Germany occupied by the United States, United Kingdom, and France were included as an essential component of a restored European economy in the original program outlined by the com-

mittee which had preceded OEEC. The Federal Republic of Germany—comprising the three occupation zones—and the Free Territory of Trieste, under Anglo-American occupation, were subsequently admitted to OEEC.

The program contemplated the effective use of the resources of the dependent overseas territories of participating countries, as well as meeting the requirements of these dependencies. The British Dominions were not included in the aid requirements. Indonesia was considered as a participating dependency of Netherlands for programs through 1949, before it began receiving economic aid under a special Asiatic program.

Except for Indonesia, where the particular political aspects of that area's forthcoming independence were involved, United States Government aid under the European-recovery program to the dependent overseas territories was not separately recorded. Further, since the character of European-recovery aid was tinged with the consideration of on-balance financing of the dollar-exchange deficit, the aid to Belgium and Luxembourg was actually provided to the customs union of these two countries and, except where each had agreed to repay part on a credit basis, was not separately recorded.

Each participating country (except Switzerland, which received no United States aid) signed a bilateral agreement with the United States. These agreements set forth the terms upon which the United States Government gave aid to the European country, and reiterated the adherence of the United States and the other country to the principles of the program.

After first-year credits, grants predominate

One-ninth of the European-recovery program aid provided by the United States Government through June 30, 1951, was on a credit basis. A little more than this amount was furnished as conditional grants, described in a succeeding section; the remaining three-fourths of the aid was financed as direct grants. For individual countries, the ratio of credit aid varied from a high of 92 percent (as in the case of Ireland) to entirely direct grants (as for Trieste).

The portion of United States Government aid on a credit basis under the European-recovery program was determined, in part, by legislative considerations. In the postwar period prior to the establishment of the European program, the OEEC countries had received United States Government aid principally on a credit basis. When the Congress was considering United States assistance under the European-recovery program it was anticipated that, on the whole, one-fifth of the first year's aid would be on a credit basis. Accordingly, the Congress provided that \$1 billion of the \$5 billion it authorized for the first 12 months of aid could be provided only on a credit basis. For the second year, an additional \$150 million was authorized by the Congress for credit aid only. Thereafter, it was thought that the burden of additional debt service upon the participating countries would jeopardize long-range European recovery. Further legislation authorized aid entirely on a grant basis at the discretion of ECA, at least until fiscal year 1952.

European-recovery aid was provided entirely on a grant basis until the loan agreements were concluded in the last quarter of 1948; afterwards aid was recorded as a credit until an appropriate

grant-credit ratio was established for the first-year program for each country. Credit aid rose rapidly from October 1948 through June 1949; subsequently, the increase was small. In general, the distinction between grant and credit aid under the European program was made without regard to the commodities furnished. Use of the funds provided for credit aid was allocated among the participating countries in accordance with their relative abilities to pay.

The slow rise in cumulative credit assistance under the European program in the last half of the program was partly attributable to the use of credit aid for particular purposes or projects—as opposed to general credits representing specific ratios of the overall commodity aid. Beginning in 1949, ECA assisted the participating countries by providing capital and equipment toward expansion of mining and extractive facilities for strategic materials in which the United States was deficient. ECA advanced both dollar and local-currency funds for the credits, under terms which called for repayment of principal and interest on the credit by delivery of strategic materials. Early in 1951, ECA began to establish credits for overseas-territory development.

Recovery credits repayable over 33 years

It has already been noted that the credits for general European-recovery aid provided by ECA were administered through the Export-Import Bank. These credits provided for long-term maturity, running in most instances to 1983. Interest was set at 2½ percent per annum, beginning in the final year of the planned recovery program (1952). Some credits for overseas development carried higher interest rates (3¼ percent) and contemplated complete repayment by 1976.

Deficiency-material loans mostly called for short-term repayment spans with interest at 4 percent. Such contracts were commonly with private developers, with the concurrence of the foreign government concerned. The general and overseas-territory development credits were, on the other hand, directly extended to the European governments themselves. Options to obtain strategic materials as a method of repayment were included in the overseas-territory development credits.

Western Hemisphere ships Europe raw material

About two-thirds of \$10-billion United States Government European-recovery assistance was used to purchase commodities in the United States. Another fifth represented supplies obtained in Canada and the American Republics, broadening the economic impact of the program by providing those Western Hemisphere areas with dollars to spend in trade with the United States and other countries.

In the first year of the program, foodstuffs made up half the total aid financed by the United States Government. This was a marked decline from the predominance of foodstuffs in the earlier postwar relief and military civilian-supply programs. The trend continued until, in 1951, only one-fourth of the European-recovery program aid provided by the United States Government represented foodstuffs and agricultural supplies. For the entire period through June 30, 1951, these constituted one-third of the total commodities financed under the program. Bread grains represented one-half of the foodstuffs supplied.

Purchases of petroleum from dollar-area sources in the Netherlands West Indies, Venezuela, and the Middle East represented almost one-tenth of the total aid. Cotton shipments accounted for over one-eighth of the total assistance financed for the OEEC countries. An equivalent amount represented machinery and vehicles to increase western European productive and transport capacity. Metals, chemicals, and other raw materials constituted the remainder of the commodity aid.

Financing, not supplying, emphasized

Under the European-recovery program, the United States Government in principle supplied the funds to meet the bulk of the net dollar deficit of all the participating countries. For administrative control, both in the United States and in recipient countries, specific commodities such as are mentioned above had to be approved by ECA as European aid. This control was consistent with legislative restrictions regarding the possible effect of the aid on the domestic economy, and insured that funds were not being dissipated. Abroad, the specific commodity authorizations enabled review of the utilization of the aid and the pinpointing of the required publicity as to United States support of European recovery.

On the whole, except for aid to Greece and those countries

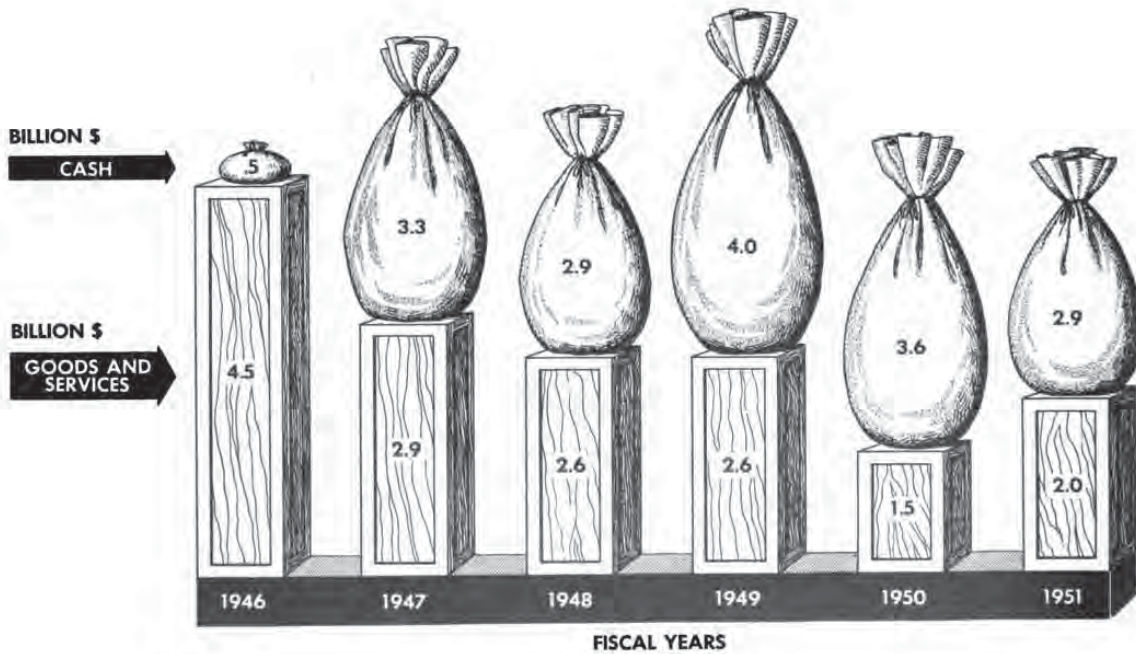
where the United States maintained occupation forces (Austria, Germany, and Trieste), the Government did not enter into procurement for the European-recovery program; for five-sixths of the aid the foreign importer or government arranged for purchase through private trade channels. The United States Government then paid the supplier, or reimbursed the foreign government for payments to the supplier, upon presentation of acceptable documents. Payments to suppliers were generally made through commercial banks to which the Government had extended letters of commitment.

The new technique of balance-of-payments financing differed from that used in previous United States Government aid programs. From lend-lease on, except for the \$3½-billion British loan, aid procedures had been predicated on the shipment of specific commodities into the recipient areas and the financing necessary for those particular supplies. Under the earlier programs goods were also more likely to have originated in the United States.

Results of technical assistance

United States Government assistance in the cooperative program for European recovery was primarily directed to meeting the dollar-trading deficits. Nevertheless, the long-range solution

In the postwar period, GOVERNMENT FOREIGN AID concentrated on financing, with a trend away from direct trade operations until military aid began in fiscal year 1951



of the underlying problem, and the elimination of other obstacles to the raising of the European economic level, were not overlooked. Technical assistance provided by the United States was of important consequence in European long-range recovery, although the cost measured in United States Government contributed funds was less than one-fifth of 1 percent of the total Government European-recovery aid. American "know how" was made available to the recovery-program participants to restore, modernize, and expand their productive capacity.

New techniques were introduced into Europe and American experts were sent abroad to demonstrate their effectiveness; in turn, foreign technicians visited the United States. Basic surveys were conducted by teams composed of both American and Europeans. Technical materials were provided from United States sources. In the effort to meet the original promises of the participating countries to cooperate in European recovery, OEEC fostered the sharing of techniques among European countries; this aspect of the program achieved results without cost to the United States Government.

United States assistance was primarily devoted to increasing industrial and agricultural productivity, with corollary interest in adequate manpower utilization. Attention was also directed to adapting United States techniques of marketing to the expansion of trade and tourism, as earners of foreign exchange both within Europe and from the United States. Technical assistance furnished was of a general character, for example, on an industry-wide basis; technical services were also provided to participating countries to meet specific problems. "Imports" of technical services into Europe from the United States engineering, construction, and other industries were financed by the United States Government. Total technical services and assistance under the program approached \$42 million.

Plan furthers development of territories

Technical assistance provided by the United States Government included aid to participating countries in developing the resources and economies of their overseas territories. United States assistance in this development went beyond technical assistance. A portion of the United States aid funds were set aside for territorial development and used to purchase equipment and some raw materials for specific projects of territorial development.

Expansion of strategic-material production in the overseas territories and in the participating countries themselves was specifically fostered by ECA. United States Government aid was given to obtain machinery and equipment and otherwise to provide capital to expand discovery, mining, and extraction of raw materials. This aid was generally provided by ECA as a credit, to be liquidated by delivery of the strategic material from the production developed at each individual ECA-financed project.

Industrial projects develop as part of aid

Almost all of the European-recovery aid financed by the United States Government moved into general markets in the foreign countries. About 5 percent of the program aid was specifically intended to integrate with western Europe's capital-

investment program for new productive capacity. ECA approved almost 150 large-scale projects with a total investment equivalent to \$2¼ billion. About one-fourth of this total cost represented materials, equipment, and technical services which had to be obtained with the expenditure of dollars. The United States Government provided aid to meet this dollar cost.

Although programing of these industrial projects began in the first year of the European-assistance program, actual delivered aid in the earlier period was concentrated in consumables, as noted above. By 1951, the proportion of Government aid which was financing commodities going into industrial projects was running as high as 10 percent.

United States Government interest in expanding the European capital plant was further enhanced in the last half of the European-recovery program. Originally, these projects were intended to provide a base for a swelling industrial production and general European stability, and to enable Europe to earn more dollars to pay for American goods and to save dollars by producing more there. Ultimately, the projects should assist the expanded defense effort necessitated in the participating countries by the augmented political and military pressures from eastern Europe.

Payments agreements, EPU aid European trade

Expansion of western European production as a means of reducing the area's dollar-import requirements was a fundamental focus of the individual countries, OEEC, and the United States Government. Since trade among participating countries had accounted before the war for half their total exports—and almost 40 percent of their total imports—considerable attention was devoted to the liberalization of intra-European trade and the unification of the European market.

During 1947, when the European-recovery program was taking shape in the councils of Europe and in the United States Government, a multilateral compensation agreement was signed by Belgium, Luxembourg, France, Italy, and the Netherlands as a step toward postwar intra-European monetary cooperation. When the new United States program got under way the next year, part of its funds were earmarked for use by participating countries to purchase goods from other participants, as a further measure to forestall the constriction of intra-European trade. Within six months OEEC had developed a system of compensations which, although primarily on a bilateral basis, provided for some measure of multilateralism.

This system was embodied in an October 1948 Agreement for Intra-European Payments and Compensations. Behind it was the United States aid provided to each creditor-participant conditional upon that creditor's grant of an equivalent drawing right in its own currency, to an amount equal to the surplus of its exports over imports in the trade with other participants.

The intra-European payments agreements of 1948-49 and 1949-50 culminated in the establishment of the European Payments Union (EPU) in 1950. Most payments for intra-European trade were thereafter cleared through EPU, with the economically stronger countries extending credits to the weaker ones. United States Government aid provided capital for the Payments Union and also fostered EPU through conditional aid for the countries furnishing initial credits to the Union.

Conditional grants also finance trade

The conditional aid provided by the United States Government for the 2 years of the intra-European payments arrangements totaled \$1,355 million. As of June 30, 1951, the Government had also paid out \$51 million of the \$350 million it had obligated as a capital contribution to EPU, and provided \$185 million in conditional aid to other countries contributing to EPU. (See table 15.) Thus, one-sixth of the Government contribution to European recovery directly financed increases in intra-European trade, as well as financing exports from the United States.

The volume of intra-European trade, abetted by the two payments agreements and the EPU operations, more than doubled between 1947 and 1950. In the participating countries' long-term program for European recovery it had been estimated that intra-European trade would not regain the prewar (1938) volume until after the completion of the 4-year program; actually the prewar volume was surpassed in the last quarter of 1949.

Conditional aid contributed by the United States Government as a part of the European-recovery program is considered as a foreign grant of the United States to the country which received the direct United States assistance. Two countries—Belgium and the United Kingdom—which received 60 percent of the conditional grants, actually contributed 75 percent of the net drawing rights. The net benefits were more widely distributed, with France, Greece, Austria, Netherlands, and Norway receiving sizable amounts.

Counterpart deposited for grants

The Congress in drafting the European-recovery program had stipulated that the dollar grant aid provided by the United States Government should be matched by the deposit of a commensurate amount by the foreign governments in local currency. Under the terms of the bilateral agreements between the United States and each participating country, therefore, deposits were made into special accounts in sums having a value commensurate to the direct grants received from the United States. By requiring commensurate local-currency deposits for the goods and services received in the European countries, the program sought to deter inflation and assist in stabilizing the internal economy of the participating areas.

The importers of goods financed with United States Government dollars paid their governments in their own currencies for these goods. This flow of local currency normally permitted the governments to fulfill the obligation to deposit local-currency counterpart in the special accounts. However, the governments agreed under the bilateral agreements to deposit commensurate counterpart funds even though the amounts collected by them were insufficient to meet deposit requirements.

Counterpart use approved for recovery

In that way 95 percent of the total counterpart funds was utilized as a further implement toward European recovery. Under the bilateral agreements, ECA had to agree to the use of these funds by the country before they could be spent. Through June 1951, its approval was extended to the use of nearly \$6.4 billion of the \$7.8 billion in local currency available. Such approval was given, after consideration of the internal monetary

and financial stability in the country involved, (1) to directly promote such stability, (2) to stimulate productive activities, (3) to explore for and develop new resources, and (4) in limited amounts, for certain special purposes.

By June 30, 1951, almost all of the approved withdrawals had occurred. One-third of these were for financial stabilization through debt retirement; the United Kingdom and Norway used their 95-percent counterpart funds almost entirely for this purpose.

Table 15.—European-recovery program direct and conditional aid, by country: From inception through June 30, 1951

[Millions of dollars]

Country	Total	Grants				Credits
		Total	Direct	Conditional upon aid extended—		
				Under intra-European payments agreements ¹	Through European Payments Union	
Total	10,260	9,128	7,537	1,355	236	1,132
Austria.....	492	492	488	5		
Belgium-Luxembourg.....	537	484	8	447	29	52
British Commonwealth:						
United Kingdom.....	2,675	2,329	1,799	380	150	346
Denmark.....	231	200	191	9		31
France.....	2,060	1,869	1,807	61		191
Germany.....	1,174	1,172	953	219		2
Greece.....	387	386	386			1
Iceland.....	17	13	10	4		3
Ireland.....	139	11	11			128
Italy.....	1,034	959	873	86		74
Netherlands-Indonesia...	893	743	711	32		151
Netherlands.....	809	659	628	30		151
Indonesia.....	84	84	83	1		
Norway.....	199	164	153	11		35
Portugal.....	33	8	(†)	8		25
Sweden.....	103	82	(†)	77	5	20
Trieste.....	30	30	30			
Turkey.....	89	17	(†)	17		71
International organization:						
European Payments Union.....	51	51			51	
Unclassified areas.....	116	116	116			

† Less than \$500,000.

¹ Includes \$3,500,000 extended by Iceland to Germany and \$3,081,000 extended by Italy to Trieste outside of the intra-European payments plan.

Half of the counterpart funds used by the participating countries were expended for promotion of production. Utilities and transportation and communication systems received a major share of this secondary assistance resulting from European aid, particularly in France, Germany, and Italy. Large sums were released for modernization of coal mining in France and Germany and for manufacturing facilities in those countries. Land reclamation in the Netherlands was a sizable part of the agricultural projects. Housing facilities for workers were constructed in

many countries. Because of the guerrilla warfare which plagued Greece through the early part of the European-recovery program, most counterpart spent there was for the care and rehabilitation of refugees.

United States gets 5-percent counterpart

The United States Government received on a current basis the equivalent of 5 percent of the dollar grants as a return on its aid. This return, in local-currency counterpart funds, was an outgrowth of the use of local-currency proceeds which had begun with UNRRA and continued throughout the United States Government post-UNRRA-relief and interim-aid programs. In the immediately preceding programs, the foreign governments had made use of these proceeds to pay the local-currency expenses of United States personnel working abroad on the program. For the European-recovery program, however, an explicit minimum of 5 percent was set for returns to the United States Government, to be expended "for materials which are required by the United States Government as a result of deficiencies or potential deficiencies in its own resources or for other local-currency requirements of the United States."

The first major deposits of the 5-percent local-currency funds were made by foreign governments in the summer of 1949. Thereafter, quarterly deposits were maintained at 5 percent of the outflowing dollar grants from the United States. The United States Government requested a few countries to return more than the minimum 5 percent. The actual payments to the United States were made at the exchange rates prevailing when the United States dollar grant aid was furnished.

From the 5 percent of the counterpart paid to the United States Government ECA expended the equivalent of \$72 million for administration of the program abroad through June 30, 1951; such administrative costs are included as foreign grants of the United States Government. Likewise the \$15 million used by ECA in strategic-material development credits is included in the gross United States Government aid. The \$88-million aggregate of local currency represents an equivalent amount of dollars which the United States was able to conserve while still providing aid in Europe.

The equivalent of more than \$105 million, or almost one-fourth of the local currency received by the Government as a reverse grant, was used for the outright purchase of strategic materials or for regular Government activities which would have otherwise required expenditure of dollars. This amount, which was the direct financial return of the United States Government from the counterpart funds (except for the eventual repayment of the development credits), represented a little more than 1 percent of the total European-recovery-program grants by the United States from dollar funds.

Foreign currencies valued at \$190 million were available on June 30, 1951, for future United States Government expenditure. Approximately \$30 million of this sum was committed for disbursement on strategic-material purchases and development credits.

Assistance given private aid and investment

Under the European-recovery program the Government continued the post-UNRRA-relief program practice of subsidizing freight on relief parcels sent by private American relief organiza-

tions. As part of the new grant program, the Government also provided a subsidy on relief parcels mailed abroad by individual Americans.

The total subsidy payments, in excess of \$22 million, were a minor portion of the total aid. However, the American public shipped relief packages valued at over \$500 million under stimulus of these subsidies and thus made a sizable contribution to European recovery. These privately sent packages emphasized the interest of the American people, as well as their Government, in European welfare.

In another, very different manner, the Government enlisted private business in the cooperative progress in Europe—by guaranteeing investments of United States business enterprises engaged in approved projects in the participating countries. ECA guaranteed within limitations (1) the transfer into United States dollars of foreign currencies or credits in such currencies received by United States business enterprises as (a) earnings or profits from approved projects, (b) repayment or return of investment therein, or (c) compensation for the sale or disposition thereof, and (2) the compensation in United States dollars for loss of investment in approved projects by reason of expropriation or confiscation by action of the government of a participating country.

Almost all the guaranties executed through June 30, 1951, were for currency-transfer protection. Under this protection, the investor was required to have tried to convert his foreign-currency receipts into dollars through normal channels before applying to ECA for a transfer under the guaranty. The investments eligible for protection were in the fields of informational media, and of industry. Informational-media guaranties, usually expiring in 1 year, assured the transfer of the approximate dollar costs incurred in producing or distributing newspapers, magazines, books, motion pictures, or other such media, consistent with the national interest of the United States.

Industrial investments eligible for guaranty included (1) any contribution of capital goods, materials, equipment, services, patents, processes, or techniques in the form of a loan to any enterprise to be conducted within a participating country, (2) the purchase of a share of ownership in any such enterprise, (3) participation in royalties, earnings, or profits of any such enterprise, and (4) the furnishing of capital goods and related services under a contract between a United States supplier and a foreign importer providing for payment after the end of the fiscal year in which the guaranty is made.

The ECA guaranty operations are summarized in table 16. Guaranty activity is not included in the European-recovery-program aid total.

European program accomplishes immediate goal

The many-faceted program of United States assistance, combined with the cooperative efforts of the participating countries, in general had by the end of three full years of operation accomplished the immediate goal of the Marshall plan—restoration of order and the rehabilitation of the European economy.

By the time the European-recovery program started, the Government had already furnished over \$11 billion in aid to Europe since the end of the war. In the ensuing 3 years, aid under the new European-recovery program accounted for \$10 billion of an additional \$13 billion in total aid given to Europe.

Table 16.—*Economic Cooperation Administration investment guaranties, by field of investment, by country: From inception through June 30, 1951*

[Thousands of dollars]

Status and field of investment	Total	Austria	British Commonwealth: United Kingdom	France	Germany	Italy	Netherlands	Norway
Guaranty contracts executed	40,308	180	7,239	3,480	8,275	19,369	1,552	212
Industrial investments	29,886		7,239	2,821	1,365	19,285	175	
Forward contracting	550			550				
Informational media	9,872	180		109	7,910	83	1,377	212
Liability reduced	6,675	85	864	318	4,122	650	559	75
Industrial investments	1,878		864	307		589	118	
Resulting from reduction in original guaranty amounts	538		120	300			118	
Resulting from cancellation of guaranty contracts.....	795		735			60		
Resulting from direct receipts of dollars by investors.....	544		9	7		528		
Informational media	4,796	85		11	4,122	61	441	75
Resulting from reduction in original guaranty amounts	467	3			408		55	
Resulting from expirations of guaranty contracts.....	1,134	33			942	52	91	17
Resulting from direct receipts of dollars by investors.....	45			1	42		2	
Resulting from ECA disbursements under guaranty contracts.....	3,150	49		11	2,729	9	293	59
Contingent liability as of June 30, 1951	33,633	95	6,375	3,162	4,153	18,718	993	137
Industrial investments.....	28,008		6,375	2,514	1,365	18,696	57	
Forward contracting.....	550			550				
Informational media.....	5,076	95		98	3,788	22	936	137

¹ Includes guaranty against expropriation of \$225,000 authorized May 17, 1951. All other data in this table pertain to convertibility (currency transfer) guaranties.

Within Europe, the success of the program was significant. Industrial production for western Europe rose 45 percent between 1947 and 1950. Exports (in 1948 prices) of all countries combined were 91 percent larger in 1950 than in 1947. In 1950-51, net agricultural output for the western European countries participating in the program was above the prewar average.

But the schism indicated by the refusal of the eastern European countries to accept the invitation to join the cooperative pro-

gram continued, and widened with the success of the Marshall plan in western Europe. To political and economic harassment from the east was fused the military threat suggested by direct aggression in Korea. Added impetus was given for the achievement of European recovery. United States Government assistance became a primary factor in the increased emphasis on expanding rearmament facilities needed to meet the more direct dangers facing the European and global order.

Other Economic-Cooperation Aid

When the Congress created the Economic Cooperation Administration with the intention of more closely centralizing administration of United States Government foreign-aid programs, it authorized that agency to provide aid to China consistent with the principles of aid to Europe.

An exception was made in that China did not have to adhere to a program for joint cooperative recovery in other countries. The integration of the economy for a large area—which was the essence of the Marshall plan—was not practical in Asia. The occupying forces were supplying Japan and Korea; the Philippines was the subject of a large rehabilitation program. Indonesia and the other European dependencies were included in the European

plans. In China—which by April 1948 had received almost \$1½ billion in postwar economic and military aid—political and internal military problems restricted further United States Government aid.

Nevertheless, some of the means of aid provided by the United States Government in the European area were applicable in Asia. ECA assumed supply responsibility for an independent Korea from the Army early in 1949. With congressional sanction ECA broadened its operations to help supply the managerial, technical, and other resources which the individual governments of southeast Asia needed for reconstruction, rehabilitation, and development. By June 30, 1951, the Asiatic operations of ECA exceeded

\$200 million. This assistance maintained a flow of United States supplies to Asia which was to be further expanded by the mutual-security program in 1951.

Unspent Chinese funds devoted to general area

In the first quarter of fiscal year 1949 the United States Government was providing goods and services to China at an annual rate of \$250 million a year. Later that year the Communist forces rapidly expanded their areas of control; the rate of ECA aid to the National Government was necessarily cut sharply, and the total for the year was \$167 million. ECA assistance to China tapered off between July and September 1949, and in the rest of the 1950 fiscal year went entirely to Formosa.

Under these circumstances, Congress authorized the use of funds originally appropriated for Chinese aid in 1948 to be expended for economic assistance "in China and in the general area of China... not under Communist control." During fiscal year 1951, Formosa received \$30 million in United States Government grant assistance under the program. Wheat shipments financed out of the program to alleviate the famine in India totaled \$4 million. Indochina received more than \$3 million in aid, while Thailand, Burma, Indonesia, and the Philippines shared in lesser amounts.

United States aids Korea as a new nation

ECA was assigned supply responsibility for Korea by the President in January 1949, after the establishment of an independent Republic of Korea. Grant aid began flowing almost immediately. By the end of the year, ECA was providing aid at a rate almost equivalent to that of the Army Department civilian-supply program a year before. During fiscal year 1950, ECA aid to Korea totaled \$60 million. However, the rate of ECA aid to Korea was thereafter suddenly cut by more than half, following the invasion of that country by the Communist forces from the north of the peninsula.

Food itself did not comprise more than one-tenth of the total ECA commodity assistance to Korea. However, the fact that fertilizer constituted over one-fourth of the aid shows the emphasis given by the ECA program to the basic feeding problem. Cotton and textile shipments were also large.

Korea received a comparatively large amount of technical services and assistance under the ECA program as the United States Government tried to help the Koreans establish their new nation. This type of aid—given also in a large degree to China and to the southeast Asia areas—embodies many of the principles incorporated in the Point 4 technical-assistance program for underdeveloped areas.

Technical Cooperation

The United States had joined with the other American Republics even before World War II in exchanging technical knowledge in the economic, administrative, and scientific fields. Many foreign-aid programs in the postwar period also included "know how" and "show how" assistance to develop use of natural economic resources. Such technical assistance concentrated on modernizing agricultural methods, improving public health, and expanding transportation and communication as a means of tapping the natural resources of the underdeveloped areas.

The dislocations of World War II had also affected other economically underdeveloped areas, many of which were striving toward political and economic independence. The United States took steps to function as a "good neighbor" to these countries. In his inaugural address in January 1949, President Truman after stressing three aspects of the United States Government international policy added a fourth point—to "embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas."

The Point 4 program as well as the preceding technical-assistance programs was marked by a large cooperative contribution from the recipient countries to the program. Further, private organizations frequently added assistance. A major characteristic of the Point 4 program was its fostering of international investment in facilities and equipment, to be utilized with the skills and techniques provided through technical assistance.

The technical-cooperation programs, including the inter-American programs, represented less than one-fourth of 1 percent of total United States Government aid through June 30, 1951. Technical assistance and services under other foreign-aid programs—such as the Economic Cooperation Administration programs and Philippine rehabilitation—amounted to about as much again. Small as these costs were in comparison to other aid, they have formed an integral part of the United States Government assistance and cooperation abroad in our effort to promote international stability and well-being.

Government corporations aid Latin America

A large part of technical assistance provided by the United States Government prior to the beginning of the Point 4 program in 1950 arose from operations of the Coordinator of Inter-American Affairs and several subsidiary corporations. All of these activities were subsequently absorbed by the Institute of Inter-American Affairs (IIAA), a corporate subsidiary of the State Department.

During the war period, grant aid extended by these agencies exceeded \$50 million, at an average annual rate of \$10 million. In the first postwar year, fiscal 1946, this rate was sustained; thereafter the aid declined gradually throughout the postwar period to slightly less than \$5 million for fiscal year 1951.

Over half of the \$88-million IIAA assistance was given during the war and postwar periods to provide guidance to the Latin-American Republics on public health and sanitation. Food

supply and education received attention in other major projects. The Coordinator of Inter-American Affairs, through the Institute of Inter-American Transportation, contributed over \$6 million to the rehabilitation and improvement of operating efficiency of the National Railways of Mexico, a project of importance to the war effort.

Characteristic of the IIAA program was a signed agreement with the foreign government for each project, and the contribution of matching funds by the host government and by local governments and third parties. Against the \$88 million actually disbursed by the United States Government through IIAA aid in the area, host governments contributed \$46 million and other sources \$22 million—a total of three-fourths as much again. For the war period as a whole, the Government funds were met by only one-fifth as much in equivalent contributions, but the proportion of project costs borne by the United States Government declined later in the decade. By fiscal year 1951 the ratio was so changed that other contributions were three times the United States aid.

The main elements of such foreign-governmental and private cooperation as occurred in these projects have been embodied in the Point 4 program, of which IIAA operations have since 1950 been a part.

Joint Commission combats aftosa in Mexico

Almost as much assistance as was provided to the American Republics through IIAA projects was furnished by the Agriculture Department to Mexico to help that country eradicate the epidemic of aftosa, or foot-and-mouth disease, which broke out in 1946.

Nearly \$55 million was provided by the United States Government to pay indemnities for large numbers of infected and exposed cattle that had to be slaughtered in Mexico to prevent the spread of the disease. Another \$28 million in United States Government assistance represented the cost of Agriculture Department veterinarians and other trained persons working in Mexico and doing short-term research in the development of vaccines against the disease.

Operations were conducted in Mexico by a Joint Commission. Aid extended through United States Government personnel with the Commission and through other services ran at an annual rate of \$4 million to \$8 million after April 1947 when the program began; cash paid to Mexico for the indemnity awards was more concentrated in the earlier periods.

The Agriculture Department purchased canned and frozen beef from Mexico during this period to provide a market for the cattle and meat which were quarantined from the United States. These purchases, amounting to \$61 million through June 30, 1951, are not included as part of the aid totals. Most of this beef was sold by the Agriculture Department to foreign countries or otherwise disposed of in foreign-aid operations.

Smith-Mundt program extends to other areas

Besides the IIAA operations, which were primarily concerned with projects abroad, the Government engaged in the exchange of scientific and technical personnel with the American Republics from 1939 on. This program was expanded to other countries by the United States Information and Education Exchange Act of 1948 (Smith-Mundt Act).

Although the over-all programs for cooperation with the American Republics and for informational and educational exchanges authorized cultural exchanges as well as technical and scientific activities, only the latter are considered as foreign aid, and as a grant. They totaled \$5 million in the war period, and approximated \$2½ million annually thereafter, through fiscal year 1950.

Part of funds originally appropriated for economic assistance to China in 1948 were specifically transferred in later years to a program helping destitute Chinese students in the United States to participate in research and related academic and technical activities. Almost \$5 million was expended for these grants in fiscal years 1950 and 1951.

Point 4 program increases Government aid

Technical-cooperation operations as part of the Point 4 program began in fiscal year 1951 and totaled \$14 million, exclusive of the continued IIAA grants. Over half this aid represented contributions to the multilateral projects of the United Nations, which maintained a voluntary program for technical assistance in conjunction with its specialized agencies: International Labor Organization; Food and Agriculture Organization; United Nations Educational, Scientific, and Cultural Organization; International Civil Aviation Organization; and World Health Organization. The United States Government also paid \$250,000 to the Organization of American States for cooperative technical assistance in the Western Hemisphere. The remainder was provided on a bilateral basis through seven United States Government agencies operating under State Department direction.

While technical assistance—provided through the cooperative programs of the United States Government—was one of the major means of developing the economies of the areas comprehended in the Point 4 program, a second important means was the expansion of capital investment, particularly investment from abroad, in these countries.

The International Bank for Reconstruction and Development actively cooperated in Point 4 program operations, assisting foreign countries in determining the opportunities for investment in the underdeveloped areas. Investments by IBRD and the Government were not all the investment that was contemplated by the Point 4 program: the Government took active steps to induce a "favorable climate" for private investment by negotiating treaties assuring United States investors of nondiscriminatory and reasonable treatment. Further, the Government continued to investigate methods offering some guaranty to private investments against risk abroad, such as was done through the ECA guaranty program and the Export-Import Bank operations.

Government fosters other technical education

Under provisions of the Fulbright Act of 1946 for surplus-property sale on credit terms, the United States Government frequently concluded arrangements whereby a portion of the payment could be made by the foreign government in its own currency, to be used by the United States for educational exchanges. Most of these currencies were used to send American students to study in the foreign countries or American teachers to teach abroad. Some currencies were used to pay the foreign-currency traveling expenses of foreign exchange students coming

Table 17.—United States Government payments for membership in international organizations,¹ by organization

[Thousands of dollars]

Organization	Total	War period	Postwar period						
			Total	Fiscal year 1946	Fiscal year 1947	Fiscal year 1948	Fiscal year 1949	Fiscal year 1950	Fiscal year 1951
Total	123,965	4,791	119,174	2,546	13,841	22,360	24,900	28,291	27,236
United Nations.....	70,617		70,617	500	10,654	15,445	13,841	16,601	13,576
United Nations Economic, Cultural, and Scientific Organization.....	12,803		12,803			3,500	3,601	2,887	2,814
Food and Agricultural Organization of the United Nations.....	7,046	48	6,998	578	1,250	1,250	1,250	1,250	1,421
World Health Organization.....	6,850		6,850				1,861	1,918	3,071
International Labor Organization.....	6,006	1,254	4,752	533	488	522	1,092	848	1,270
International Civil Aviation Organization ²	4,051		4,051	108	187	454	843	1,552	907
Organization of American States (Pan American Union).....	6,605	1,217	5,388	281	358	359	1,536	1,247	1,606
Pan American Sanitary Bureau.....	3,084	300	2,784	62	64	64	193	1,153	1,247
Inter-American Institute of Agricultural Sciences.....	1,011	90	921	156	159	160	145	149	152
Caribbean Commission.....	567		567		104	112	118	122	112
All other organizations.....	5,523	1,882	3,441	327	579	494	419	562	1,060

¹ Excludes payments through international organizations for aid programs.² Includes joint-support programs.

to the United States. The extent to which these foreign currencies under the Fulbright program resulted in technical assistance is indeterminate but limited. Total Fulbright program payments were by June 30, 1951, only \$11 million.

Special legislation in 1949 enabled the annual payments approximating \$400,000 made on World War I debts by Finland to be used to provide similar educational exchanges and also scientific and technical equipment for Finland. In 1950 the Congress agreed to discharge a claim of \$110,000 of Iran against the United States in a like fashion. No part of the Fulbright program or these Finnish or Iranian projects is included in the foreign-aid data.

International organizations provide services

Not a part of the total United States foreign aid, but parallel in purpose, have been the membership contributions to the international organizations from which this Government, as well as others, derives services. In the postwar period payments of such membership fees have totaled \$119 million. (See table 17.) Through the United States and other nations' contributions to these multilateral organizations, they were able to provide technical services to all countries—for example, aviation aids established by the International Civil Aviation Organization in countries which could not support or had little internal use for these facilities.

Military Assistance

Immediately after the Japanese surrender, the United States Government arranged to provide the Chinese with sufficient military assistance through lend-lease to enable them to disarm and evacuate the Japanese troops in China, over a million of whom were on the Asiatic mainland at VJ-day. This military assistance accounted for more than one-third of all postwar lend-lease aid—about \$700 million. Small amounts of military equipment were also furnished to other countries in the liquidation of lend-lease pipelines and in sales of surplus abroad. However, military assistance played a diminishing role in United States foreign aid throughout the early postwar period.

The necessity of providing military assistance to various countries to insure their internal stability as a basis for economic recovery first became evident in Greece late in 1946. About a year later, additional military assistance was authorized for

China. Both these countries were areas of active internal military operations.

When the international political pressures underlying these military conflicts and fomenting other instabilities seemed to be increasing, the United States in the spring of 1949 joined with ten European nations and Canada in the North Atlantic Treaty. The treaty called for self-help and mutual aid in the promotion of stability and well-being in the North Atlantic area. As part of this mutual aid the United States Government late in 1949 embarked upon a long-range program to provide military equipment and assistance to other nations. After the outbreak of open hostilities in Korea in 1950, military assistance rapidly assumed the predominant position in United States Government foreign aid.

President expounds Truman Doctrine

Although China had been given a large amount of military aid in the postwar period, military aid to Greece and Turkey received greater public attention. In the eastern Mediterranean area, the United States Government played a more active role—providing military and civilian personnel to assist the Greeks and Turks, and supervising the use of the financial and material assistance furnished.

The United States program of military assistance to these two countries originated in March 1947 with a request for assistance by the Greek Government. Greece had experienced a serious destruction of normal economic activities during the war, and problems arising from this condition were compounded by post-war internal armed strife. UNRRA had provided economic aid; the British Government had assisted the Greek Government by providing military aid and advice. However, the United Kingdom early in 1947 found that it would not be able to continue aid to Greece and Turkey after March 31, 1947.

Further direct economic assistance to Greece had already been programed under the post-UNRRA-relief program. To meet the additional need resulting from the British withdrawal, the President on March 12, 1947, requested congressional authorization of special aid totaling \$400 million. In addressing the Congress, the President pointed out that our foreign policy and national security were involved in this aid. He further stated that "it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures." This statement has been termed the Truman Doctrine.

Military aid eliminates guerrilla warfare

Direct military assistance was the primary objective of the Greek-Turkish aid program. In addition to modern equipment and supplies, the United States Government provided training staffs and teams abroad and specialized training in this country. A special advisory group worked with the Greek General Staff in operational matters, assisting the Greek forces in combating the guerrilla forces which were causing the internal strife. The change in the volume of military aid to Greece led to a marked expansion of Greek strength until the fall of 1949, when it was officially announced that the guerrilla concentrations had been eliminated.

Greece was allotted \$300 million from the first authorization for the Greek-Turkish program. Approximately 40 percent of this allotment was used for economic aid. This economic aid included over \$20 million for the reconstruction of highways, the three principal ports, railroad track, and bridges.

About half of the remaining economic aid represented payments made by the United States Government to Greece to finance the purchase of commodities; the other \$50 million represented foodstuffs, building materials, and public-health supplies provided through Federal agencies. Almost all of the economic aid was provided in the first year of the Greek-Turkish aid program. After completion of the remaining shipments, subsequent direct economic aid was completely divorced from this Greek-Turkish aid program, being included under the European-recovery program.

The improvement in civilian morale as an indirect effect of the economic assistance facilitated Greek internal policing, and reduced the attendant military requirements. By removing from the civilian populace some of the burden of supporting the military forces, this program also aided the civilian economy—in Turkey as well as Greece.

Greek-Turkish military aid continues

Military assistance to Greece amounted to \$120 million in fiscal year 1948—the first year of the program. With an increased authorization for military assistance, such grants rose to \$175 million in the succeeding year. Concurrent with the success of the antiguerrilla operation, these grants diminished in fiscal year 1950 to \$75 million.

Turkey began receiving aid shortly after Greece, although active military operations were not necessary and the military assistance provided was only about 40 percent of that allotted to Greece. This tangible aid, both in material and training, increased the efficiency of the Turkish armed forces, particularly through mechanization. Part of the military program was used to construct all-weather highways to increase the mobility of the Turkish Army.

Military aid to Greece and Turkey was incorporated into the mutual-defense assistance program when the latter program was authorized late in 1949. Grants liquidating the original program authorizations continued throughout fiscal year 1951 in diminishing volume.

North Atlantic Treaty calls forth mutual aid

The United States Government had actively supported the United Nations in its attempts to alleviate the Greek internal situation through the work of the United Nations Special Committee on the Balkans. Also, the legislation authorizing aid to Greece and Turkey had emphasized United States cooperation with the United Nations by establishing a specific termination of any or all aid "if the Security Council finds (with respect to which finding the United States waives the exercise of any veto) or the General Assembly finds that action taken or assistance furnished by the United Nations makes the continuance of such assistance unnecessary or undesirable."

In keeping with this spirit, the Senate resolved in 1948 to "reaffirm the policy of the United States to achieve international peace and security through the United Nations" and called for "association of the United States . . . with such regional and other collective arrangements (for individual and collective self-defense) as are based on continuous and effective self-help and mutual aid, and as affect its national security." As has been mentioned earlier, the United States became a party to the North Atlantic Treaty ratified in 1949, and pledged in article 3 to maintain and develop individual and collective capacity to resist armed attack. The treaty, along with the Pact of Rio de Janeiro of 1947, reinforced the obligations of international peace and security in the Charter of the United Nations and provided support for those principles.

Simultaneous with the United States ratification of the North Atlantic Treaty, the President proposed to Congress that the United States provide grants totaling \$1 billion for new military

assistance to the countries participating in the North Atlantic Treaty Organization (NATO). The resulting mutual-defense assistance program was enacted by the Congress late in 1949. Provision was made for continuing aid to Greece and Turkey, and for grants to Korea, Philippines, Iran, and the general area of China. Canada and the American Republics, while becoming eligible for procurement and supply assistance, were expected to procure defense equipment at their own expense.

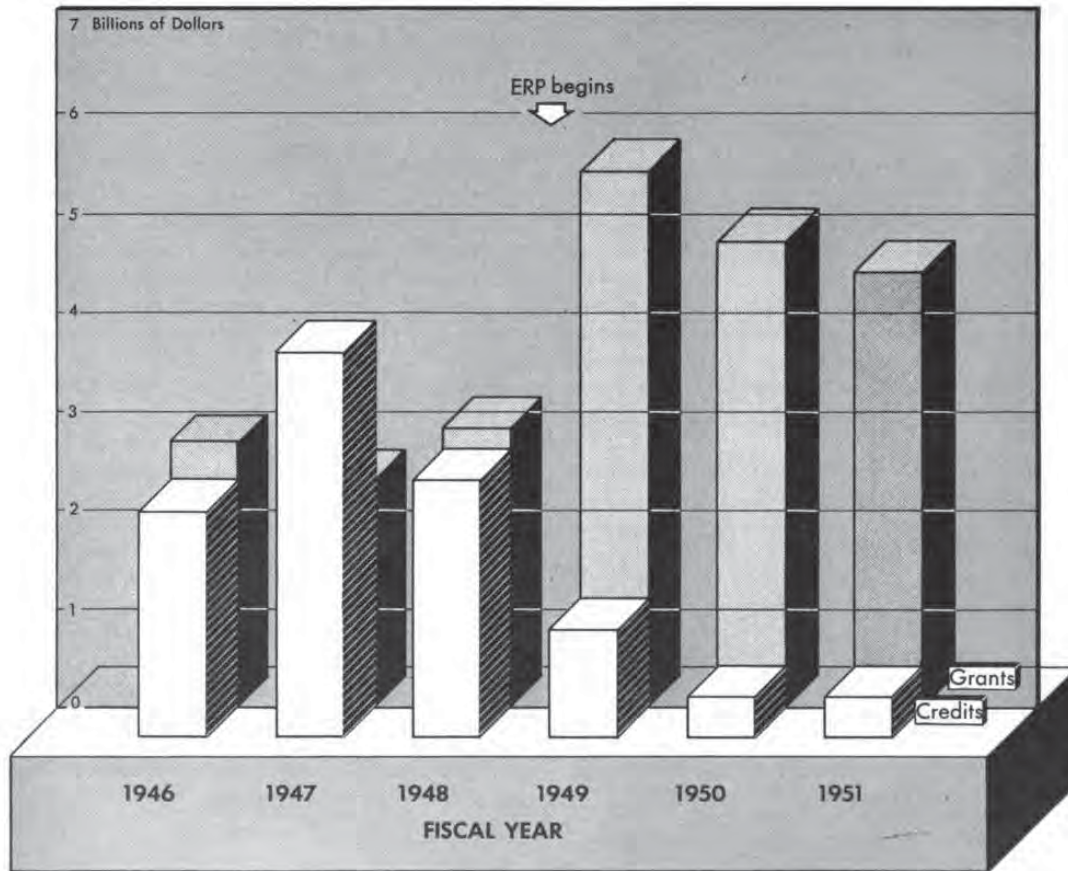
In addition to \$814 million in new funds available for grant aid to all countries, the legislation included authorization to

enter into contracts for an additional \$500 million in military equipment to be furnished as grant aid. Transfer of military stocks worth \$450 million, on hand but not needed in the mobilization reserves of the United States, was also authorized.

Military and economic aid interrelated

With respect to Europe, the program was formulated on the basis of a fundamental interrelationship with the economic-recovery program. Emphasis was shifted from recovery to the provision of adequate defense. The European countries were

Grant Aid again predominates after large postwar credit utilizations



urged to increase military production and take other measures necessary for defense.

Although expanded military production within Europe was desired, the mutual-defense assistance program carefully considered the adverse effects of overburdening the economic resources of each European nation. The United States realized the necessity of not straining the fiscal ability of the recovering countries by providing more military aid than could be put to effective use without diverting labor from productive occupations.

The coordination of military aid with economic recovery was accompanied by an insistence by the United States on further military as well as economic integration within Europe. The authorization for mutual-defense assistance provided that before aid could be extended the President must approve the broad plans for the integrated defense of the North Atlantic area.

All countries receiving aid were asked to sign bilateral agreements. The "mutual" aspect of the military program was borne out by the requirement that United States Government program expenses in foreign countries would be covered by local currency provided by these countries. Bilateral agreements were signed in January 1950 with eight North Atlantic Treaty countries eligible to receive grants. Mutual-defense assistance from the United States Government started flowing in that quarter, and by the end of the fiscal year in June had totaled \$71 million.

Military assistance increases rapidly

Authorization for the second year of the mutual-defense assistance program was started through the Congress well before the invasion of South Korea at the end of June 1950, and was enacted shortly thereafter. This authorization for the second year increased the total amount of available grants to over \$3 billion. The events in Korea in the three months July-September 1950 spurred an additional authorization of \$4 billion for military-aid grants. Despite this impetus, utilization of the authorizations proceeded more slowly; at an annual rate of \$1.8 billion in the last quarter of fiscal year 1951, it totaled only \$1.2 billion in that year.

About a quarter of the total mutual-defense assistance grants made by the end of fiscal year 1951 represented deliveries of excess stocks from United States Government reserves. The portion representing new procurement rose throughout the period as new production flowed into military aid in increasing amounts.

Materials and machinery for increased European military production—and some new materials usable for both military and civilian purposes—can be furnished under the mutual-defense assistance program. Such aid is intended to increase the military-production potential of Europe. Although less than 2 percent of the mutual-defense aid had been utilized for this purpose by June 30, 1951, high-priority production with an estimated dollar value fivefold the cost of the aid was expected from these grants.

Supply assistance furthers standardization

Under the mutual-defense assistance program the Government was given specific authority to sell military supplies. Standardization of military equipment with that used by the United States was a major interest in providing this supply aid. Sales can be made to any nation participating in a regional or collective defense arrangement with the United States, or whose ability to defend itself or to participate in the defense of an area of which it is a part is important to the security of the United States.

Advance deposits were required before agreement to furnish the materials could be entered into by the United States Government. However, in extending the mutual-defense assistance program in July 1950, Congress permitted the entering into of contracts to a total not exceeding \$100 million without receipt of advance payment. The legislation stipulated that the United States Government had to be assured against any loss on the contract by the foreign government which was to provide the funds to pay the contracts as required.

By the end of fiscal year 1951, the United States Government had received \$107 million under this authority. Deliveries of goods and services against these advances totaled only \$17 million at that time. Production totaling \$61 million had also been contracted for, to be paid for by foreign governments, and it was estimated that the total reimbursable assistance would approach a billion dollars.

Canada is largest purchaser, as in lend-lease

Canada, the principal participant in the reimbursable "aid" procedure under the wartime lend-lease program, has been the major user of the purchase authority in the mutual-defense assistance program. That country, a NATO participant, embarked on a large-scale program of converting its military establishment from British to United States equipment. The Canadians further extended the principles of mutual aid by releasing British-type equipment for two divisions to another NATO power on a grant basis.

Argentina, Brazil, and Chile also deposited funds to obtain two light cruisers each from United States Government excess stocks, as part of the Western Hemisphere defense plans.

Until in the mutual-defense assistance program the Government again brought forward cash operations, such reimbursable "aid" had been peculiarly a characteristic of the lend-lease program. Through mutual-defense program reimbursable procurement the Government achieved better coordination of the demand upon the United States stockpiles of materials, equipment, and military capacities. As was also true under the lend-lease program, reimbursable transactions are not included in foreign-aid amounts. Nevertheless, the whole procedure was part of the total United States Government mutual-aid philosophy: to help friendly nations of the world to help themselves.

*Concepts and Definitions
Appendix Tables A to K*



DATA presented in the statistical appendix were submitted to the Office of Business Economics by Federal agencies or were obtained from published or unpublished reports of the agencies. The agencies for which data are included in the foreign-aid tables are shown in the agency recapitulation at the top of appendix tables E through J.

In preparing the appendix tables, data collected from reporting agencies have been adjusted in numerous instances to place in the proper period transactions which supplemental data have shown actually occurred prior to the period in which reported. However, such changes have been made only when the adjustments appeared sufficiently large to be significant.

Items which are necessarily based on estimates of this Office or of the reporting agencies have been adjusted or qualified on the basis of information received to the date of preparation of these tables (December 1951), but in some instances are subject to future adjustments. Revisions are incorporated into reviews published in the *SURVEY OF CURRENT BUSINESS*, monthly periodical of this Office, and into the quarterly reports of the Office of Business Economics, Clearing Office for Foreign Transactions.

Dollar-value terms

All information in the appendix tables is measured in dollar values. The values shown in dollar terms include (1) actual dollars, or dollar instruments; (2) dollar equivalent of military payment certificates (scrip); (3) dollar equivalent of foreign currencies converted at appropriate rates; and (4) dollar equivalent of goods, services, and real estate.

Supplies furnished to foreign governments or to other foreign entities abroad show all costs chargeable to the United States Government including those through delivery at the end of ship's tackle at the port of final debarkation. In some cases, actual charges are used in arriving at this cost; in others, an estimate has been applied by the reporting agencies. Services are generally reported at an estimated cost. Where possible these costs are estimated on the basis of obligations incurred or ultimate expenditures by the Government agency operating the program.

Summary data in appendix tables A through D are rounded to the nearest million dollars; data in all other appendix tables are rounded to the nearest thousand dollars. Because of the roundings, components shown do not always add to totals.

Foreign aid is measured, for the different mechanics of assistance in use, as follows: (1) at the time of shipment of goods or extension of a service, for procurement by a United States Government agency; (2) at the time of payment when cash aid is disbursed to a foreign government or other foreign entity, including disbursements for procurement by that government, or entity, or its agents; (3) at the time of disbursement to a United States supplier or to a United States bank (for payments to suppliers) on behalf of a foreigner, for procurement made on a letter of credit authorized by a Government agency; or (4) at the time of formal agreement, for obligations assumed by a foreign government, including bulk sales of surplus property under credit agreements.

Period covered

Appendix tables A through J cover the 11-year period from July 1, 1940, through June 30, 1951. Appendix table G includes, in addition, data on all loans made by the Export-Import Bank between February 12, 1934, when the Bank was established, and June 30, 1940. Except for appendix table G, appendix tables A through J present data for the 5-year war period in total and for each of the six postwar fiscal years individually.

Data for the war period as a whole are from July 1, 1940, the beginning of the defense effort, through June 30, 1945, the fiscal year-end falling between VE- and VJ-days. Many of the grants and credits between July 1, 1945, and VJ-day were of a peacetime character. Because data for this period are readily available only on a semiannual basis, for statistical purposes an initial date of July 1, 1945, has been adopted for the postwar period (except for postwar lend-lease data, which have a beginning date of September 2, 1945). By Presidential proclamation VJ-day (September 2, 1945) marked the virtual termination of lend-lease on a grant basis.

Appendix table K, which is a projection of contractual debt service, covers the 10 calendar years from 1952 through 1961.

Foreign Aid

APPENDIX TABLE A

Appendix table A embraces virtually all foreign transactions of the United States Government for the purpose of establishing a measure of the goods, services, and funds provided to or received from other countries or international organizations in connection with Government foreign-aid programs and other transactions. In addition to bringing together the most essential totals for the war and postwar periods, appendix table A serves to illustrate the interrelationships of the data in the various appendix tables.

Gross foreign aid

Gross foreign aid is defined to comprise two categories—grants and credits utilized. Grants are largely outright gifts for which no payment is expected, or which at most involve an obligation on the part of the receiver to extend aid to the United States or other countries to achieve a common objective. Credits are loans or other agreements which give rise to specific obligations to repay, over a period of years, usually with interest.

Gross foreign aid in some cases has been extended under indeterminate conditions, subject to future settlement. Indeterminate aid, on this basis, is included with grants in the period rendered. When settlement for such indeterminate aid is agreed upon, the terms may establish a long-term credit or may call for a cash settlement. Because such established credits cannot, as a rule, be deducted from specific aid recorded in previous periods, they are included in both grants (at the earlier period) and credits (at the time of the agreement), and the amounts of such credit-agreement offsets to grants are deducted from the total of grants and credits in arriving at gross foreign aid. Cash settlements are not deducted from gross foreign aid but are included in reverse grants (see below). The agreements settled indeterminate aid (principally lend-lease and, in some instances, military civilian supplies) and other considerations encompassed by war-account settlements.

The adjusted total for grants and credits appears in appendix tables B, C, and D, as well as in this appendix table, as gross foreign aid.

Grant and credit data summarized in appendix table A are consistent with data shown in appendix tables E and H, and recapitulate the aid by the form in which the transaction took place: (1) as direct cash payments or (2) in the form of goods and services provided (from appendix table D). Goods and services provided includes silver which is to be returned in kind under the lend-lease silver credits.

Investment in the International Bank and Fund

Payments to the International Bank for Reconstruction and Development and the International Monetary Fund, which constitute an additional measure taken by this Government to promote foreign economic recovery, are shown separately in appendix table A. These payments were actually made partially in dollars, partially in gold, and partially in non-interest-bearing,

nonnegotiable demand notes. Notes amounting to \$1,283 million were outstanding to the Fund on June 30, 1951.

Payments to these international financial institutions represented capital investments and did not result in immediate equivalent aid to foreign countries. Use of available dollar funds is largely determined by the managements of the two institutions, subject to certain restraints which can be exercised by the United States Government. No attempt has been made in the appendix tables to allocate to foreign countries the aid rendered through the International Bank or Fund by use of United States Government investments.

Returns on gross foreign aid

The returns include reverse grants and other returns of United States grants (appendix table F) and principal collected on credits extended (appendix table I), which together are deducted from gross foreign aid to arrive at net foreign aid.

Reverse grants are comprised of reverse lend-lease and the counterpart funds given the United States Government under the economic-cooperation programs; other returns of grants include returned lend-lease ships and cash received in war-account settlements for grants.

In addition to the returns which are netted against foreign aid, the United States Government collects interest (appendix table J) for the service it renders through loans and other credits.

Returns on grants and credits, and collections of interest, are recapitulated, by the form in which the transaction took place: (1) as direct cash receipts or (2) in the form of goods and services received (from appendix table D). Goods and services received includes real estate received as collections of principal and interest and also silver returned on the lend-lease silver credits.

Other cash disbursements and receipts

The entries for other cash disbursements (for goods and services received) include, among other items, the membership services or benefits which the United States Government derived from international organizations, the services of Government personnel stationed and paid abroad, the installations the Government procured and maintained, and the supplies the Government purchased abroad. The cash disbursements for goods and services received also include payments to veterans, civil-service pensioners, and others in compensation for their services previously rendered.

The entries for other cash receipts (for goods and services provided) include, among other items, deposits from the sale of surplus property and for charter hire, consular fees, mint charges, and receipts from operation of the Panama Canal.

These cash transactions also include some disbursements and receipts (excluding cash aid and returns from aid) not properly transactions for goods and services. For example (1) remittances through Government channels by personnel located abroad are included in receipts and (2) payments on short-term advances are included in disbursements. It should also be noted that large

parts of these disbursements and receipts do not represent transactions with foreign countries since they are comprised of payments to United States personnel abroad, receipts from such sources, and other transactions not really affecting the foreign economy.

Net foreign aid

The major categories of foreign transactions can be summed in terms of the flow of cash and of goods and services. The excess of outflow over inflow represents the net foreign transactions for which the United States Government receives no immediate return. After deduction for the investment in the two international financial institutions, the resulting difference is the net aid to foreign economies, or net foreign aid, by the United States Government. Data on the net foreign aid shown in appendix table A agree with those shown in appendix tables B and C.

APPENDIX TABLES B AND C

Gross foreign aid shown in appendix table A is summarized by major program (based upon detail appendix tables E and H) in appendix table B. This appendix table also summarizes returns, by program, from appendix tables F and I, to permit the derivation of net foreign aid composed of net grants and net credits. Credit-agreement offsets to grants, as well as reverse grants and returns on grants, are deducted from gross grants to derive net grants.

The summary program groupings in appendix table B can be reconstructed by reference to the program data arranged by agency in the detail tables and described in the related portions of this explanatory note.

Appendix table C is a companion table to appendix table B, developing by major country the net foreign aid, net grants, and net credits, as well as showing gross foreign aid and returns by these areas.

Geographic classification

The classification used in appendix table C brings together data for European-recovery program participants. Grants and credits for participating dependencies are included with those for the parent country on the basis of the status of the dependencies as of June 30, 1951. "Unclassified European-recovery program areas" includes payments to the European Payments Union.

APPENDIX TABLE D

Appendix table D provides information on the amounts of gross foreign aid (grants and credits) transferred abroad as Government-supplied goods and services or as direct cash payments under foreign-aid programs. Similar information is also furnished for foreign-aid returns (reverse grants and returns on grants and principal collections on credits) and on interest collections. The form or kind of transaction involved is shown either as (1) cash or (2) goods and services.

Goods and services received distinguishes the real-estate and property improvements received as principal or interest collections on credits. The amount of goods and services has been derived by deducting the amount of cash from corresponding totals for foreign aid and related returns. Since principal and interest collections in cash include collections on World War I debts, which are not included in appendix tables I and J (sources for data on collections shown here), goods and services is understated and thus may appear negative in several instances.

As a result of the method of computation, goods and services provided and received include transactions of agent banks of the Export-Import Bank which are part of the aid totals because a United States Government repurchase commitment is involved even though no Government funds are actually employed. For both war and postwar periods combined these aggregated \$243 million in disbursements (goods and services provided) and \$246 million in receipts (goods and services received).

Grants

APPENDIX TABLE E

Appendix table E presents detailed data on grants by the United States Government defined to include aid to foreign governments or other foreign entities which at the time extended was *on other than credit or cash repayment terms*, i. e., all aid for which no direct repayment was expected at the time extended or where the conditions of reimbursement were not sufficiently clear to justify inclusion in the credit category. In addition, there is included for U. S. S. R. and China some lend-lease aid extended on a credit basis under pipeline credit arrangements, which is included, also, in credits as credit-agreement offsets to grants. (See note for appendix tables G through J.)

Grants are not synonymous with gifts since they include, in addition to outright gifts, foreign aid extended under *indeterminate* terms and conditions of recovery to the United States, pending future settlement (as explained above in the notes for gross

foreign aid, settlements as a rule cannot be deducted from specific grants recorded in previous periods).

Refunds and reimbursements to the United States for overpayments, shipments not eligible as aid, etc., occurring under grant programs are netted into the data shown in this appendix table and sometimes result in negative entries. Refunds (receipts) of funds transferred to UNRRA and the Intergovernmental Committee on Refugees for liquidation purposes are in the data and result in a negative entry in appendix table E. Negative entries shown for aid to the American Republics are frequently unphased accounting adjustments.

Ascertainable dollar costs of administering grant programs are included in the grant total, and by this inclusion it is generally possible to account for total expenditures out of dollar funds appropriated for foreign aid. In addition, expenditures of United States-owned counterpart funds (foreign currency) under

the Economic Cooperation Administration (ECA) programs are included in grants when they represent costs of administration and other services of benefit to the foreign country.

In the final analysis, grant aid which derives from appropriated funds is not greater than obligations from appropriated funds for such grants or than transfer authorizations. Grants in the form of cash are simultaneously incorporated into appendix table E as grants and recorded elsewhere in Government accounts as expenditures. Grants of services or commodities, however, are sometimes made after, but more commonly before, payment is effected and the expenditure recorded.

Agencies and programs included

Agriculture Department.—Donations of surplus food commodities by the Agriculture Department to private and international welfare organizations for the assistance of needy persons outside the United States were authorized by section 416 of Public Law 439, approved October 31, 1949, and section 3 of Public Law 471, approved March 31, 1950. These donations are included in appendix table E at values representing the average price paid by the Agriculture Department in support of domestic commodity prices rather than at a current export value.

Under Public Law 8, approved February 28, 1947, the Agriculture Department was authorized to cooperate with the Government of Mexico in the control and eradication of foot-and-mouth disease. The grant aid reported in appendix table E includes only the United States cost of the cooperative program and excludes the expense of the border quarantine and inspection at public stockyards and in the field to detect immediately any possible introduction of the disease into the United States. This appendix table also excludes the cost of canned beef purchased by the United States Government in Mexico under the program to provide an alternative market for cattle which normally would flow into this country. Although this beef was sold by the United States Government at a loss, neither the gross purchase nor the net loss are included in appendix table E.

American Red Cross.—The American Red Cross data cover only supplies provided by United States Government procuring agencies with funds appropriated for foreign war relief.

Defense Department.—The Army Department figures as of June 30, 1951, include all reported shipments of civilian supplies through that date, valued at estimated landed cost. Specifically, supplies procured with the appropriation for government and relief in occupied areas (GARIOA) are included.

Data for fiscal years 1948, 1949, and 1950 on military civilian-supply shipments by the Army Department include incentive materials provided Germany, Japan, and the Ryukyus under a special program, totaling \$109 million, representing their value plus the cost of transportation when paid out of appropriated funds. Net diversions abroad from military stocks exceeding \$106 million are included in the civilian-supply grant data. The statistics contain data on petroleum supplies transferred as civilian supply through March 31, 1951. Data for the April-June 1951 quarter were not yet available at the time of preparation of these tables.

Because of the difficulty of segregating the cost of services rendered as civilian-supply abroad from the cost of regular military operations, the armed forces are generally exempted from

reporting services rendered gratis to civilians. Subsidies (paid from appropriations for civilian supplies) on postal shipments of private relief parcels are reported.

Civilian supplies furnished by the United States Army have been generally considered a form of assistance for which the local government should be financially responsible. While no direct payments have been received, these obligations were included in the war-account settlements which have been signed with many recipient countries.

Korean aid since July 1, 1950, includes transfers to the civilian economy from United States Army stocks in Japan and Korea, and aid under Public Law 911, approved January 6, 1951. Some transfers by the armies in the field are still to be reported.

Navy Department figures for civilian supplies show deliveries to reported areas. An adjustment of these figures was made by the Navy Department to cover diversions to or from other stocks.

The Army assumed administrative responsibility for the Ryukyus from the Navy Department on July 1, 1946. Shipments to the Ryukyus during the period of transition from July 1, 1946, through November 30, 1946, were reported as combined Army and Navy Department transactions.

Some relief grants were made through the Army Department to the International Refugee Organization. In addition, the Army acted as agent for this organization in shipping goods purchased with cash grants made by the United States Government to the International Refugee Organization; such shipments are not included in appendix table E, but the cash grants are included under State Department.

Economic Cooperation Administration.—The Economic Cooperation Administration (ECA) assumed complete responsibility for civilian supplies in the United States-occupied area of Germany late in 1949. Funds from the appropriation for government and relief in occupied areas (GARIOA) were transferred to ECA for this purpose. Aid extended under this program is included in appendix table B as civilian supplies.

Data shown for economic-cooperation programs cover grants given under title I and section 404 (a) of the Foreign Assistance Act of 1948, as amended, administered by ECA. Title I of this act, Public Law 472, authorized the European-recovery program; title IV of the act was the authority for Chinese assistance. Public Law 535, approved June 5, 1950, further extended these programs and made funds originally established for Chinese aid also available to other Far Eastern countries. Data shown for ECA also include aid to Korea under Executive Order 10026-A (January 5, 1949) wherein the President assigned responsibility for economic aid to this area to ECA, and under Public Law 447, approved February 14, 1950, and Public Law 535.

Technical assistance and training under these programs, and subsidies (including parcel post reductions) on freight payments for private relief shipments, are included.

The extent to which repayment for the sum of all commodities or payments under the European-recovery program was required, and the terms, were determined almost immediately after the aid was provided, although when specific commodities or payments were provided they were frequently furnished on an indeterminate basis. Thus \$1,132 million in assistance is considered to be on a credit basis by June 30, 1951. The remainder of the aid constitutes grants, both direct and conditional. Both ECA conditional

grants and outright, or direct, grants are included in appendix table E.

Conditional grants arose under the intra-European payments plan where the United States Government provided part of the United States assistance on condition that equivalent aid would be granted by recipients in terms of their own currencies to other participating countries. Under the program for the European Payments Union (EPU), which succeeded the intra-European payments plan as of July 1, 1950, the United States Government provided conditional aid against drafts on the initial debit balances that three participating countries (Belgium-Luxembourg, \$29 million; Sweden, \$10 million; and United Kingdom, \$150 million) agreed to provide to other countries through EPU. The United States Government also originally agreed to provide up to \$350 million to furnish sufficient convertible assets to enable EPU to pay countries which accumulated a surplus debit position under the program; amounts shown for EPU represent payments for this purpose.

Assistance is shown by the recipient government. In some instances, although goods have been shipped to a dependent area (for example, Tunisia), the aid has been reported as rendered to the parent country (France). Commitment of aid under the European-recovery program for Indonesia, formerly a Netherlands dependency, was discontinued with the transfer of sovereignty over much of the area to the United States of Indonesia at the end of 1949. However, deliveries of goods and payment for aid previously committed continued into 1950, and Indonesia also received aid under the Far Eastern program.

Because of the military situation in China during 1949, ships bearing cargoes financed by ECA were diverted to other destinations, including Korea. Large adjustments were made in fiscal year 1950 to correct the data for these two countries on a cumulative basis. Subsequently, diversions of cargo originally destined for Korea were also made.

Data are included on the post-UNRRA relief program authorized by Public Law 84, approved May 31, 1947, and on the interim-aid program authorized by Public Law 389, approved December 17, 1947. ECA was responsible for terminal administration of these programs which were originally under the State Department. Post-UNRRA data include private relief shipment freight subsidies paid through the Advisory Committee on Voluntary Foreign Aid.

Executive Office of the President.—Section 404 (b) of Public Law 472, approved April 3, 1948, authorized the President to provide \$125 million in aid to China on such terms as he decided; this was used for military aid to China. Aid was extended through the Treasury Department as cash and through other agencies as goods and services.

Philippine War Damage Commission.—Compensation for war-damage claims and related administrative expenses under title I of the Philippine Rehabilitation Act of 1946 were reported by the Philippine War Damage Commission. Payments made by the Commission under title III are tabulated opposite the State Department.

Reconstruction Finance Corporation.—Some financial aid, in expansion of communications, to the American Republics was provided by subsidiaries of the Reconstruction Finance Corporation early in World War II.

State Department.—The State Department administered the assistance to Chinese students in the United States under Public Law 327, approved October 6, 1949, as amended.

Greek-Turkish aid program assistance was provided under Public Law 75, approved May 22, 1947, and title III of Public Law 472, approved April 3, 1948. Subsequent assistance to Greece and Turkey under title II of Public Law 329, approved October 6, 1949, is included with the mutual-defense assistance program aid.

Aid to cultural and economic programs for the American Republics represents grant programs instituted by the Coordinator of Inter-American Affairs and subsidiary agencies whose functions were consolidated in the Institute of Inter-American Affairs in State Department.

Under Executive Order 10099, dated January 27, 1950, the State Department administered the mutual-defense assistance program authorized under Public Law 329, as amended. This program provided for aid to signatories of the North Atlantic Treaty; to Greece, Turkey, and Iran; Korea and the Philippines; and in the general area of China. Grants include transfers of goods and services purchased from funds appropriated and transfers of goods under the authorization in section 403 (d) of Public Law 329, as amended, to furnish excess equipment and materials to the designated areas. To the extent that aid under the mutual-defense assistance program represents assistance rendered through ECA, such aid is shown by country; the remainder appears under "Unclassified areas."

Aid under the Philippine Rehabilitation Act of 1946 includes (1) surplus property transferred under title II, (2) disbursements under title III in payment of claims for the restoration of public property, and (3) improvement of essential public services under title III.

Technical assistance comprises programs for scientific and technical assistance to foreign countries (1) under Public Law 402, approved January 27, 1948 (known as the Smith-Mundt Act), and (2) under the programs for cooperation with the American Republics originated by Public Laws 545 and 355, approved May 25, 1938, and August 9, 1939, respectively. These programs were superseded by the Point 4 program authorized in Public Law 535, approved June 5, 1950.

The State Department administered grants of funds for United States participation in the United Nations International Children's Emergency Fund, for the first United States contributions to the United Nations for relief of Palestine refugees, for United States participation in the International Refugee Organization, and for the United States contributions to the Intergovernmental Committee on Refugees (see also War Refugee Board, below).

The data included on relief and rehabilitation furnished through UNRRA cover only those goods, services, and funds provided by the United States Government. Reports on this portion of UNRRA operations were made by the State Department, which assumed responsibility from the Foreign Economic Administration under Executive Order 9630, dated September 27, 1945, for handling funds provided by Congress to the President to finance United States Government participation in UNRRA. The United States contributions to UNRRA comprised about three-fourths of that international agency's resources. For some countries the United States contribution was used to provide more than three-fourths of total aid to that country by UNRRA. In

others, non-United States resources were more liberally used; thus the United States contribution for these countries was often considerably less than three-fourths of total UNRRA assistance. Where possible, data included are shown for the country of destination of United States-contributed shipments. The cash grant paid to the international organization is shown against the geographical entry "International organizations: UNRRA" while services and other undistributable charges to the aid program (all prior to 1948) are included in "Unclassified areas."

Yugoslav aid represents the assistance authorized as stopgap relief, from funds originally appropriated for the European-recovery program, under Public Law 897, approved December 29, 1950.

Treasury Department.—In February 1942, Congress directed that \$500 million be advanced to China to assist in prosecuting the war against Japan and in stabilizing the Chinese economy.

To assist the United States Army in furnishing relief and rehabilitation supplies for Italy, \$100 million of lend-lease funds was made available in 1945. Since Italy had not been designated as eligible for lend-lease aid, these supplies were turned over to the Army as an intermediary in distribution. To pay for the transport of these lend-lease-financed supplies, an additional \$40 million was earmarked from lend-lease funds. Actual aid rendered totaling \$134 million is included in these appendix tables as civilian supplies.

Lend-lease aid included in this appendix table reflects the estimated cumulative value of such aid furnished on a grant basis (often referred to as "straight" lend-lease). These data are based upon the Treasury Department statements for March 31, 1951, in the Thirty-second Report to Congress on Lend-Lease Operations (82d Cong., H. Doc. 227) as follows:

	<i>(Millions of dollars)</i>
From gross lend-lease aid total shown in that report.....	50,243
Exclude:	
Assistance paid for by Italy and Denmark, which were not eligible to receive lend-lease aid.....	84
Armed-forces civilian supplies program for Italy (so-called YB program) made available from lend-lease appropriated funds and which is separately shown in appendix table E.....	134
Equals: Total transfers under lend-lease authority.....	50,024
Subtract:	
Transfers of cash (prepaid) lend-lease and lend-lease provided on specific cash repayment terms.....	933
Silver required to be returned (see appendix table G)....	291
Other lend-lease aid originally extended on a credit basis (see appendix table G).....	126
Equals: Gross lend-lease grants by the United States Government.....	48,674

A similar derivation is used to develop data for that part of the total representing the postwar period. Transactions in the postwar period are estimated and phased by year in many instances.

The lend-lease grant data have *not* been netted for cash war-account settlements for lend-lease and other grants included as returns (\$151 million), nor for credit-agreement offsets to grants included in appendix table G (\$1,256 million). The grant totals include ships and other goods (except silver, which is included in credits) which were to be returned to the United States Govern-

ment. For ships which have been returned, no adjustment has been made in this estimate.

Data on retransfers (mainly by the United Kingdom) of lend-lease goods to third countries are not available and thus have never been included in the lend-lease records. Therefore, the total cash and credit lend-lease (including postwar settlements for lend-lease and other grants) for certain of these smaller countries exceeds the aid recorded by the Treasury Department. For these cases, a retransfer from the United Kingdom has been assumed. An estimated amount sufficient to raise total deliveries for these smaller countries to the total cash plus credit transactions has been added to the Treasury-recorded aid for these countries and deducted from aid to the United Kingdom. Similarly, for the British Dominions retransfers have been estimated in sufficient amount to offset the cash and credit transactions with these countries and, additionally, to offset the reverse lend-lease received from them.

Lend-lease grant estimates are broken down by requisitioning governments and are shown only for major areas. Thus, lend-lease grants are included opposite the United Kingdom for the British Commonwealth (except as specified in the preceding paragraph), opposite France for all French areas, etc. For the individual American Republics, the lend-lease grant estimates are overstated, in the aggregate, to the extent of lend-lease credits (\$109 million), information for which is not available by country. Thus, to adjust the lend-lease grant data for the American Republics the total credit is carried as a negative amount opposite the entry "Unclassified American Republics."

As a result of the above, it should be remembered that the data in appendix table E, and particularly the figures for individual countries, are aggregates including estimates and must be interpreted in the light of these qualifications.

War Refugee Board (WRB) activities involved only relatively small outlays for the provision of relief supplies abroad. Most of the remainder spent directly by the Board represented payments to WRB personnel abroad, both as remuneration for services and for use in WRB activities. WRB also made some payments to the Intergovernmental Committee on Refugees.

Transactions not included

In addition to the United States Government grant programs included in this appendix table there are several operations of the Government abroad which are sometimes called grants. Among these excluded transactions are—

(1) Costs of military occupation and government in former enemy countries, other than supplies for civilian economies generally obtained with United States appropriated funds;

(2) The transfer of certain naval vessels to China under Public Law 512 of the Seventy-ninth Congress; the waiver to France of vessels intended as reparation to the United States from Germany; and the return of reparation vessels to Italy;

(3) Pensions and annuities, dependency allotments, and certain claims abroad paid by the United States Government;

(4) Relatively minor amounts of assistance under the programs for cooperation with the American Republics and as part of the international informational and educational activities of the United States Government, including cultural and educational aid rendered under the Fulbright and Smith-Mundt Acts (but scientific and technical cooperation is included);

(5) Goods, services, and funds provided by private persons or organizations, even though furnished through Government-approved organizations such as the United Nations International Children's Emergency Fund or the American Red Cross;

(6) Military assistance provided the Philippines under Public Law 454, approved June 26, 1946, and military assistance to Korea, including military surpluses left by withdrawal of American forces from those countries after World War II (naval equipment originally costing \$59 million was transferred gratis to the Philippines; under disposal arrangements in Korea, surplus originally costing \$49 million was transferred gratis);

(7) Intergovernmental claims which have been settled, sometimes by offset, although these claims may have had the effect of lend-lease or reverse lend-lease and were taken into consideration at the time of war-account settlements; for example, claims against the United Kingdom for supplies and services furnished in January-March 1946 which were waived by the agreement of July 12, 1948; and

(8) The United States contribution to the construction of roads in the American Republics, particularly the Inter-American Highway (authorized under Public Law 375, approved December 26, 1941).

APPENDIX TABLE F

Appendix table F presents data on grants from abroad made to the United States Government and on return of grants to the United States Government.

Agencies and programs included

Economic Cooperation Administration.—Counterpart funds (5 percent) were received and disposed of by the Economic Cooperation Administration (ECA) under the requirements of Public Law 793, approved June 28, 1948, and Public Law 47, approved April 19, 1949, as amended. Since these foreign currencies were for United States Government use, they were in effect reverse grants (to the United States). Public Law 793 provided "that not less than 5 per centum of each special local-currency account established pursuant to section 115 (b) (6) of the Economic Cooperation Act of 1948 [Public Law 472] shall be allocated to the use of the United States Government for expenditures for strategic materials where available or for other local-currency requirements of the United States."

The special local-currency (100 percent) accounts required by Public Law 472 resulted from—

(1) deposits of the countries receiving assistance in the form of direct grants of an amount in their own currencies equal to the full dollar cost to the United States Government of the commodities or services furnished, and

(2) deposits of the final recipient countries equal to the net value of the goods these countries received (a) from intermediate countries under the intra-European payments plan, whereby the intermediate countries made available commodities and services equal in value to those received from the United States Government as conditional grants, and (b) by use of any initial credit balances allotted them under the European Payments Union agreement.

Counterpart funds (5 percent) were collected by ECA under the European-recovery, Far Eastern aid, and Korean-aid programs.

Counterpart funds were also collected for mutual-defense assistance aid furnished to Yugoslavia through ECA. Receipts deposited to the ECA account on the European-recovery program eventually equal at least 5 percent of the counterpart required by section 115 (b) (6) of Public Law 472; the dollar equivalent of deposits to ECA account are reported on a basis which allows direct comparison to the value of grant aid furnished.

Deposits of counterpart funds were made in local currency at conversion rates agreed upon by the United States Government and the depositing countries. The dollar equivalents of the portion (5 percent) received by ECA are computed at the same rates. Data are based on foreign-currency operations and exchange rates as reported by ECA. Foreign currencies acquired by ECA as a result of payments on guaranties to American investors are not included in this appendix table.

United States Government-held local currencies were used by being disbursed by ECA for administrative and service expenses, for deficiency materials, and for deficiency-material development projects and by other agencies of the Government. Prior to the actual application of the foreign-currency counterpart to United States use, changes in valuation of the currency in terms of dollars may occur, and the resulting worth to the United States Government may differ from the value shown here.

Treasury Department.—Returns of lend-lease ships were required by Public Laws 1 and 11, approved February 19 and March 18, 1943. Data on returns of lend-lease ships, although based upon records of the Maritime Administration and Navy Department, are shown opposite Treasury Department in this appendix table, as that Department is responsible for lend-lease fiscal records.

Estimated value for returns of merchant ships is based on floor sales price provided by law for disposal of such vessels, where this price existed. Where no floor price exists, 35 percent of the original transfer value is used as a returned-value estimate. This is an application of the formula for sales prices established in the merchant ship-sales law, with the assumption that the original transfer value of these ships was equivalent to wartime construction cost. Of the \$208 million shown for returned merchant ships less than \$10 million was computed from the 35-percent approximation. In those instances where ships were subsequently sold to the countries which had lend-leased them, the floor-price method has proven to yield an excellent estimate of the return value.

All countries except United Kingdom and U. S. R. received merchant ships on the basis of "bareboated out and time chartered back" whereby the ship was lend-leased at a nominal transfer value of \$1, and then chartered back to the United States Government. The purpose of this arrangement was to give foreign governments merchant ships to operate and to keep foreign seamen employed. No credit for the return of these vessels is given in appendix table F.

Estimated value for the returns of naval ships is generally 5 percent of the original transfer value, in conformity with the suggestion of the Navy Department. However, in some instances naval vessels were recorded as being returned under lend-lease and simultaneously furnished under other aid programs (for example, surplus-property credits). In these instances the return is valued at the same amount at which vessels are included

in the new aid program. Values of U. S. S. R. returns are as actually reported by the Navy Department.

Merchant vessels lend-leased to all countries except U. S. S. R. were returned except those which were maritime casualties. U. S. S. R. has not returned over two-thirds of those originally lend-leased. Most naval craft, except those lend-leased to the U. S. S. R., have also been returned.

Under the act of March 11, 1941, establishing lend-lease, "the benefit to the United States may be payment or repayment in kind or in property, or any other direct or indirect benefit which the President deems satisfactory." On May 9, 1941, the President authorized the receipt of reverse lend-lease as a benefit under the Lend-Lease Act.

In addition to goods and services received directly by the United States Government, reverse lend-lease was obtained through reimbursement by foreign governments for United States expenditures for goods and services when these purchases by the United States Government were later determined to have been eligible as reverse lend-lease.

The data included in the summary appendix tables are based upon reverse lend-lease through September 2, 1945, reported by the Treasury Department (see Twenty-ninth Report to Congress on Lend-Lease Operations, 81st Cong., H. Doc. 436, p. 28) phased to include the reimbursements described above at the time of receipt of cash, rather than at the time the original commodity delivery occurred.

In addition, the data include approximately \$93 million for post-VJ-day reverse lend-lease pipeline from the United Kingdom which was specified in the settlement agreement concluded with that country July 12, 1948. Data for Belgium have been revised to the amounts reported in the Twenty-third Report to Congress (80th Cong., H. Doc. 41, p. 14). Data for the Netherlands are based upon the Twenty-fourth Report to Congress (80th Cong., H. Doc. 437, p. 8).

While some payment was received for lend-lease articles prior to their transfer, and other transfers were made fully anticipating repayment, most lend-lease transfers were made on a grant basis. In a few instances these lend-lease grants, along with other war-account claims, were incorporated into cash war-account settle-

ment agreements calling for payment to the United States Government for lend-lease and other grants. The latter receipts are included as grant returns.

Transactions not included

Information on other lend-lease returns is not available, except for a few minor transactions, as follows. In addition to the return of ships required by law, other lend-lease articles were returned to the United States Government, in some instances only to be sold concurrently to the recipient country. Two major classes of lend-lease articles returned were (1) small or auxiliary watercraft and (2) all types of aircraft. Known cases of returned lend-lease articles being sold as surplus property include property sold for about \$10 million to Italy from lend-lease returned by the United Kingdom; \$7½ million in sales to the Union of South Africa at the time of the war-account settlement, and \$2 million more sold subsequently; \$5 million sold to Burma from United Kingdom returns; and indeterminate amounts included in sales to Australia and New Zealand. The original lend-lease transfer value of this surplus was, of course, considerably more. The value of these cited returns is a small fraction of the \$49 billion in original lend-lease grants. No data on returns, aside from the large vessels, which are discussed above, are included in appendix table F.

Settlements which offset grants by substitution of a credit (in appendix tables G and H) are not included as returns in appendix table F.

Reparations received by the United States Government can also be considered equivalent to a "grant" but data are not presently available for these receipts.

Currencies provided by foreign countries to the United States Government under terms of section 408 (d) of the Mutual Defense Assistance Act (Public Law 329, approved October 6, 1949) were not reported but are estimated to approximate \$7 million for the period through June 30, 1951.

Goods, services, and foreign currencies furnished by governments of occupied areas, or taken by the occupation authorities, and used to defray costs of military occupation and government in former enemy countries are not included as reverse grants in appendix table F.

Credits

APPENDIX TABLES G THROUGH J

The data in appendix tables G through J relate to loans and other credits provided as foreign aid by the United States Government. All aid in the form of credits is based on agreements which provide for repayment of principal and, in most cases, for the payment of interest. Provisions governing the collection of principal and interest vary and may call for payment in the form of different combinations of United States dollars, property or improvements to property, foreign currencies, strategic materials, and the assumption of claims.

Data relating to indebtedness arising out of World War I are not included in these appendix tables.

The status of credits is given in appendix table G. Although there exists a wide variety of transactions and differences in the

accounting procedures of the various Government agencies and it is not possible to prepare simple definitions applicable to all cases, it is believed that the following classifications used in appendix table G are as consistent as possible.

1. *Authorized (gross)* represents the cumulative amount of loans and other credits approved by Government agencies even though in some instances such arrangements had not been formalized by signed credit agreements. Because the lack of formal agreement may become important in some cases, the amounts in this category as of June 30, 1951, included in appendix table G, are tabulated in the section on the Export-Import Bank, below. The words *authorized* and *committed* are used interchangeably.

2. *Terminated* represents the cumulative cancellations and expirations of credit commitments (authorizations).

3. *Authorized (net)* represents the difference between gross authorizations and terminations.

4. *Unutilized* represents the difference between net authorizations and the amount utilized.

5. *Utilized* represents the actual foreign aid extended on credit terms. Appendix table H presents utilization by time period.

6. *Principal collected* represents the payments received and applied to the reduction of outstanding principal indebtedness. Amounts reported *charged off* as uncollectible are included as principal collected in appendix table G and are footnoted. They are excluded from appendix table I, which shows principal collections by time period.

7. *Interest and commissions collected* represents the payments received by Government agencies and applied to income. Appendix table J tabulates interest collections by time period.

8. *Outstanding* represents the net of utilized less principal collected (and amounts charged off). This is the principal indebtedness but does not include accrued interest.

Agencies and programs included

Transactions are generally shown by the agency administering the residual collections.

Agriculture Department.—Occupied-areas commodity-program credits represent the relatively short-term credits (generally 12 to 15 months) extended in connection with cotton shipments by the United States Government to the military governments for western Germany and Japan. Utilization represents the value of the raw cotton plus a small amount of administrative expense.

Commerce Department, Maritime Administration.—These credits were extended for a maximum of 75 percent of the sales price of merchant ships sold to foreigners under the Merchant Ship Sales Act of 1946 (Public Law 321, approved March 8, 1946). Further sale of ships to foreigners after March 1, 1948, was prohibited by Public Law 423, approved February 27, 1948. Utilization represents the principal amount of the mortgages received by the former Maritime Commission from foreign purchasers of merchant ships. All these credits were either extended to or guaranteed by foreign governments.

Defense Department, Army Department.—Public Law 820, approved June 29, 1948, created a natural-fibers revolving fund of \$150 million for the purpose of providing credits to areas occupied by United States forces, for the purchase of natural fibers produced in the United States. Utilized represents disbursements for the purchase and transportation of such materials, principally raw cotton. These credits were extended on a relatively short-term basis (not over 15 months).

The surplus-property credit is an estimate of the amount to be paid by China for deliveries of surplus property by the Army Department in fiscal year 1946.

Economic Cooperation Administration.—The European-recovery loans through Export-Import Bank (EIB), and the deficiency-material development-project loans (noted below), were made under authority of the Economic Cooperation Act of 1948, as amended. The European-recovery loans originated in commitments by the Economic Cooperation Administration (ECA) but the loan agreements were executed by EIB. These loans were made principally from public-debt dollar funds and are repayable in dollars. Disbursements by EIB from public-debt funds gener-

ally reimbursed ECA for aid previously advanced out of appropriated funds. However, commitments of almost \$10 million on these loans were from appropriated funds without provision for reimbursement from public-debt funds. Utilization generally represents the portion of aid determined by ECA to be on a credit basis under a formula distribution of program aid into grants and credits.

The loans in connection with deficiency-material projects were the only ones made and disbursed directly by ECA. These were made from either appropriated dollar funds or 5-percent counterpart funds and are repayable in deficiency materials.

The Indian loan was authorized by Public Law 48, approved June 15, 1951. Approximately \$163 million of this \$190-million loan commitment through EIB was to be made from dollar funds appropriated to ECA; the remaining \$27 million was to be made from public-debt funds.

The Spanish loan was authorized by Public Law 759, approved September 6, 1950. This \$62½-million loan, by EIB as agent for ECA, was to be made from public-debt funds.

Defense Materials Procurement Agency is to administer collections on the deficiency-material development-project loans. On all other ECA loans, including the loans to India and Spain, collections are to be administered by EIB.

Export-Import Bank.—The Export-Import Bank, which is the principal foreign-lending agency of the United States Government, was created in 1934 primarily to finance foreign trade. Subsequent legislation has expanded its operations and increased its lending authority.

Loans of EIB originate in authorizations resulting from approval of credits by the Board of Directors. As of June 30, 1951, certain authorized loans had not been formalized by executed contracts or agreements. These authorizations, included in appendix table G, are as follows:

	(Millions of dollars)
Total.....	351
Brazil.....	30
Cuba.....	12
Ecuador.....	4
Haiti.....	10
Mexico.....	140
Nicaragua.....	1
Uruguay.....	3
Union of South Africa.....	35
Iran.....	25
Liberia.....	1
Indonesia.....	48
Saudi Arabia.....	4
Unclassified European cotton credits.....	38

In the case of EIB, data are included in appendix table G on all loans made since February 12, 1934, when the Bank was established. However, utilization, repayment of principal, and payment of interest occurring during the period from February 12, 1934, through June 30, 1940, are excluded from appendix tables H, I, and J.

Direct loans by EIB and advances through agent banks are included in foreign aid. These agent-bank loans occurred when United States commercial banks participated in certain loans of EIB under agency agreements which specified that at the option of either party EIB would reimburse the agent bank for the

unpaid principal amount of the loan with accrued interest. In event of such repurchases by EIB, the amounts are incorporated in appendix table H as positive entries on the line "Direct loans" (EIB-D) and as negative entries on the line "Loans through agent banks" (EIB-A) in the period of the repurchase. In the instances where repurchases exceed agent-bank disbursements on other loans this yields a negative figure for "Loans through agent banks." Principal repayments on loans held by EIB agent banks are included in appendix tables G and I but shown separately. Interest received and retained by agent banks of EIB is excluded from appendix tables G and J.

General Services Administration.—Credits which were originally extended by the former War Assets Administration in the disposal of domestic surplus property to foreign countries have been transferred to General Services Administration for collection. Utilization represents deliveries for items for which promissory notes had been signed plus the gross amount of sales contracts for which notes had not been signed on June 30, 1951.

Reconstruction Finance Corporation.—Foreign loans of the Reconstruction Finance Corporation (RFC) were extended under various authorizing acts of Congress. The principal authorizing acts were Public Law 108, approved June 10, 1941, under which the collateral loan of \$390 million to the United Kingdom was extended, and Public Law 656, approved August 7, 1946, under which the \$70-million loan to the Philippines was made.

The occupied-areas commodity programs were administered principally by U. S. Commercial Company, a subsidiary of RFC. The major commodity advanced to Germany and the only commodity advanced to Japan under these programs was raw cotton furnished by the Agriculture Department. Utilization shown under RFC represents the value of the other commodities advanced to Germany plus shipping costs, handling charges, and administrative expenses for the entire program as reported by RFC. These credits were relatively short-term, generally 12 to 15 months.

The surplus-property credit represents a sale of surplus property to Brazil on credit terms in fiscal year 1946.

State Department.—The Institute of Inter-American Affairs extended small credits to Mexico during the war period and to Uruguay in the early postwar period. The Treasury Department has actually administered residual collections since July 1, 1949, on the outstanding balance of the loan to Mexico.

On March 23, 1948, an agreement was signed whereby the United States Government agreed to lend to the United Nations up to \$65 million for construction of the United Nations headquarters building in New York City. This agreement was ratified by Public Law 903, approved August 11, 1948. No interest is to be paid on this loan.

Treasury Department.—The British loan was extended under the terms of the Anglo-American Financial Agreement signed December 6, 1945. The joint congressional resolution, which implemented this agreement and was signed by the President on July 15, 1946, authorized the Secretary of the Treasury to carry out the agreement.

Lend-lease current credits represent lend-lease aid (other than silver) originally extended on a credit basis and not included in grants. In this category are all lend-lease credits, with one exception, extended to the American Republics, and the lend-

lease credit to Liberia. For the American Republics, utilization represents the portions of lend-lease transfers prior to VJ-day which were on a credit basis under mutual-aid agreements with the 18 American Republics involved. In some cases the amounts due have been established in settlement agreements with various American Republics. In the case of Liberia, utilization represents expenditures reported by the Navy Department for the construction of a port.

The obligations of foreign governments to repay lend-lease silver also are included because such silver is required to be returned in kind, ounce for ounce, to the United States Government, in accordance with specifications in the respective agreements, when determined by the President. This determination has not been made, but silver was returned by Belgium, during the last half of 1947, in repayment of that country's entire lend-lease silver indebtedness. The dollar value of the silver transferred was computed at 71½ cents per fine ounce, which was the official value at the time the silver was furnished to the foreign governments.

Credit-agreement offsets to grants represent the aid which is also included in grants, less, in some cases, the reciprocal aid which is included in reverse grants, plus or minus net claims, in a few instances, which are believed to be negligible. In most cases the amounts included in this category have been established in war-account settlement agreements. The lend-lease aid included in the credits established under such settlement agreements represents inventories of lend-lease goods in the hands of civilian agencies of recipient governments at VJ-day, and post-VJ-day transfers under credit arrangements, less, in some instances, reverse lend-lease. In some cases, the credits established in the settlements include civilian supplies, net claims, and other war accounts. Unsettled lend-lease credits include those with China and U. S. S. R. In these two cases utilization represents billings for post-VJ-day lend-lease aid furnished under the pipeline credit agreements; the entire amount of the billings has been considered utilized as of the date of the pipeline credit agreement. For an explanation of the adjustment necessary in using credits with grants to compute total foreign aid, because of the duplications, see the portion of this explanatory note for appendix table A. These credits sometimes are included by other compiling agencies in the category of lend-lease credits.

Surplus-property credits represent the credits originally extended abroad by the former Office of the Foreign Liquidation Commissioner (OFLC), State Department, in the disposal of surplus property. A few of these credits are still subject to collection by the State Department but all are shown in these appendix tables under the administration of the Treasury Department to which most of such credits have been transferred for servicing.

For the bulk sales made by the former OFLC to Belgium and India, utilized credits represent the one-half share due the United States Government from the reported resales of this surplus property by these two foreign Governments. For all other surplus-property credits extended by the former OFLC, utilization represents deliveries in the case of both bulk-sale credit agreements and of sale contracts under other credit agreements. "Bulk sales" are defined to mean sales not made on a selective basis or, typically, the sale of all surplus in a certain area.

The Philippine funding loan represents the agreed estimate of the amount due under the Philippine obligation to return to the United States Government the unused portion of funds advanced in 1948 to meet claims for pay which had arisen as a result of the operations of the Army of the Philippines and guerrilla forces during World War II. The estimate is subject to adjustment upon completion and acceptance of an audit of the unexpended balance of these funds. On November 6, 1950, the funding agreement was signed, which permitted repayment over a period of 10 years.

Transactions not included

Several categories of relatively short-term foreign credits extended by the United States Government are excluded from these appendix tables, as follows: (1) advance payments on commodity-procurement contracts; (2) the revolving special exporter-importer credits of EIB; (3) surplus-property receivables originally scheduled to mature in less than 6 months; and (4) other receivables originally scheduled to mature in 90 days or less.

All postwar economic assistance to Germany, including civilian-supply aid provided by the Army Department plus aid provided by ECA, was furnished subject to settlement and as a deferred charge against future proceeds of German exports. Most of such aid to Germany is included in grants. (See appendix table E.) One such item, presently included in grants but not in credits, is considered a surplus-property obligation of Germany. This is the more than \$58 million worth of surplus incentive materials furnished to Germany by the Army Department between November 1947 and April 1949.

In addition the Army Department, prior to January 31, 1948, transferred on a deferred-payment basis an estimated \$90 million worth of surplus property to Germany. This sale is covered by an agreement dated January 23, 1948, between the European Command of the United States Army and the German Bizonal Economic Council. Although the credit data do contain the amount of the OFLC surplus-property bulk sale to Germany of the same date, this Army Department deferred-payment sale has never been reported and consequently is not included in the credit or grant aid shown in these appendix tables for Germany.

Uncommitted credit authority represents the amounts authorized by Congress for loans and other credits from public-debt funds but not yet committed by the responsible Government agencies. These data are excluded from appendix table G. This uncommitted credit authority at June 30, 1951, totaled \$692 million as follows:

	<i>(Millions of dollars)</i>
<i>Economic Cooperation Administration.</i> —The difference between the congressionally authorized loan to Spain and the net credit commitments of EIB (as agent for ECA) under this authority.....	45
<i>Export-Import Bank.</i> —The difference between the statutory lending authority of the Bank and the sum of the outstanding indebtedness to the Bank (including agent banks) and the unutilized commitments of the Bank.....	499
<i>Army Department.</i> —The difference between the natural-fibers revolving-fund statutory credit authority and the unutilized commitments of the Army under this program.....	148

No cognizance of *advances to the United States Government* has been taken in this publication in the derivation of net foreign aid. Liabilities of the United States Government in the period covered have all been considered short-term. Examples of such liabilities are (1) goods and foreign currencies made available by liberated or occupied areas to the armed forces of the United States pending future settlement, and (2) deposits made by foreign governments with the Agriculture Department against procurement orders.

APPENDIX TABLE K

Appendix table K shows the contractual amounts of principal and interest scheduled to be paid in calendar years 1952 through 1961 on credits extended by the United States Government to foreign countries. The projections are based upon the outstanding indebtedness at June 30, 1951, as shown in the last column of appendix table G, and were made in accordance with payment terms or schedules stipulated in credit agreements existing as of that date. The scheduled payments are shown in total by type of credit and by country.

The amounts shown do not represent a forecast of money which may actually be collected, but set forth only the scheduled payments, based upon the outstanding indebtedness and existing credit agreements as of June 30, 1951.

Not all obligations are payable in United States dollars. Most of the unprojected amounts are payable in either foreign currency, real estate, silver, or deficiency materials. Certain agreements covering other surplus-property and lend-lease credits provide that the foreign government will make payments as requested by the United States Government (subject to certain limitations) in foreign currency or real estate, such payments to reduce the scheduled payments in United States dollars.

Not only are accelerated payments possible but some credit agreements provide for deferment of payments under certain conditions. In the projections in appendix table K no consideration has been given to the possibility of such accelerated or deferred payments.

Payments in arrears as of June 30, 1951, on obligations to the United States Government have been ignored in the projections. Strictly speaking, such arrearages remaining at the end of any year would be payable in the following year and would thereby increase the amount shown in these projections for that succeeding year by an equivalent amount.

In all cases where projections of interest have been shown, the calculations have been made on the assumption that payments of principal would be made as scheduled. In cases where no interest is shown either the credit agreements do not stipulate any interest payments or it is not possible to calculate interest because repayments of principal cannot be projected.

Unprojected data

Payments of principal and interest on \$541 million of the outstanding principal indebtedness shown in appendix table G could not be scheduled for one of the following reasons:

1. European-recovery (Economic Cooperation Administration) loan agreements covering cash advances for deficiency-material development projects (in Belgian Congo, British East Africa, Jamaica, Southern Rhodesia, French Equatorial Africa, French

Morocco, Germany, Greece, Italy, Portugal, and Turkey) are not explicit enough to make practical a debt-service projection; however, in most cases they carry limitations on the minimum amount of materials to be delivered each year to cover principal and interest payments;

2. Due dates for the return of silver furnished under lend-lease to the United Kingdom, Australia, India, Ethiopia, the Netherlands, and Saudi Arabia have not yet been determined;

3. Certain lend-lease and surplus-property agreements with Australia, India, New Zealand, Union of South Africa, China, Ethiopia, Iceland, Korea, Norway, the Philippines, and Yugo-

slavia do not include specific due dates for principal and interest payments;

4. Surplus-property credit agreements with Germany and Japan provide for payment from proceeds of exports;

5. The lend-lease arrangement with Liberia provides for payment over a period of years from port revenues;

6. The surplus-property transaction between the United States Army and China is subject to future settlement; and

7. Promissory notes had not been signed, as of June 30, 1951, for all the surplus property sold under credit agreements by the former War Assets Administration, now General Services

Appendix table A.—Summary of United States Government foreign transactions: Fiscal years 1941-51

[Millions of dollars]

Transaction	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	5 postwar fiscal years 1946-51							Korean period, fiscal year 1951
			Total	5 postwar fiscal years 1946-50					1951	
				Total	1946	1947	1948	1949		
1. The United States Government provides grant and credit aid in the form of cash and of goods and services:										
Gross foreign aid.....	82,430	49,224	33,208	28,340	4,999	8,222	5,468	6,545	5,109	4,886
Grants utilized.....	71,728	48,128	23,600	19,153	3,861	2,348	2,830	5,423	4,661	4,447
Less: Credit-agreement offsets to grants.....	1,256	1,096	1,256	1,256	1,198	47	8	1	2	2
Credits utilized.....	11,958	1,096	10,862	10,443	2,336	3,921	2,643	1,123	420	419
Less: Aid in the form of cash.....	17,828	650	17,178	14,310	810	3,287	2,910	3,965	3,638	2,867
Equals: Goods and services provided.....	64,602	48,574	16,028	14,030	4,489	2,935	2,555	2,580	1,472	1,999
2. The Government also invested cash in the International Monetary Fund and International Bank for Reconstruction and Development:										
International Monetary Fund.....	2,750		2,750	2,750	(1)	2,750				
International Bank for Reconstruction and Development.....	635		635	635	159	476				
3. Reverse grants and returns on grants and collections on credits were also in these forms:										
Returns.....	10,836	8,253	2,583	2,188	268	431	419	491	579	395
Reverse grants and returns on grants.....	8,868	7,873	1,016	883	182	255	88	59	269	133
Principal collected.....	1,948	380	1,568	1,305	86	176	331	432	310	263
Plus: Interest collections (representing services provided).....	508	60	448	345	20	33	84	101	106	103
Less: Receipts in the form of cash.....	2,814	405	2,409	1,945	172	320	370	531	603	463
Equals: Goods and services received.....	8,531	7,908	623	588	166	144	133	62	83	35
4. In addition to its foreign-aid operations, the Government bought and sold goods and services abroad, disbursing and receiving cash in exchange:										
Disbursements not for aid (goods and services received).....	29,098	15,258	13,841	12,058	3,812	2,706	2,203	2,050	1,298	1,783
Receipts not for aid (goods and services provided).....	14,145	5,539	8,606	7,800	2,845	2,143	1,628	689	496	805
5. The excess of outflow over inflow of cash and of goods and services represents United States Government assistance to foreign economies, either through investment in the International Bank and the Monetary Fund or directly as net foreign aid:										
Net outflow of cash and of goods and services.....	74,978	40,971	34,068	29,537	4,890	9,017	5,046	6,054	4,820	4,471
Net outflow of cash.....	33,382	9,963	23,389	20,068	1,514	6,756	3,115	4,796	3,326	3,381
Cash disbursements.....	50,311	15,907	34,403	29,733	4,482	9,219	5,113	6,015	4,924	4,650
Less: Cash receipts.....	16,959	5,944	11,014	9,746	2,967	2,463	1,998	1,219	1,098	1,269
Net outflow of goods and services.....	41,626	31,008	10,619	9,529	3,376	2,261	1,930	1,258	705	1,089
Goods and services provided.....	70,255	54,173	25,082	22,175	7,354	5,111	4,266	3,370	2,074	2,907
Less: Goods and services received.....	37,629	23,166	14,463	12,645	3,978	2,850	2,336	2,112	1,369	1,818
Less: Investment in IMF and IBRD.....	3,585		3,585	3,585	159	5,226				
Equals: Net foreign aid.....	71,633	40,971	30,623	26,152	4,731	5,791	5,046	6,054	4,630	4,471
Net grants.....	61,584	40,256	21,328	17,014	2,481	2,046	2,734	5,362	4,390	4,314
Grants utilized.....	71,728	48,128	23,600	19,153	3,861	2,348	2,830	5,423	4,661	4,447
Less: Credit-agreement offsets to grants.....	1,256	1,096	1,256	1,256	1,198	47	8	1	2	2
Less: Reverse grants and returns on grants.....	8,888	7,873	1,016	883	182	255	88	59	269	133
Net credits.....	10,010	715	9,295	9,138	2,251	3,744	2,311	691	140	157
Credits utilized.....	11,958	1,096	10,862	10,443	2,336	3,921	2,643	1,123	420	419
Less: Principal collected.....	1,948	380	1,568	1,305	86	176	331	432	280	263

† Less than \$500,000.

Administration (GSA), to Austria, France, Finland, the Netherlands, and the Philippines. Projections for GSA cover only the indebtedness for which notes had been signed.

Relation of appendix table K to appendix table G

The relation of the types of credits shown at the top of appendix table K to the agency recapitulation and symbols shown at the top of appendix table G is as follows:

<i>Appendix table K,</i>		<i>Appendix table G, agency and symbol¹</i>	
<i>types of credits</i>			
British loan	Treasury Department.....	BL	
European-recovery loans...	Economic Cooperation Administration.....	ERP	

Export-Import Bank loans.	Export-Import Bank.....	EIB
Lend-lease credits.....	Treasury Department.....	LLC and COG
Surplus-property credits...	(Commerce Department: Maritime Administration.....)	MA
	(General Services Administration.....)	GSA
	(Treasury Department.....)	SP
Other loans.....	(Reconstruction Finance Corporation.....)	RFCL
	(State Department.....)	IIAA and UNL
	(Treasury Department.....)	PF

¹ Only those agencies (and symbols) having credits outstanding for which projections were made in appendix table K are shown.

Appendix table B.—Foreign aid (grants and credits), by program: Fiscal years 1941-51

(Millions of dollars)

Program	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	6 postwar fiscal years 1946-51							Korean period, fiscal year 1951
			Total	5 postwar fiscal years 1946-50					Total	
				1946	1947	1948	1949	1950		
Gross foreign aid	82,436	49,224	33,266	28,340	4,999	6,222	5,466	6,845	5,108	4,868
Grants utilized.....	71,728	48,128	23,600	19,153	3,861	2,348	2,830	5,423	4,691	4,447
Less: Credit-agreement offsets to grants.....	1,256	1,256	1,256	1,196	47	8	1	2		
Credits utilized.....	11,958	1,096	10,862	10,443	2,336	3,921	2,643	1,123	420	419
Less: Returns	10,836	8,283	2,683	2,188	268	431	419	491	578	386
Reverse grants and returns on grants.....	8,888	7,873	1,016	883	182	255	88	60	299	133
Principal collected on credits.....	1,948	380	1,568	1,305	86	176	331	432	280	263
Equals: Net foreign aid	71,692	40,871	30,623	26,152	4,731	5,791	5,046	6,054	4,530	4,471
Net grants.....	61,564	40,286	21,328	17,014	2,481	2,046	2,734	5,362	4,390	4,314
Net credits.....	10,010	715	9,295	9,138	2,251	3,744	2,311	691	140	157
Grants utilized	71,728	48,128	23,600	19,153	3,861	2,348	2,830	5,423	4,691	4,447
Lend-lease.....	48,674	46,728	1,945	1,945	1,705	171	8			
European recovery.....	9,128	9,128	9,128	6,744			204	3,217	3,323	2,284
Civilian supplies.....	6,134	813	5,321	4,871	756	714	1,308	1,291	801	450
UNRRA, post-UNRRA, and interim aid.....	3,528	83	3,443	3,443	1,196	1,377	817	54	47	
Philippine rehabilitation.....	627		627	519		61	92	185	173	108
Korean and Far Eastern (general area of China) aid.....	310		310	240			1	178	61	60
Mutual-defense assistance.....	1,292		1,292	71					71	1,222
Greek-Turkish aid.....	657		657	637			200	258	119	20
Chinese stabilization and military aid.....	623	380	243	238	120			102	16	5
Technical assistance and Inter-American aid.....	211	55	153	123	13	20	36	25	29	30
Other.....	547	66	481	322	10	4	103	104	100	159
Reverse grants and returns on grants	8,888	7,873	1,016	883	182	255	88	60	299	133
Reverse lend-lease.....	7,961	7,828	133	133	118	15	1			
Return of lend-lease ships.....	321	14	307	297	60	128	85	9	16	10
War-account cash settlements.....	151	32	120	120	4	112	2	(1)		
Counterpart funds.....	456		456	533				50	283	123
Credits utilized	11,958	1,096	10,862	10,443	2,336	3,921	2,643	1,123	420	419
Special British loan.....	3,750		3,750	3,750		2,050	1,700			
Export-Import Bank.....	3,207	329	2,878	2,651	558	1,086	586	214	196	227
Direct loans.....	2,964	218	2,746	2,496	502	1,003	582	221	180	248
Loans through agent banks.....	243	112	132	153	56	82	16	17	16	79
Surplus property (including merchant ships).....	1,337		1,337	1,335	495	523	274	32	11	1
Credit-agreement offsets to grants.....	1,256		1,256	1,256	1,196	47	8	1	2	
Lend-lease (excluding settlement credits).....	418	349	69	69	67	4	2	2	3	(1)
European recovery.....	1,132		1,132	901				866	136	141
Other.....	858	417	440	391	28	212	60	19	73	50
Principal collected on credits	1,948	380	1,568	1,305	86	176	331	432	280	263
Export-Import Bank.....	964	214	770	632	38	61	120	279	135	138
Direct loans.....	738	134	604	482	29	46	85	240	92	122
Loans through agent banks.....	246	80	166	149	9	15	34	36	63	17
Surplus property (including merchant ships).....	180		180	124	(1)	5	26	48	41	66
Credit-agreement offsets to grants.....	24		24	22	1	3	6	6	4	3
Lend-lease (excluding settlement credits).....	74	46	28	21	5	3	2	11	1	7
Other.....	685	120	565	507	42	104	172	89	100	58

† Less than \$500,000.
* Excess of cash refunds and deductions.

Appendix table C.—Foreign aid (grants and credits), by major country: Fiscal years 1941–51

[Millions of dollars]

Country	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	6 postwar fiscal years 1946-51								Korean period, fiscal year 1951
			Total	5 postwar fiscal years 1946-50					1950		
				Total	1946	1947	1948	1949			
Gross foreign aid (grants and credits)	82,430	49,224	33,206	28,340	4,999	6,222	5,465	6,545	5,109	4,866	
Less: Returns	10,836	8,253	2,583	2,188	268	431	419	491	579	385	
Equals: Net foreign aid	71,593	40,971	30,623	26,152	4,731	5,791	5,046	6,054	4,530	4,471	
Net grants	61,584	40,256	21,328	17,014	2,481	2,046	2,734	5,302	4,390	4,314	
Net credits	10,010	715	9,295	9,138	2,251	3,744	2,311	691	140	157	
European-recovery program countries and participating dependent areas:											
Gross foreign aid	56,515	32,864	23,652	20,012	2,648	4,083	4,176	5,110	3,995	3,640	
Less: Returns	7,752	6,268	1,485	1,176	201	198	213	186	398	309	
Equals: Net foreign aid	48,763	26,596	22,167	18,836	2,447	3,885	3,963	4,924	3,598	3,331	
Net grants	40,424	26,253	14,171	10,805	649	698	1,851	4,098	3,540	3,366	
Net credits	8,339	343	7,996	8,031	1,797	3,217	2,112	848	58	-35	
Austria:											
Gross foreign aid	837	1	836	722	58	101	177	222	164	114	
Less: Returns	39		39	25				1	24	14	
Equals: Net foreign aid	798	1	797	697	58	101	177	221	140	100	
Net grants	778	1	777	674	57	100	166	210	140	103	
Net credits	20		20	23	1	1	11	10	(1)	-3	
Belgium-Luxembourg:											
Gross foreign aid	829	69	760	634	151	40	32	200	210	126	
Less: Returns	249	203	44	62	(1)	3	4	14	10	19	
Equals: Net foreign aid	580	-136	716	599	151	37	29	187	197	117	
Net grants	409	-136	545	420	60	1		149	210	125	
Net credits	171		171	179	91	36	29	37	-14	-8	
British Commonwealth; United Kingdom:											
Gross foreign aid	35,913	29,052	6,861	6,445	417	2,062	1,802	1,212	652	416	
Less: Returns	5,882	5,149	734	662	196	173	119	68	106	72	
Equals: Net foreign aid	30,031	23,904	6,127	5,783	221	1,889	1,683	1,144	846	344	
Net grants	25,249	23,587	1,659	1,280	-382	-122	26	874	884	379	
Net credits	4,784	317	4,468	4,503	602	2,011	1,658	269	-37	-36	
Denmark:											
Gross foreign aid	232		232	193	15	(1)	6	94	77	60	
Less: Returns	11		11	8				(1)	5	3	
Equals: Net foreign aid	241		241	185	15	(1)	6	94	70	56	
Net grants	189		189	133		(1)		63	70	56	
Net credits	52		52	52	15	(1)	6	31	(*)	(*)	
France:											
Gross foreign aid	8,966	2,837	4,349	3,879	938	772	801	950	618	471	
Less: Returns	1,098	1,867	232	194	1	14	20	30	101	66	
Equals: Net foreign aid	5,868	1,770	4,118	3,713	937	757	880	920	518	405	
Net grants	3,859	1,770	2,089	1,668	-3	21	354	758	539	421	
Net credits	2,029		2,029	2,045	940	737	226	162	-21	-16	
Germany:											
Gross foreign aid	3,539		3,539	3,061	165	341	765	1,062	726	478	
Less: Returns	98		98	82		29	29	13	40	16	
Equals: Net foreign aid	3,441		3,441	2,979	165	341	736	1,051	686	462	
Net grants	3,372		3,372	2,913	165	305	663	1,063	687	459	
Net credits	69		69	66		36	43	-12	(*)	2	
Greece:											
Gross foreign aid	1,403	79	1,324	1,175	185	177	304	307	200	150	
Less: Returns	46		46	32		1	5	7	20	17	
Equals: Net foreign aid	1,355	79	1,276	1,143	185	177	299	301	181	133	
Net grants	1,257	79	1,178	1,043	185	100	270	305	182	135	
Net credits	98		98	99	(1)	77	29	-4	-2	-2	
Ireland:											
Gross foreign aid	139	(1)	139	99	(1)			39	60	40	
Less: Returns	(1)		(1)	(1)					(1)	(1)	
Equals: Net foreign aid	139	(1)	139	99	(1)			39	60	40	
Net grants	11	(1)	10	3	(1)			(1)	3	8	
Net credits	128		128	96				39	57	32	
Italy:											
Gross foreign aid	2,631	310	2,320	2,024	424	421	354	507	319	297	
Less: Returns	116	4	111	75		4	21	20	30	36	
Equals: Net foreign aid	2,515	306	2,209	1,949	424	416	333	486	290	260	
Net grants	2,176	310	1,866	1,591	350	304	280	389	268	275	
Net credits	338	-4	343	357	74	112	53	98	22	-14	
Netherlands:											
Gross foreign aid	1,266	151	1,115	924	133	150	37	268	335	192	
Less: Returns	138	37	101	49	(1)	2	12	5	30	51	
Equals: Net foreign aid	1,128	114	1,015	874	133	148	25	263	305	140	
Net grants	715	78	637	465	62	-43	15	122	306	173	
Net credits	413	36	377	409	71	191	10	141	-3	-32	
Norway:											
Gross foreign aid	312	37	275	215	(1)	11	33	101	69	60	
Less: Returns	36	(1)	36	22		(1)	1	5	16	14	
Equals: Net foreign aid	276	37	239	192	(1)	11	32	96	53	46	
Net grants	180	37	142	88	(1)	1	-6	35	59	54	
Net credits	96	(*)	96	104		10	38	62	-6	-8	
Portugal:											
Gross foreign aid	34	(1)	33	5					5	28	
Less: Returns	2	1	1	(1)		(1)	(1)		(1)	(1)	
Equals: Net foreign aid	32	-1	32	5					5	28	
Net grants	7	(1)	7	1					1	7	
Net credits	24		25	4					4	21	

For footnotes see p. 84.

Appendix table C.—Foreign aid (grants and credits), by major country: Fiscal years 1941-51—Continued

[Millions of dollars]

Country	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	6 postwar fiscal years 1946-51							
			Total	5 postwar fiscal years 1946-50					Korean period, fiscal year 1951	
				Total	1946	1947	1948	1949		1950
European-recovery program countries and participating dependent areas—Continued										
Sweden:										
Gross foreign aid.....	108	1	107	99	1			22	47	38
Less: Returns.....	24	4	2	1				(1)	1	2
Equals: Net foreign aid.....	10	-3	104	98	1			21	46	36
Net grants.....	83	1	83	45	1			18	27	38
Net credits.....	18	-4	22	23				4	20	-2
Trieste:										
Gross foreign aid.....	44		44	35			14	14	7	9
Less: Returns.....	2		2	1				(1)	1	1
Equals: Net foreign aid.....										
Net grants.....	42		42	34			14	14	6	8
Turkey:										
Gross foreign aid.....	378	90	288	240	3	6	50	83	98	48
Less: Returns.....	24		24	17		(1)	2	3	8	7
Equals: Net foreign aid.....	354	90	264	222	-1	6	48	80	90	41
Net grants.....	258	90	168	156	-4		38	70	53	12
Net credits.....	96		96	66	3	6	10	10	37	29
Other countries:										
Gross foreign aid.....	19	(1)	19	12		2		5	5	(1)
Less: Returns.....	1	1	1	(1)					(1)	(1)
Equals: Net foreign aid.....	18	(*)	18	12		2		5	5	6
Net grants.....	15	(1)	14	10		2		3	5	5
Net credits.....	3	(*)	4	2				2	(?)	1
Unclassified European-recovery program areas:										
Gross foreign aid.....	1,825	435	1,390	282		158		1	22	101
Less: Returns.....										
Equals: Net foreign aid.....	1,825	435	1,390	282		158		1	22	101
Net grants.....										
Other Europe:										
Gross foreign aid.....	12,541	10,558	1,683	1,599	839	663	65	19	22	84
Less: Returns.....	110	22	88	80	2	(1)	24	27	27	8
Equals: Net foreign aid.....	12,431	10,536	1,595	1,518	838	652	41	-8	-5	76
Net grants.....	11,972	10,536	1,136	1,088	583	551	-8	-2	-16	48
Net credits.....	459	(*)	459	430	255	121	49	-6	11	29
Czechoslovakia:										
Gross foreign aid.....	222	8	213	213	113		(1)	(1)		(1)
Less: Returns.....	25		25	24			(1)	22	2	(*)
Equals: Net foreign aid.....	197	8	188	189	113		(1)	-22		(*)
Net grants.....	192	8	183	183	108		(*)	-22		(*)
Net credits.....	5		5	6	4	26	(1)		-2	(*)
Finland:										
Gross foreign aid.....	145	17	128	128	22	52	28	15	10	(1)
Less: Returns.....	35	2	33	27			16	2	9	6
Equals: Net foreign aid.....	110	14	95	101	22	52	12	13	1	-6
Net grants.....	3		2	1		1				
Net credits.....	106	13	94	99	21	52	12	13	1	-6
Poland:										
Gross foreign aid.....	495	22	443	443	193	209	37	4	(1)	1
Less: Returns.....	2	(1)	2	1		(1)	37	(1)	4	(1)
Equals: Net foreign aid.....	463	22	441	442	193	208	37	(1)	(1)	-1
Net grants.....	287	22	365	365	183	177		4	(1)	-1
Net credits.....	76	(*)	76	76	5	31	37		(1)	-1
U. S. S. R.:										
Gross foreign aid.....	11,242	10,776	465	465	298	167				
Less: Returns.....	33	7	26	26	2				1	
Equals: Net foreign aid.....	11,209	10,769	439	439	297	167	-8	-1	-16	
Net grants.....	10,966	10,769	217	217	74	167	-8	-1	-16	
Net credits.....	223		223	223	223					
Yugoslavia:										
Gross foreign aid.....	428	33	395	311	196	103			12	84
Less: Returns.....	1		1							1
Equals: Net foreign aid.....	427	33	394	311	196	103			12	83
Net grants.....	379	33	346	298	196	103		-1		48
Net credits.....	48		48	13				1	12	36
Other countries:										
Gross foreign aid.....	41	2	39	39	17	22			(1)	(1)
Less: Returns.....	15		15	2		(1)			(1)	(1)
Equals: Net foreign aid.....	23	-11	36	37	17	22			(*)	(*)
Net grants.....	25	2	23	23	14	9		-1	(*)	(*)
Net credits.....	1	-13	14	14	3	12		(*)	(*)	(*)
American Republics:										
Gross foreign aid.....	1,406	742	664	515	88	121	106	96	103	149
Less: Returns.....	376	149	227	172	21	27	32	50	42	56
Equals: Net foreign aid.....	1,030	593	437	343	67	94	74	47	62	94
Net grants.....	562	423	139	125	15	24	37	25	25	15
Net credits.....	468	170	298	219	52	71	37	22	37	79
Australia:										
Gross foreign aid.....	925	905	20	20	12	7		1		(1)
Less: Returns.....	911	868	22	21		20		(1)	1	2
Equals: Net foreign aid.....										(*)
Net grants.....	(1)	8	-8	-8	12	-20				(*)
Net credits.....	14	8	6	6	1	6		1	-2	(*)

For footnotes see p. 84

Appendix table C.—Foreign aid (grants and credits), by major country: Fiscal years 1941-51—Continued

[Millions of dollars]

Country	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	6 postwar fiscal years 1946-51								
			Total	5 postwar fiscal years 1946-50					Korean period, fiscal year 1951		
				Total	1946	1947	1948	1949		1950	
Canada:											
Gross foreign aid.....	175	33	143	142			140		2		1
Less: Returns.....	168	26	142	141	(1)	(1)	(1)	140	(1)		1
Equals: Net foreign aid.....											
Net grants.....	8	7	1	1	(*)	(*)	140	-140	1		1
Net credits.....											
China-Taiwan (Formosa):											
Gross foreign aid.....	3,114	1,311	1,803	1,765	975	417	78	275	20		37
Less: Returns.....	185	64	121	113	22	15	27	44	6		8
Equals: Net foreign aid.....	2,929	1,247	1,682	1,653	953	402	51	233	14		30
Net grants.....	2,798	1,227	1,570	1,533	890	312	44	270	18		37
Net credits.....	132	20	112	119	63	90	8	-38	-4		-7
India:											
Gross foreign aid.....	791	742	50	45	32	10	2	1	(1)		4
Less: Returns.....	612	582	31	31	18	7	3	2	(1)		
Equals: Net foreign aid.....	178	160	19	14	14	3	-1	-2	(*)		4
Net grants.....	6	28	-24	-28	-15	-7	-6		(1)		4
Net credits.....	174	132	42	42	29	10	5	-2	(1)		
Indonesia:											
Gross foreign aid.....	156	4	153	151	4	64		36	48		1
Less: Returns.....	5		5	4			(1)	2	2		1
Equals: Net foreign aid.....	151	4	147	147	4	64	(*)	34	46		(1)
Net grants.....	88	4	84	84	4			34	46		(1)
Net credits.....	63		63	63		64	(*)	(*)	(*)		(*)
Iran:											
Gross foreign aid.....	34	9	26	24	4	1	(1)	8	11		2
Less: Returns.....	10	10	10	10	1	3	3	2	1		
Equals: Net foreign aid.....	24	8	16	14	3	-2	-3	6	10		2
Net grants.....	1	8	-7	-8	-8	-8	-3		(1)		(1)
Net credits.....	23		23	22	11	-2	-3	6	9		1
Israel:											
Gross foreign aid.....	68		68	32					32		36
Less: Returns.....	68		68	22					32		36
Equals: Net foreign aid.....	(1)		(1)								
Net grants.....	68		68	32					32		36
Net credits.....	(1)		(1)								
Japan and Ryukyu Islands:											
Gross foreign aid.....	2,474	4	2,470	2,170	142	433	555	557	493		299
Less: Returns.....	289		289	296		42	113	41	81		3
Equals: Net foreign aid.....	2,184	4	2,180	1,874	142	391	443	516	383		296
Net grants.....	2,173	4	2,169	1,870	114	317	494	623	423		299
Net credits.....	11		11	14	28	73	-51	-6	-30		-3
Korea:											
Gross foreign aid.....	488		488	380	4	60	119	123	82		99
Less: Returns.....	13		13	12				9	9		(1)
Equals: Net foreign aid.....	475		475	378	4	60	119	120	74		99
Net grants.....	454		454	355	4	45	109	120	78		99
Net credits.....	21		21	21		15	10		-4		
New Zealand:											
Gross foreign aid.....	256	249	7	7	2	1					
Less: Returns.....	282	251	(1)	(1)				(1)	(*)		(1)
Equals: Net foreign aid.....	4	-2	6	6	2	4		(*)	(*)		(*)
Net grants.....	4	-2	2	2	2	4		(*)	(*)		(*)
Net credits.....			4	4							
Philippines:											
Gross foreign aid.....	831	53	778	634	31	142	63	195	173		144
Less: Returns.....	18		18	14		11	2	1	(1)		4
Equals: Net foreign aid.....	813	53	796	620	31	131	61	194	172		140
Net grants.....	716	53	664	553	31	66	92	193	173		109
Net credits.....	97		97	65		65	-1	2	(*)		31
Saudi Arabia:											
Gross foreign aid.....	37	18	19	16	6	8		(1)	1		3
Less: Returns.....	5		5	4			(1)	3	1		1
Equals: Net foreign aid.....	33	18	14	12	6	8		-3			2
Net grants.....	7	8	2	2	1	(1)			(1)		(1)
Net credits.....	25	13	13	10	4	7		-3	-1		2
Union of South Africa:											
Gross foreign aid.....	95	93	1	1		1					
Less: Returns.....	1		93	93		92	(1)				1
Equals: Net foreign aid.....	(1)	92	-92	-91		-91	(*)				-1
Net grants.....	(1)	92	-92	-92		-92					-1
Net credits.....	(1)		(1)	1		1	(*)				
All other and unclassified countries: ¹											
Gross foreign aid.....	2,522	1,340	1,182	817	212	218	127	122	139		363
Less: Returns.....	35	1	34	30	3	14	2	1	1		3
Equals: Net foreign aid.....	2,486	1,339	1,148	787	209	204	125	111	138		360
Net grants.....	2,384	1,316	1,069	740	198	202	121	104	105		335
Net credits.....	104	24	80	56	11	2	4	7	32		24

¹ Less than \$500,000. †Net (+) of less than \$500,000. *Net (-) of less than \$500,000.² Gross foreign aid, net foreign aid, and net credits for Netherlands include \$17.2 million European-recovery program credits to Netherlands on behalf of Indonesia (\$15.0 million in fiscal year 1949 and \$2.2 million in fiscal year 1950). All other aid to Indonesia, including grants under the European-recovery program, is included against Indonesia.

* Includes data not allocable to specific areas and European Payments Union capital contribution.

³ Includes data for international organizations and data not allocable to specific areas.

Appendix table D.—Foreign aid (grants and credits), returns, and interest collections, by form of transaction: Fiscal years 1941-51
[Millions of dollars]

Transaction	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	6 postwar fiscal years 1946-51							
			Total	5 postwar fiscal years 1946-50					Korean period, fiscal year 1951	
				Total	1946	1947	1948	1949		1950
Gross foreign aid (grants and credits).....	82,430	49,224	33,206	28,340	4,999	6,223	5,465	6,545	5,109	4,886
Less: Aid in the form of cash.....	17,828	850	17,178	14,310	510	3,287	2,910	3,955	3,638	2,867
Economic cooperation.....	5,870	.....	5,870	6,888	.....	.....	128	3,362	3,088	2,282
Other grants.....	1,679	44	1,635	1,313	9	164	600	353	288	323
Other credits.....	7,278	906	6,672	6,409	502	3,123	2,282	250	252	265
Equals: Goods and services provided.....	64,602	48,574	16,028	14,030	4,489	2,935	2,555	2,590	1,472	1,999
Returns.....	10,836	8,253	2,583	2,188	268	431	419	491	679	395
Less: Receipts in the form of cash.....	2,311	343	1,969	1,808	105	288	288	430	497	361
Reverse grants and returns on grants.....	679	64	615	492	29	127	3	50	283	123
Principal collections.....	1,632	278	1,354	1,115	78	161	285	380	214	239
Equals: Goods and services received.....	8,525	7,910	615	580	183	143	131	61	82	34
Real-estate deliveries and improvements.....	45	.....	45	40	.....	.....	12	13	14	4
Other.....	8,480	7,910	570	540	183	143	119	48	68	30
Interest collections on credits.....	506	60	448	345	20	33	84	101	106	103
Less: Receipts in the form of cash.....	502	63	440	338	17	32	82	101	106	102
Equals: Goods and services received.....	6	(2)	8	7	4	(1)	2	1	(1)	1
Real-estate deliveries and improvements.....	6	.....	6	5	.....	.....	1	1	1	1
Other.....	(*)	(2)	2	2	4	(*)	(*)	(*)	(*)	(*)

†Less than \$500,000.

*Excess of deductions less than \$500,000.

Appendix table E.—Grants, by country, by agency, by program: Fiscal years 1941-51
[Thousands of dollars]

Country and program	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	6 postwar fiscal years 1946-51							
			Total	5 postwar fiscal years 1946-50					Korean period, fiscal year 1951	
				Total	1946	1947	1948	1949		1950
Total.....	71,728,435	48,128,297	23,600,138	19,183,352	3,860,780	2,348,313	2,830,248	5,422,687	4,691,224	4,446,786
Agriculture Department:										
Donations of surplus..... DS	81,293	.....	81,293	7,842	.....	.....	.....	.....	7,842	73,451
Foot-and-mouth disease eradication..... F&M	83,217	.....	83,217	75,173	.....	10,152	27,896	17,513	.....	19,809
American Red Cross..... ARC	72,598	62,163	10,435	10,435	10,435	.....	.....	.....	.....	.....
Defense Department:										
Civilian supplies:										
Army and Air Force Departments..... ARMY	5,732,039	807,280	4,924,770	4,630,930	602,892	710,050	1,308,150	1,291,305	708,523	303,849
Relief in Korea..... CRIK	65,906	.....	65,906	.....	.....	.....	.....	.....	.....	65,906
Navy Department..... NAVY	24,906	8,049	18,556	18,556	.....	.....	.....	.....	.....	.....
Army and Navy Departments..... A&N	4,413	.....	4,413	.....	.....	4,413	.....	.....	.....	.....
Refugee assistance..... IRA	8,937	.....	8,937	.....	.....	.....	8,937	.....	.....	.....
Economic Cooperation Administration:										
Civilian supplies..... GA	172,439	.....	172,439	62,099	.....	.....	.....	.....	92,099	80,340
European recovery..... ERP	9,127,890	.....	9,127,890	6,744,255	.....	.....	203,879	3,217,077	3,323,299	2,383,634
Dollar funds..... ERP-D	9,055,504	.....	9,055,504	6,714,479	.....	.....	203,879	3,208,994	3,303,905	2,341,026
Counterpart funds..... ERP-C	72,385	.....	72,385	29,777	.....	.....	.....	10,083	19,394	42,608
Far Eastern (General areas of China) aid..... FE	210,846	.....	210,846	189,576	.....	.....	1,322	168,995	1,356	41,170
Dollar funds..... FE-D	206,417	.....	206,417	166,926	.....	.....	1,322	165,420	184	39,491
Counterpart funds..... FE-C	4,429	.....	4,429	2,749	.....	.....	.....	1,675	1,174	1,679
Interim aid (Public Law 389)..... PL389	555,744	.....	555,744	555,744	.....	.....	508,148	48,331	* 732	.....
Korean aid..... KA	98,784	.....	98,784	70,500	.....	.....	.....	10,778	59,781	28,204
Dollar funds..... KA-D	91,135	.....	91,135	63,773	.....	.....	.....	7,035	56,738	27,361
Counterpart funds..... KA-C	7,629	.....	7,629	6,726	.....	.....	.....	3,743	3,043	843
Post-UNRRA (Public Law 84)..... PL84	298,635	.....	298,635	298,635	.....	.....	292,490	6,145	.....	.....
Executive Office of the President (Chinese military aid)..... EOP	122,973	.....	122,973	117,949	.....	.....	.....	102,282	15,997	5,024
Philippine War Damage Commission (private claims)..... P-I	307,483	.....	307,483	310,963	.....	.....	924	22,571	151,201	130,267
Reconstruction Finance Corporation..... RFC	2,435	2,382	53	53	54	* 1	.....	.....	.....	.....
State Department:										
Chinese student assistance..... CS	4,445	.....	4,445	1,060	.....	.....	.....	.....	1,060	2,785
Greek-Turkish aid..... GT	657,157	.....	657,157	637,030	.....	.....	256,757	268,202	119,071	20,127
Institute of Inter-American Affairs..... IAA	88,228	50,436	37,792	32,952	11,255	6,827	5,879	4,631	4,361	4,840
Mutual-defense assistance:										
North Atlantic area..... M-NAA	1,292,321	.....	1,292,321	70,805	.....	.....	.....	.....	.....	70,805
Greece, Turkey, and Iran..... M-GT	930,532	.....	930,532	63,885	.....	.....	.....	.....	.....	63,885
Other areas..... M-O	165,377	.....	165,377	12,051	.....	.....	.....	.....	.....	12,051
Other areas..... M-O	196,412	.....	196,412	5,059	.....	.....	.....	.....	.....	5,059

For footnotes see p. 90.

FOREIGN AID SUPPLEMENT

Appendix table E.—Grants, by country, by agency, by program: Fiscal years 1941-51—Continued
(Thousands of dollars)

Country and program	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	5 postwar fiscal years 1946-51							Korean period, fiscal year 1951
			Total	5 postwar fiscal years 1946-50					1951	
				Total	1946	1947	1948	1949		
State Department—Continued										
Philippine rehabilitation:										
Surplus property..... P-II	100,000		100,000	100,000		53,959	46,041			
Philippine reconstruction and rehabilitation..... P-III	129,787		129,787	107,972		6,601	23,576	41,632	36,263	21,815
Technical assistance..... TA	32,715	5,280	27,435	13,532		3,045	2,577	2,669	3,182	13,923
Through international agencies:										
For children..... CHILD	75,000		75,000	70,053			32,798	25,492	11,766	4,947
For Palestine relief..... PRA	43,450		43,450	18,000				8,000	10,000	25,450
For refugees..... IRS	231,829		231,829	206,829		8	3,981	61,749	70,644	25,000
For United Nations Relief and Rehabilitation Administration..... R&R	2,671,356	62,696	2,588,659	2,588,659	1,195,692	1,377,102	16,068	* 803		
Yugoslav aid..... YA	30,272		30,272							30,272
Treasury Department:										
Chinese stabilization..... TREAS	500,000	380,406	119,594	119,594	119,594					
War Refugee Board..... WRB	3,357	3,337								
Lend-lease..... LL	48,673,517	46,728,287	1,945,230	1,945,230	1,765,470	171,359	8,400			
Civilian supplies..... YB	134,487		134,487	134,487	134,487					
American Republics.....	564,748	423,032	141,717	127,165	14,817	23,921	36,754	24,836	26,777	14,611
	F&M									
	ARC									
	RFC	83,217	83,217	75,173			10,152	27,898	17,513	19,800
	I IAA	4								
	TA	2,435	2,382	53						
	LL	88,228	80,436	37,792	32,932	11,255	6,827	5,879	4,631	4,361
		30,145	5,280	14,834	15,158	2,036	3,045	2,577	2,669	2,807
		370,719	364,950	5,770	5,770	1,472	3,897	400		1,727
Argentina.....	RFC	1,437	1,239	198	198	125		39	15	1
	I IAA	1,316	1,192	124	124	116		6	3	* 2
	TA	117	47	69	69	5		32	12	3
Bolivia.....	RFC	9,704	6,952	2,752	2,343	586		493	435	468
	I IAA	25	25	25	25	25				
	TA	3,986	1,831	2,155	1,828	529		409	361	326
	LL	667	95	572	480	32		84	74	142
		5,026	5,026							158
Brazil.....	RFC	370,723	380,039	10,084	9,241	2,318	3,834	1,467	304	768
	I IAA	329	329	329	331					
	TA	17,134	12,015	5,119	4,365	1,053	1,181	833	625	622
	LL	1,699	678	1,021	931	217	205	184	170	146
		351,561	347,945	5,616	3,616	716	2,500	490		
Chile.....	RFC	29,809	24,992	4,707	4,378	1,369		524	458	288
	I IAA	6,927	2,824	4,303	3,985	1,315	1,740	448	345	229
	TA	644	240	304	304	54		92	76	113
	LL	22,038	22,038							60
Colombia.....	RFC	12,451	10,590	1,943	1,721	599		383	220	253
	I IAA	1	1							
	TA	3,263	1,978	1,334	1,165	465		249	126	148
	LL	898	301	597	545	123		134	99	105
		8,289	8,278	11	11	11				84
Costa Rica.....	RFC	4,256	1,879	2,375	1,947	649		416	296	313
	I IAA	2,966	1,448	1,518	1,275	544		272	156	143
	TA	1,134	274	860	672	195		145	130	170
	LL	156	156							122
Cuba.....	RFC	7,144	6,658	486	446	131		106	118	47
	I IAA	251	220	31	31	30	(1)			
	TA	739	283	455	415	101		105	118	47
	LL	6,154	6,154							44
Dominican Republic.....	RFC	2,441	1,858	583	499	210		198	72	8
	I IAA	741	331	410	410	177		178	54	2
	TA	240	69	170	86	30		20	18	7
	LL	1,461	1,458	3	3	3				12
Ecuador.....	RFC	14,379	11,340	3,031	2,430	659		343	443	496
	I IAA	8,062	3,785	2,288	1,804	547		225	335	370
	TA	1,100	367	733	626	112		118	108	127
	LL	7,208	7,208							161
El Salvador.....	RFC	3,221	1,901	1,318	1,146	570		* 79	293	178
	I IAA	1,725	871	853	758	496		* 158	205	95
	TA	619	155	464	389	72		68	89	83
	LL	577	577							77
Guatemala.....	RFC	7,432	3,220	4,212	3,947	335		1,030	528	758
	I IAA	3,077	1,231	1,846	1,711	151		409	364	578
	TA	1,272	253	1,019	888	184		191	164	182
	LL	3,083	1,736	1,347	1,347			1,317		167
Haiti.....	RFC	5,681	2,493	3,188	2,723	521		538	852	411
	I IAA	4								
	TA	3,846	990	2,855	2,433	495		494	785	331
	LL	469	137	333	290	26		45	67	79
		1,362	1,362							72
Honduras.....	RFC	3,912	3,088	824	618	190		166	29	121
	I IAA	3,234	2,581	653	549	168		149	21	114
	TA	310	139	171	69	22		17	8	7
	LL	368	368							15
Mexico.....	F&M	137,919	46,751	91,168	82,815	3,629		11,487	20,240	18,145
	I IAA	83,217	7,445	5,920	5,732	2,806		10,152	27,898	17,513
	TA	13,365	883	1,478	1,357	270		862	1,065	405
	LL	2,163	883	1,357	1,357	533		383	276	227
		39,174	38,621	533	533					201

For footnotes see p. 90.

Appendix table E.—Grants, by country, by agency, by program: Fiscal years 1941-51—Continued

[Thousands of dollars]

Country and program	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	6 postwar fiscal years 1946-51							Korean period, fiscal year 1951
			Total	5 postwar fiscal years 1946-50					1950	
				Total	1946	1947	1948	1949		
American Republics—Continued										
Nicaragua	2,675	2,142	533	396	190	52	41	40	73	137
	IAA	1,259	1,070	139	140	4		* 1		* 7
	TA	580	187	394	256	53	47	41	41	138
	LL	885	885							
Panama	1,606	989	617	397	397	* 255	63	82	111	219
	IAA	1,252	907	345	183	354	25	59	43	162
	TA	353	82	271	214	43	43	37	23	67
	LL	(1)	(1)							
Paraguay	6,936	4,358	2,578	2,221	469	435	333	420	564	358
	IAA	4,803	2,330	2,473	2,120	435	406	323	409	353
	TA	179	76	103	88	31	29	10	12	5
	LL	1,954	1,952	2	2	2				
Peru	26,406	21,486	4,920	3,935	924	617	710	821	863	985
	IAA	6,252	2,907	3,345	2,492	491	363	453	558	853
	TA	1,916	578	1,338	1,206	247	204	258	293	132
	LL	18,237	18,001	237	237	187	50			
Uruguay	8,673	7,756	917	834	355	176	114	101	89	83
	RFC	10	10	10	10					
	IAA	1,533	758	775	686	323	137	87	82	79
	TA	188	56	132	128	21	21	20	20	4
	LL	6,942	6,942							
Venezuela	8,570	7,038	1,532	1,349	641	244	212	102	151	182
	IAA	3,709	2,414	1,295	1,151	621	190	185	47	108
	TA	380	143	237	198	19	53	27	55	38
	LL	4,481	4,480	(1)	(1)	(1)				
Unclassified	* 100,418	* 104,160	3,748	3,521	* 49	993	754	809	1,014	227
	RFC	2,096	2,381	* 316	* 316	* 316	2			
	IAA	1,577	1,577							
	TA	4,478	4,415	4,064	3,836	268	990	754	806	227
	LL	* 108,639	* 108,639							
Afghanistan	TA	35		35	18				18	18
Albania	R&R	20,444		20,444	20,444	13,052	7,392			
Austria	812,571	1,022	811,549	667,347	57,064	100,402	165,750	212,197	161,934	114,202
	ARMY	95,359	1,022	94,337	94,323	49,628	35,142	9,370	175	8
	ERP	492,222		492,222	375,104			7,862	208,296	114,188
	PL&R	66,286		66,286	66,286			82,856	3,430	
	PL&R	85,937		85,937	85,937			85,630	307	
	R&R	72,696		72,696	72,696	7,436	65,260			
Belgium—Luxembourg	614,210	68,774	545,436	420,395	60,073	561		149,337	210,424	125,042
	ARC	17		17	17					
	ERP	484,312		484,312	359,761			149,337	210,424	124,552
	M-NAA	480		480						490
	R&R	1,137		1,137		570	561			
	LL	128,224	68,774	59,480	59,480	59,480				
British Commonwealth	33,176,068	30,467,428	2,708,640	2,309,186	358,658	12,222	102,315	898,735	940,213	399,454
United Kingdom	31,303,282	28,616,955	2,686,307	2,291,297	338,052	11,983	102,315	898,735	940,213	395,010
	ARC	16,207	16,158	49	49					
	ERP	2,329,483		2,329,483	1,941,262			102,315	898,735	388,221
	M-NAA	6,789		6,789						6,789
	R&R	8,366		8,366		1,396	6,969			
	LL	28,942,415	28,000,797	341,618	341,618	336,618	5,000			
Australia	908,288	896,740	12,539	12,539	12,300	239				
	ARC	108		108						
	R&R	239		239	239		239			
	LL	908,941	896,641	12,300	12,300	12,300				
Bermuda	ARC	1	1							
British East Africa	ARC	301	301							
Ceylon	TA	22		22	5				5	17
Federation of Malaya	TA	9		9	9				9	(1)
Hong Kong	ARC	368	368							
India	617,678	610,249	7,429	3,020	3,000				20	4,409
	ARC	77	77							
	FE	4,324		4,324						4,324
	TA	105		105	20				20	85
	LL	613,172	610,172	3,000	3,000	3,000				
Jamaica	ARC	3		3	3					
New Zealand	LL	251,732	249,432	2,300	2,300	2,300				
Nigeria	TA	1		1	1					
Pakistan	TA	29		29	11				11	18
Southern Rhodesia	TA	1		1	1					
Trinidad and Tobago	ARC	3	3							
Union of South Africa	LL	93,370	93,370							
Burma	397		397	5					5	393
	FE	252		252						252
	FE-C	141		141						141
	TA	5		5	5				5	(1)
China—Taiwan (Formosa)	2,854,727	1,220,859	1,623,868	1,586,411	940,415	311,782	43,516	271,969	18,728	37,457
	ARC	6,452	4,563	1,889	1,889					
	FE	196,273		196,273	166,928			1,322	165,420	184
	FE-C	3,064		3,064	2,732				1,575	1,157
	PL&R	43,916		43,916	43,916			41,194	2,722	332
	EOP	122,973		122,973	117,949				102,252	15,667
	CS	4,445		4,445	1,680					1,680
	R&R	363,943	147	362,897	362,897	83,726	269,170			2,755
	TREAS	500,000	380,406	119,594	119,594					
	LL	1,614,561	845,743	768,818	768,818	725,206	42,612	1,000		

For footnotes see p. 90

Appendix table E.—Grants, by country, by agency, by program: Fiscal years 1941-51—Continued

(Thou sands of dollars)

Country and program	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	5 postwar fiscal years 1946-51								
			Total	5 postwar fiscal years 1946-50					Korean period, fiscal year 1951		
				Total	1946	1947	1948	1949		1950	
Czechoslovakia	191,928	8,477	183,451	183,451	109,221	74,230					
	ARC	75	75	75	75						
	R&R	189,091	5,717	183,374	183,374	109,144	74,230				
	LL	2,762	2,760	2	2	2					
Denmark	200,210		200,210	140,689		4	328	62,948	77,409	59,521	
	ERP	200,090		200,090	140,685		328	62,948	77,409	59,405	
	M-NAA	116		116		4				116	
	R&R	4		4							
Egypt	2,049	1,700	349	342	499	* 157				7	
	ARC	1,545	1,545								
	TA	7		7						7	
	R&R	497	154	342	342	499	* 157				
Ethiopia	1,677	1,238	439	439			439				
	R&R	439		439	439		439				
	LL	1,238	1,238								
Finland	3,493	1,489	2,004	2,004	1,077		926				
	ARC	1,632	1,489	163	163						
	R&R	1,840		1,840	1,840	914	926				
France and possessions	5,293,966	2,637,123	2,656,842	2,106,403	351,212	29,572	353,873	766,659	616,087	457,549	
France	5,182,914	2,620,992	2,661,923	2,108,296	351,112	29,564	353,873	766,659	616,087	453,627	
	ARC	9,595	7,449	2,146	2,146	2,146					
	ERP	1,868,792		1,868,792	1,417,156		57,612	742,722	616,822	451,636	
	PL399	313,404		313,404	313,404		230,201	23,937	* 754		
	PL84	90		90	90		60				
	M-NAA	1,991		1,991						1,991	
	R&R	3,061		3,061	3,061	2,497	564				
	LL	2,986,012	2,613,543	372,469	372,469	346,400	20,000	6,000			
Algeria	16,952	16,945	107	107			99	7			
	ARC	265	274	9	9		9				
	ARMY	16,618	16,618	97	97	90		7			
	R&R	751	654								
French Equatorial Africa	118	118									
French Morocco	98	98									
Indochina	3,913		3,913	(1)			(1)			3,912	
	FE	3,937		3,937						3,937	
	FE-C	594		594						594	
	M-O	281		281						281	
	R&R	(1)		(1)			(1)				
Germany	3,428,732		3,428,732	2,953,180	165,204	204,939	692,847	1,067,909	726,282	475,551	
	ARC	2,078,026		2,078,026	2,078,978	102,081	304,445	692,747	656,240	31	
	ARMY	172,439		172,439	92,069				92,090	80,349	
	GA	1,171,582		1,171,582	776,402			405,683	370,719	395,180	
	ERP	2,066		2,066	2,066			100	1,986		
	PL84	3,616		3,616		3,122	494				
	R&R										
Greece	1,291,394	78,992	1,212,401	1,063,434	185,201	100,545	270,348	307,091	200,249	148,967	
	ARC	1,421	1,385	35	35						
	ERP	388,401		388,401	250,876			11,537	115,494	135,521	
	PL84	37,255		37,255	37,255			37,124	131		
	OT	498,698		498,698	489,554			221,068	193,466	74,400	
	M-GT	4,121		4,121						4,121	
	TA	181		181						181	
	R&R	281,997	2,242	279,765	279,765	185,100	94,895				
	LL	81,321	75,365	5,956	5,956	6	5,930				
Hungary	2,359		2,359	2,359		604	1,756				
Iceland	13,379	99	13,280	7,993				3,005	4,989	5,287	
	ARC	99	99								
	ERP	13,280		13,280	7,993			3,005	4,989	5,287	
Iran	9,288	8,144	1,144	790	750				40	354	
	ARC	353		353							
	TA	394		394	40				40	354	
	LL	8,541	7,791	750	750	750					
Iraq	3		3							3	
	TA										
Ireland	11,059	308	10,751	3,036	22			1	3,013	7,714	
	ARC	330	308	22	22						
	ERP	10,729		10,729	3,015			1	3,013	7,714	
Israel	36		36							36	
	TA										
Italy and former dependencies											
Italy	2,217,189	310,166	1,907,022	1,618,367	349,953	304,426	290,177	402,319	281,493	288,655	
	ARC	3,183	2,992	191	191						
	ARMY	410,107	300,160	109,947	109,947	96,799	13,178				
	ERP	959,165		959,165	670,520			8,310	380,717	288,645	
	PL399	178,054		178,054	178,054			155,091	20,964		
	PL84	117,414		117,414	117,414			116,778	638		
	M-NAA	10		10						10	
	R&R	416,799	7,015	409,754	409,754	118,506	291,248				
	YB	134,487		134,487	134,487						
Eritrea	15	15								15	
Libya	1		1							1	

For footnotes see p. 90.

Appendix table E.—Grants, by country, by agency, by program: Fiscal years 1941-51—Continued

[Thousands of dollars]

Country and program	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	6 postwar fiscal years 1946-51							
			Total	5 postwar fiscal years 1946-50					Korean period, fiscal year 1951	
				Total	1946	1947	1948	1949		1950
Japan and possessions:										
Japan	2,105,996		2,105,996	1,811,626	99,494	306,704	486,907	512,319	406,202	294,370
ARMY	2,105,818		2,105,818	1,811,448	99,494	306,704	486,907	512,141	406,202	294,370
PL&A	178		178	178				178		
Ryukyu Islands	66,912	4,048	62,863	58,497	14,412	10,697	6,896	10,184	16,307	4,367
ARC	13		13	13						
ARMY	44,027		44,027	39,660		6,284	6,896	10,172	16,307	4,367
NAVY	18,448	4,048	14,400	14,400	14,400					
A&N	4,413		4,413	4,413						
PL&A	12		12					12		
Miscellaneous islands	88	74	13	13						
NAVY										
Korea:										
Korea	463,159		463,159	363,982	4,159	44,842	109,231	123,427	82,323	99,177
ARMY	297,871		297,871	292,804	4,159	44,298	109,231	112,576	22,541	5,067
CRIC	65,906		65,906							65,906
KA	91,135		91,135	63,773				7,035	56,738	27,362
KA-C	7,629		7,629	6,786				3,743	3,043	843
PL&A	72		72					72		
R&R	546		546			546				
Lebanon	14		14						1	13
TA										
Liberia	966	236	430	133					133	297
TA	430		430	133					133	297
LL	236	236								
Nepal	3		3							3
TA										
Netherlands-Indonesia:										
Netherlands-Indonesia	932,332	118,514	814,018	625,999	66,234	4,281	15,494	158,119	380,991	188,919
Netherlands	839,891	114,690	725,201	537,667	62,128	4,261	15,494	122,639	333,144	187,534
ARC	122		122	122						
ERP	658,551		658,551	471,278			15,494	122,639	333,144	187,274
M-NAA	261		261							261
R&R	1,899		1,899	638		1,261				
LL	179,058	114,690	64,369	64,369	61,369	3,000				
Indonesia	92,441	3,625	88,817	87,432	4,106			35,479	47,847	1,385
ARMY	7,730	3,625	4,106	4,106						
ERP	84,225		84,225	83,289				35,479	47,810	936
FE	202		202							202
FE-C	264		264							264
TA	20		20							(1)
Norway	202,505	37,109	165,396	105,228	171	771	73	34,972	69,241	60,168
ARC	241	70	171	171						
ERP	164,307		164,307	104,290			73	34,972	69,241	60,021
M-NAA	147		147							147
R&R	771		771			771				
LL	37,039	37,039								
Philippines	716,110	52,515	663,595	555,046	30,945	66,495	92,189	192,833	172,585	108,549
ARC	458		458	458						
ARMY	80,413	52,067	28,345	28,345	28,345					
FE	16		16							16
FE-C	124		124							124
P-I	397,483		397,483	310,963		924	22,571	151,201	136,267	86,519
P-II	100,000		100,000	100,000			53,959	46,041		
P-III	129,787		129,787	107,972		6,601	23,576	41,632	38,263	21,815
TA	130		130						55	75
R&R	7,700		7,700	7,700	2,589					
Poland	387,422	22,203	365,219	365,219	188,349	176,870				
ARC	913	88	825	825						
R&R	374,057	10,026	364,031	364,031	187,190	176,870				
LL	12,452	12,119	333	333						
Portugal and possession	8,273	1	8,272	1,108					1,108	7,163
Portugal	8,272		8,272	1,108					1,108	7,163
Cape Verde Islands	1	1								
Saudi Arabia	7,136	5,489	1,647	1,613	1,191	400			22	34
TA	56		56	22					22	34
LL	7,080	5,489	1,591	1,591	1,191	400				
Spain	1,759	1,759								
ARC										
Sweden	83,481	766	82,715	44,953	598			17,723	26,631	37,763
ARC	815	766	49	49						
ERP	82,117		82,117	44,354	549			17,723	26,631	37,763
R&R	549		549							
Switzerland	1,803		1,803	1,803		1,803				
R&R										
Syria	45		45							45
TA										
Thailand	961		961	24					24	937
FE	691		691							691
FE-C	215		215							215
TA	56		56	24					24	31
Trieste	43,976		43,976	35,127			14,050	14,098	6,979	8,849
ARMY	3,003		3,003	3,008			3,008			
ERP	29,921		29,921	21,072				14,094	6,979	8,849
PL&A	11,046		11,046	11,046			11,042	4		
Turkey	260,041	90,041	170,000	162,967			37,829	69,835	55,303	13,032
ERP	17,362		17,362	15,971				5,241	10,730	1,391
GT	157,977		157,977	146,996			37,829	64,594	44,572	10,981
M-OT	660		660							660
LL	90,041	90,041								

For footnotes see p. 10.

Appendix table E.—Grants, by country, by agency, by program: Fiscal years 1941-51—Continued

(Thousands of dollars)

Country and program	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	6 postwar fiscal years 1946-51						Korean period, fiscal year 1951		
			Total	5 postwar fiscal years 1946-50							
				Total	1946	1947	1948	1949		1950	
U. S. S. R.	11,241,611	10,776,176	465,434	465,434	298,259	167,175					
ARC	17,005	15,205	1,800	1,800	1,800						
R&R	196,380		196,380	196,380	90,235	100,175					
LL	11,038,225	10,760,975	277,254	277,254	210,254	67,000					
Yugoslavia	378,727	33,078	346,649	298,848	196,049	102,799				47,800	
ARC	719		719	719	719						
M-NAA	17,528		17,528							17,528	
R&R	296,082	1,028	298,054	298,054	195,285	102,799					
LL	32,125	32,050	76	76							
YA	30,272		30,272							30,272	
Trust Territory of the Pacific Islands:											
Caroline Islands	NAVY	815	90	725	725						
Mariana Islands	NAVY	5,109	1,595	3,514	3,514	3,514					
Marshall Islands	NAVY	447	241	206	206						
International organizations:											
European Payments Union	ERP	51,227		51,227						51,227	
Intergovernmental Committee on Refugees	IRS	5,968	2,018	3,650	3,650	8	3,981	* 359			
	WRB	3,650		3,650	3,650	8	3,981	* 359			
	WRB	2,018	2,018								
International Children's Emergency Fund	CHILD	75,000		75,000	70,053			32,796	25,492	11,766	4,947
International Refugee Organization	IRA	237,116		237,116	212,116			71,025	70,644	70,448	25,000
	IRS	8,937		8,937	8,937			8,937			
	IRS	228,179		228,179	203,179			62,088	70,644	70,448	25,000
Organization of American States	TA	250		250							250
United Nations	PRA	51,450		51,450	18,000			8,000	8,000	10,000	33,450
	TA	43,450		43,450	18,000			8,000	8,000	10,000	25,450
	TA	8,000		8,000							8,000
UNRRA	R&R	324,725	51,220	273,505	273,505	119,371	138,208	16,068	+ 805		
Unclassified areas:											
Europe		1,773,738	435,369	1,338,369	281,656	158,310		559	22,144	100,643	1,056,713
British zone	ARMY	231,519	123,855	107,663	107,663						
U. S. zone	ARMY	272,157	221,511	50,646	50,646						
Balkans	ARMY	90,003	90,003	1	1						
Other		1,180,059		1,180,059	123,346			559	22,144	100,643	1,056,713
	ERP	43,396		43,396	27,343			318	11,920	15,106	16,053
	ERP-C	72,385		72,385	29,777				10,083	19,694	42,609
	GT	481		481	480					96	1
	M-NAA	903,200		903,200	53,695			241	142	53,695	849,505
	M-GT	160,596		160,596	12,051					12,051	148,545
Other		1,673,796	1,257,087	416,708	147,808	73,953	59,294	1,563	96	12,912	298,901
	DS	81,293		81,293	7,842					7,842	73,451
	ARC	8,272	6,177	2,095	2,095						
	FE	1,624		1,624							1,624
	FF-C	26		26							26
	PL&M	659		659				563	96		
	M-O	196,130		196,130	5,059					5,059	191,072
	TA	2,739		2,739	11					11	2,728
	R&R	107,491	4,494	102,997	102,997	67,213	35,784				
	WRB	1,339	1,339								
	LL	1,274,222	1,245,077	29,145	29,145	4,645	23,500	1,000			

+ Excess of deductions. † Less than \$500. * Excess of deductions less than \$500.

Appendix table F.—Reverse grants and returns on grants, by country, by agency, by program: Fiscal years 1941-51

(Thousands of dollars)

Country and program	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	6 postwar fiscal years 1946-51						Korean period, fiscal year 1951	
			Total	5 postwar fiscal years 1946-50						
				Total	1946	1947	1948	1949		1950
Total	8,888,437	7,872,637	1,015,809	883,215	182,368	254,681	87,750	59,300	299,116	132,588
Economic Cooperation Administration: (counterpart funds)	455,558		455,558	332,973				49,841	283,132	122,585
European recovery	CER	442,950		442,950	321,719			44,491	277,228	121,231
Far Eastern (General area of China) aid	CFE	3,501		3,501	2,732			1,575	1,157	708
Korean aid	CKA	9,017		9,017	8,522			3,775	4,747	465
Yugoslav aid	CYA	90		90						90
Treasury Department:										
Return of lend-lease grant goods:										
Merchant ships	LLM	208,475	9,637	198,838	198,838	6,688	106,977	81,361	3,812	
Navy ships	LLN	112,438	3,963	108,475	98,476	53,164	20,867	3,187	5,475	10,000
Reverse lend-lease	RLS	7,960,957	7,827,538	133,419	133,419	118,017	14,537	865		
Cash war-account settlements for lend-lease and other grants	WAS	151,009	31,500	119,509	119,509	4,500	112,500	2,336	173	

Appendix table F.—Reverse grants and returns on grants, by country, by agency, by program: Fiscal years 1941-51—Continued
(Thousands of dollars)

Country and program	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	6 postwar fiscal years 1946-51							Korean period, fiscal year 1951
			Total	5 postwar fiscal years 1946-50					1951	
				Total	1946	1947	1948	1949		
American Republics.....LLN	362		362	362	72	18	65	199	7	
Chile.....LLN	7		7	7				7		
Colombia.....LLN	23		23	23		18		5		
Cuba.....LLN	48		48	48				48		
Dominican Republic.....LLN	20		20	20				20		
Ecuador.....LLN	20		20	20				20		
Haiti.....LLN	7		7	7				7		
Mexico.....LLN	73		73	73	72			1		
Paraguay.....LLN	7		7	7				7		
Peru.....LLN	68		68	68				68		
Uruguay.....LLN	66		66	66			66			
Venezuela.....LLN	24		24	24				24		
Austria.....CER	34,278		34,278	23,504				1,200	22,304	10,774
Belgium—Luxembourg.....CER	205,302	204,791	511	311	9			150	152	200
.....RLL	502		502	302				150	152	200
.....RLL	204,800	204,791	9	9	9					
British Commonwealth	7,359,534	6,783,767	605,767	590,096	175,201	254,224	79,751	24,282	56,638	15,670
United Kingdom.....CER	5,495,155	5,030,499	464,656	448,986	157,275	134,241	76,550	24,282	56,638	15,670
.....LLM	92,614		92,614	76,944				20,339	56,605	15,670
.....LLN	194,276	5,143	189,133	189,133	5,182	106,977	73,706	3,267	33	
.....RLL	30,816	3,963	76,853	76,853	53,091	20,210	2,844			
.....WAS	5,055,949	4,989,894	106,055	106,056	99,001	7,054				
.....WAS	31,500	31,500								
Australia.....RLL	908,441	888,441	20,000	20,000		20,000				
.....WAS	888,441	888,441								
.....WAS	20,000		20,000	20,000		20,000				
India.....RLL	610,836	582,225	28,611	28,611	17,927	7,483	3,201			
.....WAS	608,500	582,225	26,275	26,275	17,927	7,483	865			
.....WAS	2,336		2,336	2,336			2,336			
New Zealand.....RLL	251,732	251,732								
Union of South Africa.....RLL	92,500	870	92,500	92,500		92,500				
.....WAS	870	870								
.....WAS	92,500		92,500	92,500		92,500				
Burma.....CFE	77		77							77
China.....CFE	6,874	3,672	3,202	2,732				1,575	1,157	499
.....RLL	3,202		3,202	2,732				1,575	1,157	499
.....RLL	3,672									
Czechoslovakia.....WAS	173		173	173				173		
Denmark.....CER	10,967		10,967	7,911				172	7,739	3,057
France.....CER	966,882	866,728	120,154	87,093	1,054			8,480	77,559	33,061
.....LLN	105,101		105,101	82,059				4,480	77,559	23,061
.....RLL	14,000		14,000	4,000				4,000		10,000
.....RLL	867,781	866,728	1,054	1,054	1,054					
Germany.....CER	56,511		56,511	40,297				685	39,612	16,214
Greece.....CER	34,099		34,099	20,182		422		2,000	17,760	13,887
.....LLN	33,647		33,647	19,760		422		2,000	17,760	13,887
.....LLN	422		422							
Iceland.....CER	628		628	189					189	438
Ireland.....CER	348		348	150					150	198
Italy.....CER	40,726		40,726	27,028				13,498	13,530	13,097
Korea.....CKA	9,017		9,017	8,522				3,775	4,747	495
Netherlands—Indonesia	82,186	35,973	45,213	23,145	27	18	290	1,800	27,101	16,068
Netherlands.....CER	77,572	36,973	40,598	25,571	27	18	200	433	24,894	15,027
.....LLN	40,354		40,354	25,327				433	24,894	15,027
.....RLL	218		218	218		18	200			
.....RLL	37,000	36,973	27	27	27					
Indonesia.....CER	4,614		4,614	3,574				1,367	2,207	1,040
Norway.....CER	17,001		17,001	11,098			77	392	10,629	5,903
.....LLN	16,661		16,661	10,759			77	130	10,629	5,903
.....LLN	340		340	340				262		
Philippines.....CFE	37		37							37
Portugal.....CER	908		908	443					443	465
Thailand.....CFE	185		185							185
Trieste.....CER	1,514		1,514	1,009				37	972	506
Turkey.....CER	8,076		8,076	6,982	4,500				2,482	1,094
.....WAS	3,576		3,576	2,452	4,500				2,482	1,094
.....WAS	4,500		4,500	4,500	4,500					
U. S. S. R.....LLM	32,603	6,707	25,986	25,986	1,505		7,655	882	15,944	
.....LLN	14,199	4,494	9,705	9,705	1,505		7,655	545		
.....RLL	16,281		16,281	16,281				338	15,944	
.....RLL	2,213	2,213								
Yugoslavia.....CYA	90		90							90

Appendix table G.—Credits, by country, by agency, by program, by status: July 1, 1940, through June 30, 1951

[Thousands of dollars]

Country and program	Authorized			Utilized on June 30, 1951	Utilized		Collected ¹			Outstanding on June 30, 1951 ²
	Gross	Terminated	Net		Direct	Through agent banks of EIB	Principal		Interest and commissions	
							Direct	Through agent banks of EIB		
Total	14,699,217	1,584,348	13,114,869	997,448	11,807,258	310,163	1,745,169	265,319	514,030	10,106,933
Agriculture Department (occupied-areas commodity programs)..... AGR	214,353		214,353		214,353		214,353		6,956	
Commerce Department: Maritime Administration (merchant ships)..... MA	261,675	32,674	229,001		229,001		66,719		26,947	162,282
Defense Department: Army Department: Natural-fibers revolving fund..... ARF	60,000	3,200	56,740	2,374	54,366		54,366		543	
Surplus property..... ASP	20,000		20,000		20,000					30,000
Economic Cooperation Administration: Through Export-Import Bank..... ERP	1,352,396	12,955	1,339,441	232,408	1,107,033					1,107,033
European recovery..... ERP	1,145,196	12,955	1,132,241	25,208	1,107,033					1,107,033
Indian loan..... IL	190,000		190,000	190,000						
Spanish loan..... SL	17,200		17,200	17,200						
Deficiency-material projects (European recovery)..... DMPPD	51,777	350	51,427	25,463	24,964		440		11	24,503
Dollar funds..... DMPPD	19,660	350	19,340	9,771	9,569		353		9	9,216
Counterpart funds..... DMPPC	32,087		32,087	16,712	15,375		87		2	15,287
Export-Import Bank (including agent bank loans) ³ EIB	5,064,518	1,002,463	4,052,055	684,900	3,058,901	310,163	780,165	265,319	300,601	2,321,551
General Services Administration (surplus property)..... GSA	127,285	100,004	18,281		18,281		2,422		304	15,829
Reconstruction Finance Corporation: Loans..... RFCL	526,232	3,992	522,280	35,000	487,280		398,908		70,773	88,355
Occupied-areas commodity programs..... RFCC	22,677	7,917	14,760		14,760		14,760			
Surplus property..... RFCC	1,965		1,965		1,965		1,965			
State Department: Institute of Inter-American Affairs..... IIAA	250	1	249		249		241			8
United Nations headquarters loan..... UNL	65,000		65,000	13,350	51,644					51,644
Treasury Department: British loan..... BL	3,750,000		3,750,000		3,750,000					3,750,000
Lend-lease current credits..... LLS	165,988	36,783	129,205	2,766	126,439		74,029			52,410
Lend-lease silver..... LLS	291,401		291,401		291,401		186			291,215
Credit-agreement offsets to grants..... COG	1,411,381	155,255	1,256,126		1,256,526		24,370		48,099	1,231,556
Surplus property..... SP	1,287,129	219,692	1,067,436	71	1,067,366		108,719		58,426	958,647
Philippine funding..... PF	35,000		35,000		35,000		3,500		467	31,500
American Republics	1,902,045	517,424	1,384,620	368,085	743,329	173,588	289,491	127,744	73,476	486,682
I MA	18,061	5,863	12,197		11,496		2,494		1,444	9,053
EIB	1,620,748	470,191	1,145,557	368,005	604,903	172,588	198,029	127,744	71,380	451,779
GSA	255	104	151		151					151
RFCL	3,094	464	2,630		2,630		1,465		33	1,165
RFCC	1,965		1,965		1,965		1,965			
IAA	250	1	249		249		241			8
LLC	143,443	34,904	108,539		108,539		74,029			34,510
COG	2,144		2,144		2,144		853			1,291
SP	12,055	867	11,188		11,188		10,415		618	774
EIB	223,690	93,095	130,595	43,060	86,935		451		49	80,483
Bolivia	39,461	48	39,352	8,661	30,691		4,051		2,657	26,641
EIB	36,998	48	36,950	8,661	28,289		2,651		2,657	25,638
RFCL	2,463		2,463		2,403		1,370			1,033
Brazil	380,823	118,449	262,434	66,785	139,502	58,057	57,032	30,945	22,550	107,672
MA	9,367	3,125	6,242		6,242		1,261		790	4,961
EIB	361,463	115,324	246,139	66,785	128,260	56,057	45,832	30,945	21,265	102,577
RFCL	33		33		33		3			31
RFCC	1,965		1,965		1,965		1,965			
SP	8,065		8,065		8,065		7,971		605	84
Chile	143,431	9,817	133,614	5,650	102,274	25,699	18,420	24,177	9,321	85,361
Colombia	70,456	3,173	67,283	9,477	36,381	21,425	12,608	16,431	6,392	28,707
EIB	69,628	3,170	66,458	9,477	35,557	21,425	11,896	16,431	6,348	26,652
RFCL	28		28		28					28
SP	800	4	796		790		768		44	27
Costa Rica	8,723	1,463	7,260		7,036	224	639	224	2,281	6,397
Cuba	102,387	34,198	68,168	12,000	30,131	26,038	30,131	26,038	2,070	558
Dominican Republic	3,300	16	3,284		3,000	284	2,986	284		14
Ecuador	30,047	1,575	28,471	11,330	17,141		3,400		2,261	13,732
EIB	28,917	1,096	27,821	11,330	16,491		3,106		2,192	13,325
RFCL	630	464	166		166		92		33	74
SP	500	15	484		484		150		36	334
El Salvador	1,726	250	1,476		1,476		601		334	785
Haiti	27,605	2,774	24,831	14,000	10,831		6,706		2,801	4,126
EIB	27,350	2,670	24,680	14,000	10,080		6,706		2,801	3,974
GSA	255	104	151		151				1	151
Honduras	3,150	2,032	1,118		118	1,000	118	1,000	86	
EIB	2,700	1,700	1,000			1,000		1,000	83	
SP	450	332	118		118		118		4	

For footnotes see pp. 95-6.

Appendix table G.—Credits, by country, by agency, by program, by status: July 1, 1940, through June 30, 1951—Continued

[Thousands of dollars]

Country and program	Authorized			Utilized on June 30, 1951	Utilized		Collected			Outstanding on June 30, 1951	
	Gross	Terminated	Net		Direct	Through agent banks of EIB	Principal		Interest and commissions		
							Direct	Through agent banks of EIB			
American Republics—Continued											
Mexico.....	310,790	12,238	298,553	161,847	117,462	19,344	42,933	19,167	12,678	74,606	
MA	1,634	1,634									
EIB	308,937	10,603	298,334	161,847	117,243	19,344	42,722	19,167	12,678	74,598	
IAA	220	1	219		219		211			8	
Nicaragua.....	EIB	5,835	585	5,250	600	4,000	650	3,174	650	978	626
Panama.....	7,121	2,133	4,988		4,988		2,488		271	2,500	
EIB	7,000	2,012	4,988		4,988		2,488		271	2,500	
SP	121	121									
Paraguay.....	EIB	7,600	1,600	6,200		6,000	200	3,402	200	1,640	2,598
Peru.....	64,945	38,198	26,747	20,800	5,947		2,214		599	3,733	
MA	5,233	1,133	4,100		4,100		833		484	3,187	
EIB	58,206	37,066	21,244	20,800	444		206		59	238	
SP	1,483	59	1,404		1,404		1,075		25	329	
Uruguay.....	49,140	29,548	19,592	2,800	1,739	14,290	802	1,329	2,143	13,903	
MA	1,858	2	1,856		1,167		306		170	857	
EIB	46,586	29,211	17,375	2,800	223	14,285	140	1,329	1,969	13,046	
IAA	30	(1)	30		30		30				
SP	666	334	332		332		332		4		
Venezuela.....	EIB	52,497	36,955	15,542	6,019	6,825	2,698	2,212	2,698	985	4,613
Unclassified.....	298,138	129,275	168,864	4,316	130,761	4,786	94,990	4,602	3,763	35,985	
EIB	123,351	94,371	29,180	4,316	30,078	4,786	20,078	4,602	3,763	184	
LLC	143,443	34,904	108,539		108,539		74,029			34,510	
COG	2,144		2,144		2,144		853			1,291	
Afghanistan.....	EIB	21,000		21,000	13,600	7,400				20	7,400
Austria.....	36,755	11,881	24,894		24,894		4,984		1,316	19,909	
EIB	14,255	1,118	13,137		13,137		4,068		902	9,068	
GSA	10,000	7,081	2,919		2,919		520		70	2,399	
SP	12,500	3,663	8,837		8,837		396		344	8,442	
Bahrain.....	RFCL	17,048		17,048	17,048		17,048			821	
Belgium—Luxembourg and possessions.....	240,836	8,655	232,181	17,654	214,527		43,687		14,664	170,839	
Belgium.....	235,636	8,155	227,481	16,858	210,623		43,587		14,664	167,035	
FRP	73,333	8,155	65,178	16,858	48,320		48,320			48,320	
RIB	132,000		132,000		132,000		30,963		14,044	101,017	
LLS	186		186		186		186			70	
SP	30,117		30,117		30,117		12,418		620	17,699	
Luxembourg.....	3,500	500	3,000		3,000					3,000	
Belgian Congo.....	DMPD	1,700	1,700	796	904					904	
British Commonwealth.....	6,099,142	281,906	5,817,237	271,783	5,545,534		561,283		68,223	4,964,281	
United Kingdom.....	5,247,170	50,063	5,197,117	35,000	5,162,117		386,648		63,295	4,775,499	
ERP	336,900		336,900		336,900					336,900	
EIB	22,500	22,500									
RFCL	425,000		425,000	35,000	390,000		367,964		63,295	22,036	
BL	3,750,000		3,750,000		3,750,000					3,750,000	
LLS	62,770		62,770		62,770					62,770	
COG	590,000	27,853	562,147		562,147		10,920			551,227	
SP	60,000		60,000		60,000		7,763			52,237	
Australia.....	18,022	1,400	16,622		16,622		2,259			14,362	
EIB	1,400	1,400									
LLS	8,372		8,372		8,372					8,372	
COG	500		500		500		440			60	
SP	7,750		7,750		7,750		1,819			5,931	
British East Africa.....	194		194	42	152		82			70	
DMPC	112		112	42	70		82			70	
SP	82		82		82						
British Guiana.....	133		133	133							
DMPD	24		24								
DMPC	109		109	109							
British Honduras.....	482		482		482		482			17	
Canada.....	390,594	292,809	177,785	2,275	175,510		167,631		4,903	7,879	
EIB	369,955	199,280	170,685	2,275	168,410		165,685		3,278	2,725	
RFCL	10,629	3,529	7,100		7,100		1,946		1,625	5,154	
India.....	382,111	16,000	366,111	190,000	176,111		2,271			173,640	
IL	180,000		180,000	190,000							
EIB	16,000	16,000									
LLS	160,711		160,711		160,711					160,711	
COG	2,336		2,336		2,336					2,336	
SP	13,064		13,064		13,064					10,792	
Jamaica.....	17,728	25	17,703	9,253	8,450		400		7	8,050	
DMPD	8,463		8,463	3,826	4,637		313		5	4,324	
DMPC	9,240		9,240	5,427	3,813		87		2	3,726	
EIB	25	25									
New Zealand.....	5,500	1,167	4,333		4,333		363			3,969	
Pakistan.....	10,000	9,864	136		136		136		1		
Southern Rhodesia.....	210		210		210					210	
Union of South Africa.....	37,000	588	36,412	35,000	1,412		981			432	
EIB	35,000		35,000	35,000							
SP	2,000	588	1,412		1,412		981			432	

For footnotes see pp. 95-6.

Appendix table G.—Credits, by country, by agency, by program, by status: July 1, 1940, through June 30, 1951—Continued

(Thousands of dollars)

Country and program	Authorized			Unutilized on June 30, 1951	Utilized		Collected ¹			Outstanding on June 30, 1951 ²
	Gross	Terminated	Net		Direct	Through agent banks of EIB	Principal		Interest and commissions	
							Direct	Through agent banks of EIB		
Burma.....	SP	5,043		5,043	5,043		684		475	4,359
China—Taiwan (Formosa).....	MA	389,486	41,607	347,879	337,560	10,319	176,645	10,319	26,804	160,915
	ASP	18,849	2,462	16,387	16,387		8,287		1,651	8,100
	EIB	20,000		20,000	20,000					20,000
	COG	221,737	10,672	202,065	191,746	10,319	156,061	10,319	22,742	35,666
	SP	58,900	8,555	50,345	50,345		3,356		2,289	46,989
		79,000	10,918	68,082	66,082		8,921		122	50,161
Czechoslovakia.....		73,729	43,352	30,377	2,984	17,393	7,794	17,393	1,188	5,190
	EIB	23,729	951	22,778	5,385	17,393	5,385	17,393	570	31,000
	SP	50,000	42,401	7,599	7,599		2,409		619	5,190
Denmark.....		71,000	18,959	52,041	52,041		144		1,164	51,897
	ERP	31,000		31,000	31,000					31,000
	EIB	30,000	10,000	20,000	20,000				1,106	20,000
	SP	10,000	8,959	1,041	1,041		144		59	897
Egypt.....		17,934		17,934	17,934		10,684		438	7,250
	EIB	7,250		7,250	7,250				438	7,250
	SP	10,684		10,684	10,684		10,684			
Ethiopia.....		8,558	851	7,707	7,207	500	1,614	500	149	5,562
	EIB	3,500	278	3,222	2,722	500	1,150	500	110	1,572
	LLS	3,858		3,858	3,858					3,858
	COG	200		200	200		38			162
	SP	1,000	573	427	427				39	
Finland.....		171,305	18,928	152,377	135,424	16,953	18,004	16,953	16,906	117,420
	MA	1,108	1	1,108	1,108		606		118	502
	EIB	135,137	7,600	127,537	110,584	16,953	16,709	16,953	15,170	93,879
	GSA	10,000	5,000	5,000	5,000		16			4,984
	SP	25,000	6,328	18,672	18,672		676		1,517	17,995
France and possessions.....		2,277,886	126,813	2,151,073	10,454	2,140,619	111,566		185,296	2,029,083
France.....		2,258,439	126,813	2,131,625	2,131,625		111,526		185,293	2,020,099
	MA	56,039	2	56,036	56,036		12,766		7,037	43,270
	ERP	182,400		182,400	182,400					182,400
	EIB	1,200,000		1,200,000	1,200,000		87,296		124,370	1,112,734
	GSA	30,000	42,550	7,450	7,450		1,493		121	5,957
	COG	420,000	66,700	353,300	353,300				27,968	353,300
	SP	350,000	17,561	332,439	332,439		10,000		25,769	322,439
French Equatorial Africa.....		8,228		8,228	6,063	2,165	40		4	2,125
	DMPD	2,385		2,385	2,385		40			2,385
	DMPC	5,843		5,843	4,001	1,842			4	1,842
French Morocco.....		9,100		9,100	2,271	6,829				6,829
	DMPD	3,600		3,600	700	2,900				2,900
	DMPC	5,500		5,500	1,571	3,929				3,929
New Caledonia.....		2,119		2,119	2,119					
	DMPD	1,702		1,702	1,702					
	DMPC	417		417	417					
Germany.....		128,439	11,467	114,972	4,435	110,533	5	41,904	5	1,562
	AGR	34,206		34,206	34,206					68,729
	DMPC	6,796		6,796	4,435	2,351				2,351
	EIB	7,603	3,007	4,597	4,592	5	4,592	5	58	
	RFCC	10,573	7,917	2,656	2,656		2,656			
	SP	67,270	543	66,727	66,727		350			66,377
Greece.....		147,953	35,560	112,393	438	111,925	14,420		10,050	97,505
	MA	41,708	410	41,298	41,298		12,259		4,951	29,039
	DMPD	102		102	31		71			71
	DMPC	1,143		1,143	407		736			736
	EIB	25,000	10,437	14,563	14,563				1,329	14,563
	SP	80,000	24,744	55,256	55,256		2,161		3,771	53,095
Hungary.....		32,375	16,458	15,917	15,917		2,242		882	13,675
	EIB	2,375		2,375	2,375					2,375
	SP	30,000	14,083	15,917	15,917		2,242		882	13,675
Iceland.....		5,800	622	4,978	866	3,523	590		33	3,523
	ERP	4,300		4,300	866	3,434				3,434
	EIB	1,000	410	590		590			33	
	SP	300	212	88	88					88
Iran.....		66,425	7,768	58,658	25,071	33,347	240	10,324	240	23,023
	MA	1,225		1,225						
	EIB	26,130	668	25,462	25,000	222	240	222	240	14
	COG	8,541		8,541		8,541		7,629		712
	SP	30,529	5,675	24,854	71	24,584		2,273		22,311
Iraq.....		889	100	889		889				
	EIB	100	100							
	SP	889		889	889		889			
Ireland.....		130,900	2,700	128,200		128,200				128,200
Israel.....		135,000		135,000	68,934	68,066			1,332	68,066
Italy.....		435,354	6,768	428,586	1,750	385,883	40,953	43,067	40,953	28,773
	MA	65,606	284	65,222		65,222		15,192		7,744
	ERP	73,000		73,000		73,000				73,000
	DMPC	1,494		1,494		1,494				1,494
	EIB	151,181	6,384	144,797	1,750	102,064	40,953	21,771	40,953	7,085
	SP	144,072		144,072		144,072		6,104		11,604
Japan.....		322,890	20,676	303,194	2,374	298,927	31,883	267,535	31,883	6,397
	AGR	180,147		180,147		180,147				6,473
	ARF	90,000	3,290	86,710	2,374	84,336		54,396		543
	EIB	55,156	15,000	40,156		40,156		8,275		381
	RFCC	12,104		12,104		12,104				
	SP	16,451	2,416	14,035		14,035		2,643		11,392

For footnotes see pp. 95-6.

SURVEY OF CURRENT BUSINESS

Appendix table G.—Credits, by country, by agency, by program, by status: July 1, 1940, through June 30, 1951—Continued

(Thousands of dollars)

Country and program	Authorized			Unutilized on June 30, 1951	Utilized		Collected ¹			Outstanding on June 30, 1951 ²
	Gross	Terminated	Net		Direct	Through agent banks of EIB	Principal		Interest and commissions	
							Direct	Through agent banks of EIB		
Korea.....	SP 25,000	72	24,928		24,928		3,978		1,032	20,950
Latvia.....	EIB 1,892	1,892	11			11		11	(1)	
Lebanon.....	SP 5,000	3,450	1,550		1,550		990		74	680
Liberia.....		32,895	31,015	9,116						
	MA				22,698		58			78
	EIB				698		58			13
	LLC				4,000					65
		22,545	20,665	2,700	17,900					17,900
Netherlands—Indonesia		824,920	637,301	100,000	536,514	786	59,964	786	33,986	476,550
Netherlands.....		824,920	51,368	473,552	472,765	795	59,431	786	29,000	413,334
	MA	20,995	11,435	9,560	9,590		3,517		920	6,043
	ERP	150,700		150,700	150,700					150,700
	EIB	206,878	4,594	205,285	204,498	786	53,415	786	23,200	151,083
	GSA	25,000	24,104	896			142		11	754
	LLS	40,347		40,347	40,347					40,347
	COG	47,160		47,160	47,160				3,877	46,800
	SP	30,840	11,235	19,605	19,605		2,057		1,000	17,548
Indonesia.....		300,000	138,251	163,749	100,000		534		4,977	63,215
	EIB	200,000	100,000	100,000	100,000					
	SP	100,000	38,251	63,749			534		4,977	63,215
Norway.....		152,947	37,165	115,781	265	115,269	227	19,097	227	8,685
	MA	28,782	9,819	18,963		18,963		9,907		2,106
	ERP	36,000		35,000		35,000				35,000
	DMPD	265		265	265					
	EIB	61,090	10,562	50,448		50,221	227	8,555	227	4,222
	GSA	12,000	11,386	614		614		25		10
	COG	5,800		5,800		5,800				5,800
	SP	10,000	5,400	4,591		4,591		690		347
Philippines.....		149,956	35,536	114,399		114,399	17,736		5,763	96,633
	MA	3,122	1,041	2,081		2,081		396		203
	EIB	25,850	25,000	250		250		100		6
	GSA	10,000	8,915	1,085		1,085		89		995
	RFCI	70,000		70,000		70,000	10,000		4,082	60,000
	SP	5,963		5,963		5,963	3,651		6	2,332
	PF	35,000		35,000		35,000	3,500			467
Poland.....		109,907	21,639	81,268		81,232	36	2,410	36	7,864
	EIB	32,907	9,259	43,547		43,511	36	210	36	4,877
	SP	80,000	12,280	37,720		37,720		2,200		2,987
Portugal and possession.....		29,999	4,464	31,635	5,241	25,394		1,394		145
Portugal.....		35,799	4,229	31,570	5,241	26,329		1,271		132
	ERP	28,163		28,163	4,573	23,590				23,590
	DMPD	965		965		965				960
	DMPC	1,171		1,171		865				868
	EIB	5,500	4,229	1,271		1,271		1,271		132
Angola.....		300	235	65		65		33		13
Rumania.....		EIB 50	50							32
Saudi Arabia.....		86,158	20,100	46,058	15,700	30,358		4,900		616
	EIB	49,000	20,000	29,000	15,700	13,300		3,000		616
	LLS	15,158		15,158		15,158				15,158
	SP	2,000	100	1,900		1,900				
Spain.....		32,273	1,392	30,881	17,200	112	13,569	112	13,569	540
	EL	17,200		17,200	17,200					
	EIB	15,073	1,392	13,681		112	13,569	112	13,569	540
Sweden.....		42,505	14,180	28,325		24,214	4,111	2,464	4,111	314
	ERP	22,000	1,600	20,400		20,400				20,400
	DMPD	350	350							
	EIB	17,155	10,880	6,269		2,155	4,111	2,155	4,111	189
	SP	3,000	1,341	1,659		1,659		309		134
Thailand.....		SP 10,000	3,785	6,215		6,215		1,791		640
Turkey.....		136,613	17,134	119,479	7,940	111,539		15,948	2,885	95,591
	MA	6,080	2	6,088		6,088		1,236		759
	ERP	74,000		74,000	2,911	71,089				71,089
	DMPD	134		134		134				134
	DMPC	61		61		61				61
	EIB	46,328	13,259	33,069	5,028	28,041		11,128		16,913
	SP	10,000	3,873	6,127		6,127		3,584		2,543
U. S. S. R.....		COG 278,000	62,447	222,553		222,553			14,836	222,553
Yemen.....		SP 1,000	1,000							
Yugoslavia.....		EIB 56,418	518	55,900	6,935	48,965		633		720
	EIB	55,518	518	55,000	6,935	48,065				720
	COG	900		900		900		633		267
International organization:										
United Nations.....		UNL 65,000		65,000	13,356	51,644				51,644
Unclassified areas:										
Europe—special cotton credits.....		EIB 45,912	7,600	38,412	38,412					
Various countries.....		7,500	7,500							

¹ Less than \$500.

² Principal collected includes portions of Reconstruction Finance Corporation loans to individuals reported charged off as uncollectible in the following amounts: Total, \$1,323,545; Bolivia, \$888,867; Ecuador, \$3,725; and British Honduras, \$430,835. These write-offs are not included in appendix table I.

³ Collections on the Reconstruction Finance Corporation loan to the United Kingdom do not include \$6,863,718 held on June 30, 1951, in a sinking fund for the payment of principal and \$743,631 held as unapplied interest.

(Footnotes continued on next page.)

Appendix table G.—Credits, by country, by agency, by program, by status: July 1, 1940, through June 30, 1951—Continued

¹ Outstanding principal indebtedness included on June 30, 1951, \$18,655,466 reported in default or in arrears 90 days or more. In addition, interest payments in default or due and unpaid for 90 days or more totaled \$11,807,929. These reported arrearages by individual country were as indicated in the following tabulation. Except in the case of China, all defaults or arrearages in Export-Import Bank credits are those of private entities and not of the government of the countries indicated. Except in the case of Ecuador, all defaults or arrearages on Reconstruction Finance Corporation loans are those of private entities.

Country and program	Principal	Interest	Country and program	Principal	Interest
Total	\$18,655,466	\$11,807,929	Austria.....	SP	\$172,892
MA	1,643,313	173,466	Burma.....	SP	\$321,112
EIB	1,327,319	2,007,032	China.....	MA	5,813,642
GSA	5,300	486	EIB	1,517,813	4,397,635
RFCL	1,165,304	16,960	COG	231,320	161,462
LLC	3,410,532		SP	3,356,331	1,945,552
COG	4,068,084	8,458,434		408,178	2,151,495
SP	7,035,614	1,151,642			139,126
American Republics	5,954,667	82,185	Greece.....	MA	49,500
Bolivia.....	RFCL	1,032,815	Iran.....	COG	5,572,563
Brazil.....	EIB	158,592	SP	711,755	829,219
RFCL	127,980	6,033	Italy.....	MA	4,860,810
Colombia.....	RFCL	30,612	SP	1,113,724	12,004
ECUADOR.....	RFCL	28,170	SP	76,000	12,004
Ecuador.....	RFCL	273,993	SP	1,037,724	
SP	73,707	498	Lebanon.....	SP	95,261
Haiti.....	GSA	200,286	Poland.....	EIB	3,492
Peru.....	SP	5,300	Portuguese possession:		
Uruguay.....	EIB	112,243	Angola.....	EIB	31,505
Venezuela.....	EIB	32,822	U. S. S. R.....	COG	6,306,939
Unclassified.....	LLC	900,200			
		61,480			
		3,410,532			

* Data include participation by another agency in the amount of \$7,000,000 in loans of Export-Import Bank.

² Two merchant ships sold by Maritime Administration and originally included in the credits to Uruguay have been transferred to the flag of Liberia. The outstanding principal indebtedness on the mortgages held by Maritime Administration at the time of transfer of the vessels (\$698,400) is deducted in this and appendix table H from the utilized amount shown for Uruguay and is shown as utilized by Liberia at the time of transfer. In this and appendix tables I and J, principal and interest paid subsequent to the date of transfer are shown for Liberia.

³ \$133,500,000 for financing the acquisition of commodities and services on behalf of the Metropolitan area and \$17,200,000 on behalf of Indonesia.

Appendix table H.—Credits utilized, by country, by agency, by program: Fiscal years 1941-51

(Thousands of dollars)

Country and program	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	Total	6 postwar fiscal years 1946-51						Korean period, fiscal year 1951
				5 postwar fiscal years 1946-50					1951	
				Total	1946	1947	1948	1949			1950
Total	11,957,786	1,095,562	10,862,223	10,442,942	2,336,091	3,920,841	2,642,800	1,123,070	429,141	418,281
Agriculture Department (occupied-areas commodity programs)										
AOR	214,353		214,353	214,353	25,469	133,079	55,805	(1)		
Commerce Department: Maritime Administration (merchant ships)	MA		220,001	220,001		141,373	83,174	4,454		
Defense Department: Army Department:										
Natural-fibers revolving fund	ARF	54,366	54,366	52,763				7,339	46,424	603
Surplus property	ASP	20,000	20,000	20,000	20,000					
Economic Cooperation Administration (European recovery):										
Through Export-Import Bank	ERP	1,107,033	1,107,033	983,796				854,400	131,357	121,267
Deficiency-material projects		24,944	24,944	4,736				168	4,566	20,207
Dollar funds	DMFPI	9,569	9,569	3,385					3,385	6,184
Counterpart funds	DMFC	15,375	15,375	1,351				168	1,183	14,023
Export-Import Bank										
Direct loans	EIB-D	3,207,428	329,397	2,878,031	2,651,294	557,976	1,064,918	508,196	214,303	195,900
Loans through agent banks	EIB-A	2,963,966	217,739	2,746,227	2,497,887	501,975	1,003,277	581,701	231,263	179,611
General Services Administration (surplus property)	GSA	243,462	111,658	131,805	153,407	56,001	81,641	16,435	16,289	248,340
Reconstruction Finance Corporation:										
Loans	RFCL	18,251		18,251	18,251			9,638	8,588	25
Occupied-areas commodity programs	RFCC	487,280	417,157	70,102	70,102		70,058	31		
Surplus property	RFCP	14,760		14,760	14,760	2,322	8,538	3,900		
State Department:										
Institute of Inter-American Affairs	IAA	1,965		1,965	1,965					
United Nations headquarters loan	UNL	249	217	32	32	28	2		2	13,951
Treasury Department:										
British loan	BL	51,644		51,644	37,663				11,466	
Lend-lease current credits	LLC	3,750,000		3,750,000	3,750,000		2,050,000	1,700,000		
Lend-lease silver	LS	126,439	111,874	14,565	14,424	2,827	4,488	2,305	1,849	2,956
Credit-agreement offsets to grants	COG	291,401	296,917	54,484	54,484	54,484				141
Surplus property	SP	1,256,326		1,256,326	1,256,326	1,197,696	47,160	8,238	1,100	2,144
Philippine funding	PF	1,067,366		1,067,366	1,065,991	473,675	380,869	181,515	19,392	10,540
		35,000		35,000						1,375
American Republics	843,187	318,563	524,624	399,842	73,325	97,361	69,057	71,590	78,509	134,783
MA	11,499		11,499	12,197		10,342	1,856			2,658
EIB-D	533,576	83,707	469,869	329,385	38,224	71,069	63,481	80,674	75,940	140,483
EIB-A	151,246	123,558	27,688	32,090	33,463	5,520	2,514	* 9,221	415	* 5,022
GSA	151		151	151				135		
RFCL	2,630	2,541	89	89			58	31		
RFCP	1,965		1,965	1,965	1,611	354				
IAA	249	217	32	32	28	2		2		
LLC	108,539	108,539								
COG	2,144		2,144	2,144						2,144
SP	11,188		11,188	11,188			10,017	1,161		10
Argentina.....	EIB-D	86,935	390	86,545	205			205		86,340
Bolivia.....	EIB-D	30,691	4,510	26,181	18,772	1,200	7,387	6,005	3,200	990
EIB-D	28,289	2,130	26,159	18,750	1,200	7,365	6,005	3,200	980	7,409
RFCL	2,402	2,380	22	22						

For footnotes see p. 100.

Appendix table H.—Credits utilized, by country, by agency, by program: Fiscal years 1941-51—Continued

[Thousands of dollars]

Country and program	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	6 postwar fiscal years 1946-51							
			Total	5 postwar fiscal years 1946-50					Korean period, fiscal year 1951	
				Total	1946	1947	1948	1949		1950
American Republics—Continued										
Brazil	196,987	67,031	99,956	96,055	15,333	41,392	17,599	12,872	8,859	3,901
MA	6,242		6,242	6,242						
EIB-D	114,980	25,145	89,835	81,496	9,385	27,890	16,584	18,787	8,852	8,336
EIB-A	35,712	41,886	* 6,174	* 7,759	4,338	* 7,152	983	* 5,615	7	* 4,455
RFCL	33		33	33		31	3			
RFCL	1,965		1,965	1,965	1,611	354				
SP	8,055		8,055	8,055		8,026	29			
Chile	126,862	21,566	105,496	90,354	5,353	7,406	10,268	30,004	37,303	15,142
EIB-D	101,775	1,267	100,508	85,396	1,353	4,406	10,580	31,744	37,303	15,142
EIB-A	25,086	20,098	4,988	4,988	4,000	3,000		* 1,740		
Colombia	57,625	22,254	35,371	25,383	7,966	4,666	3,127	4,070	5,354	9,968
EIB-D	35,380	8,010	27,370	18,750	699	2,062	3,098	5,337	5,354	10,620
EIB-A	21,420	14,244	7,175	7,808	7,268	2,007		* 1,467		* 632
RFCL	28		28	28			28			
SP	796		796	796		796				
Costa Rica	7,269	7,124	85	85		50	35			
EIB-D	6,965	5,900	1,065	1,065	1,050					
EIB-A	224	1,224	* 1,000	* 1,000	* 1,000					
Cuba	28,690	18,200	10,490	10,490						
EIB-D	2,690	1,500	1,190	1,190						
EIB-A	26,000	16,700	9,300	9,300						
Dominican Republic	3,284	3,284								
EIB-D	3,000	3,000								
EIB-A	284	284								
Ecuador	17,141	5,567	11,575	8,925	1,083	755	2,334	2,440	2,312	2,650
EIB-D	16,491	5,406	11,085	8,435	1,083	750	1,850	2,440	2,312	2,650
RFCL	166	161	5	5		5				
SP	484		484	484			484			
El Salvador	1,476	900	576	576	576					
Haiti	8,286	7,755	511	511	300		15	135		
EIB-D	8,115	7,755	360	360	360					
GSA	151		151	151			15	135		
Honduras	1,118	895	223	223	105		118			
EIB-A	1,000	895	105	105	105					
SP	118		118	118			118			
Mexico	135,657	14,717	120,939	113,631	26,123	26,702	24,515	16,907	19,383	7,309
EIB-D	118,194		116,194	108,707	20,000	27,447	24,610	17,338	19,312	7,487
EIB-A	19,244	14,500	4,744	4,922	6,123	* 745	* 95	* 432	71	* 178
HAA	219	217	2	2				2		
Nicaragua	4,065	4,065								
EIB-D	3,565	3,565								
EIB-A	500	500								
Panama	4,838	2,338	2,500	1,478				206	1,272	1,022
EIB-D	5,480	4,665	785	705	660		135			
Peru	5,947		5,947	5,947		5,339	598		10	
MA	4,100		4,100	4,100		4,100				
EIB-D	444		444	444		377	68			
SP	1,404		1,404	1,404		863	530		10	
Uruguay	16,034	7,086	8,948	9,647	2,428	2,629	3,753	508	329	* 698
MA	1,157		1,157	1,856			1,856			* 698
EIB-D	220	79	142	142				142		
EIB-A	14,295	7,007	7,288	7,288	2,400	2,295	1,898	366	329	
HAA	30		30	30	28					
SP	332		332	332		332				
Venezuela	9,450	5,111	4,339	2,902		600	500	1,247	555	1,477
EIB-D	6,792	2,413	4,379	2,902		600	500	1,247	555	1,477
EIB-A	2,698	2,698								
Unclassified	125,383	121,276	4,107	3,864	1,567	114			2,152	243
EIB-D	9,917	9,215	702	702	669			33		
EIB-A	4,783	3,522	1,261	1,018	928	114		* 53	8	243
LFC	108,339	108,339								
COG	2,144		2,144	2,144					2,144	
Afghanistan	7,400		7,400							7,400
Austria	24,894		24,894	24,894	684	782	11,663	9,989	1,776	
EIB-D	13,137		13,137	13,137			1,616	9,746	1,776	
GSA	2,919		2,919	2,919			2,679	240		
SP	8,837		8,837	8,837	684	782	7,369	3		
Bahrain	17,048	17,048								
RFCL										
Belgium—Luxembourg and possession	214,527		214,527	213,203	96,586	39,504	32,213	50,900		1,324
Belgium	210,623		210,623	210,703	90,586	39,504	32,213	47,900		420
ERP	48,320		48,320	47,900				47,900		420
EIB-D	132,000		132,000	132,000	90,400	9,600	32,000			
LLS	186		186	186						
SP	30,117		30,117	30,117		29,904	213			
Luxembourg	3,000		3,000	3,000				3,000		
Belgian Congo	904		904	904						904

For footnotes see p. 100.

Appendix table H.—Credits utilized, by country, by agency, by program: Fiscal years 1941-51—Continued

[Thousands of dollars]

Country and program	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	6 postwar fiscal years 1946-51							
			Total	5 postwar fiscal years 1946-50					Korean period, fiscal year 1951	
				Total	1946	1947	1948	1949		1950
British Commonwealth	5,545,519	607,447	4,938,073	4,916,243	670,605	2,072,327	1,844,840	314,946	13,525	21,830
United Kingdom.....	5,162,117	434,281	4,727,836	4,713,636	640,936	2,050,000	1,700,000	313,000	9,700	14,200
ERP.....	336,900		336,900	322,700				313,000	9,700	14,200
RFCL.....	330,000	390,000								
RL.....	3,750,000		3,750,000	3,750,000		2,050,000	1,700,000			
LLS.....	62,770	44,281	18,489	18,489	18,489					
COG.....	562,447		562,447	562,447	562,447					
SI*.....	60,000		60,000	60,000	60,000					
Australia.....	16,622	8,372	8,250	8,250	500	6,500		1,250		
LLS.....	8,372	8,372								
COG.....	500		500	500	500					
SP.....	7,750		7,750	7,750		6,500		1,250		
British East Africa.....	152		152	82		82				70
DMPC.....	70		70	82		82				70
SP.....	82		82							
British Honduras.....	482	468	13	13	13					
RFCL.....										
Canada.....	175,495	32,770	142,725	141,625			140,000		1,625	1,100
EIB-D.....	188,395	26,670	142,725	141,625			140,000		1,625	1,100
RFCL.....	7,100	7,100								
India.....	176,111	131,555	44,555	44,555	20,166	10,000	4,836	584		
LLS.....	160,711	131,555	29,156	29,156	20,166					
COG.....	2,336		2,336	2,336			2,336			
SP.....	13,064		13,064	13,064		10,000	2,500	584		
Jamaica.....	8,450		8,450	2,260					2,200	6,250
DMPD.....	4,637		4,637	1,451					1,451	3,186
DMPC.....	3,813		3,813	749					749	3,064
New Zealand.....	4,333		4,333	4,333		4,333				
SP.....	136		136				4	133		
Pakistan.....	210		210							210
DMPC.....	210		210							210
Southern Rhodesia.....	1,412		1,412			1,412				
SP.....										
Union of South Africa.....	5,043		5,043	5,043		5,000		43		
SP.....										
China	309,623	80,245	229,378	229,378	84,762	104,998	34,362	4,351	906	
MA.....	16,387		16,387	16,387			15,068	1,319		
ASP.....	20,000		20,000	20,000	20,000					
EIB-D.....	153,490	80,245	73,245	73,245	7,958	19,914	19,639	24,828	906	
EIB-A.....	10,319		10,319	10,319	5,339	26,121	* 345	* 27,796		
COG.....	30,345		30,345	30,345	30,345					
SP.....	59,082		59,082	59,082	119		58,963			
Czechoslovakia	29,583		29,583	29,583	3,727	25,673	182	1		
EIB-D.....	5,385		5,385	5,385		66	1,270	4,059		
EIB-A.....	16,599		16,599	16,599		21,745	* 1,688	* 4,068		
SP.....	7,599		7,599	7,599	3,727	3,972				
Denmark	52,041		52,041	52,041	15,000	208	5,833	31,000		
ERP.....	31,000		31,000	31,000				31,000		
EIB-D.....	20,000		20,000	20,000	3,400		1,400	2,000		16,600
EIB-A.....					14,600	15,000	3,600	* 2,000		* 16,600
SP.....	1,041		1,041	1,041			833			
Egypt	17,934		17,934	17,604	9,338		1,815	4,219	2,232	331
EIB-D.....	7,250		7,250	6,919			500	4,188	2,232	331
SP.....	10,684		10,684	10,684	9,338		1,315	32		
Ethiopia	1,707	4,358	3,349	1,777	279	448	300	350	400	1,572
EIB-D.....	2,722		2,722	1,150		300	300	150	400	1,572
EIB-A.....	500		500							
LLS.....	3,858	3,858								
COG.....	200		200	200				200		
SP.....	427		427	427	279	148				
Finland	141,240	15,074	126,165	126,025	21,206	51,527	27,959	14,943	10,389	141
MA.....	1,168		1,168	1,168			1,168			
EIB-D.....	110,425	26,052	84,373	84,252	11,783	41,400	14,140	8,157	8,743	141
EIB-A.....	5,975	* 10,978	16,953	16,953	1,169	3,773	4,827	5,529	1,625	
GSA.....	5,000		5,000	5,000			3,792	1,189	20	
SP.....	18,672		18,672	18,672	8,215	6,355	4,033	69		
France and possessions	2,140,619		2,123,606	2,123,606	946,300	751,081	246,669	183,338	2,217	17,013
France.....	2,131,825		2,131,625	2,121,225	940,300	751,081	246,669	183,170	5	10,400
MA.....	56,036		56,036	56,036		40,081	15,955			
ERP.....	182,400		182,400	172,000				172,000		10,400
EIB-D.....	1,200,000		1,200,000	1,200,000	287,000	711,000	202,000			
GSA.....	7,450		7,450	7,450			1,576	5,870	5	
COG.....	353,300		353,300	353,300	353,300					
SP.....	332,439		332,439	332,439	300,000		27,139	5,300		
French Equatorial Africa.....	2,165		2,165	236					236	1,929
DMPD.....	323		323							323
DMPC.....	1,842		1,842	236					236	1,606
French Morocco.....	8,829		6,829	2,145				168		4,684
DMPD.....	2,900		2,900	1,800						1,100
DMPC.....	3,929		3,929	345				168		3,584
Germany	110,533		110,533	108,181		36,278	71,904			2,351
AGR.....	34,206		34,206	34,206		34,198	8			
DMPC.....	2,351		2,351							2,351
EIB-D.....	4,592		4,592	4,592			4,592			
RFCC.....	2,656		2,656	2,656		2,080	576			
SP.....	66,727		66,727	66,727			66,727			

For footnotes see p. 100.

Appendix table H.—Credits utilized, by country, by agency, by program: Fiscal years 1941-51—Continued

[Thousands of dollars]

Country and program	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	6 postwar fiscal years 1946-51						Korean period, fiscal year 1951
			Total	5 postwar fiscal years 1946-50					
				Total	1946	1947	1948	1949		1950
Greece	111,925		111,925	111,117	189	76,741	33,896	202	806
MA	41,298		41,298	41,298		41,298			
DMFD	71		71						71
DMPC	736		736						736
EIB-D	14,563		14,563	14,563		4,900	9,663		
SP	55,256		55,256	55,256	189	30,543	24,232	292	
Hungary	15,917		15,917	15,917	3,305	12,612			
SP	15,917		15,917	15,917	3,305	12,612			
Iceland	3,723	200	3,523	2,388				2,064	305
ERP	3,434		3,434	2,300				1,997	303
EIB-A	200	200							
SP	88		88	88				87	2
Iran	33,125		33,125	31,750	11,650	1,326	85	8,161	10,528
COG	8,541		8,541	8,541					1,375
SP	24,584		24,584	23,209	3,109	1,326	85	8,161	10,528
Iraq	889		889	889		889			
SP	889		889	889		889			
Ireland	128,200		128,200	95,757				39,012	56,746
ERP	128,200		128,200	95,757				39,012	56,746
EIB-D	68,066		68,066	32,113					32,113
Israel	889		889	889					
SP	889		889	889					
Italy	413,459		413,459	405,107	73,006	116,227	73,395	104,212	37,757
MA	85,222		85,222	85,222		59,278	24,861	1,054	8,262
ERP	73,000		73,000	67,000				67,000	6,000
DMPC	1,494		1,494						1,494
EIB-D	102,094		102,094	101,326			26,630	36,939	37,757
EIB-A	27,576		27,576	27,576		24,483	3,874	* 780	
SP	144,072		144,072	144,072	73,006	52,466	18,000		
Japan	300,810		300,810	300,207	27,790	115,063	61,676	34,405	60,672
AGR	180,147		180,147	180,147	25,469	98,852	55,797	(1)	
ARF	54,366		54,366	53,763				7,339	46,424
EIB-D	8,275		8,275	8,275				8,275	603
EIB-A	31,883		31,883	31,883				17,634	14,248
RFCC	12,104		12,104	12,104	2,322	6,458	3,324		
SP	14,035		14,035	14,035		10,323	2,555	1,156	
Korea	24,928		24,928	24,928		15,164	9,764		
SP	24,928		24,928	24,928		15,164	9,764		
Lebanon	1,550		1,550	1,550		1,550			
SP	1,550		1,550	1,550		1,550			
Liberia	22,598	3,334	19,264	15,933	2,827	4,488	2,305	1,849	4,465
MA	698		698						698
EIB-D	4,000		4,000	1,509					1,509
LLC	17,900	3,334	14,565	14,424	2,827	4,488	2,305	1,849	2,966
Netherlands-Indonesia	537,361	36,137	501,164	497,164	71,221	256,495	21,773	145,475	2,200
Netherlands	473,552	36,137	437,414	433,414	71,221	192,909	21,773	145,312	2,200
MA	9,590		9,590	9,590		9,590			
ERP	150,700		150,700	146,700				144,500	2,200
EIB-D	204,498		204,498	204,498	60,600	130,631	5,000	2,267	4,000
EIB-A	786		786	786			3,053	* 2,977	
GSA	896		896	896			229	666	
LLS	40,347	36,137	4,209	4,209		4,209			
COG	47,160		47,160	47,160		47,160			
SP	19,605		19,605	19,605	412	15,117	3,900	145	
Indonesia	63,749		63,749	63,749		63,586		163	
SP	63,749		63,749	63,749		63,586		163	
Norway	115,289		115,289	115,289		10,484	38,949	65,856	
MA	18,963		18,963	18,963		7,591	11,372		
ERP	35,000		35,000	35,000				35,000	
EIB-D	50,221		50,221	50,221			20,000	30,221	
GSA	614		614	614			428	186	
COG	5,900		5,900	5,900			5,900		
SP	4,591		4,591	4,591		2,899	1,249	449	
Philippines	114,399		114,399	79,149		75,983	915	2,251	35,250
MA	2,081		2,081	2,081				2,081	
EIB-D	250		250						250
GSA	1,085		1,085	1,085			915	170	
RFCL	70,000		70,000	70,000		70,000			
SP	5,983		5,983	5,983		5,983			
PF	35,000		35,000						35,000
Poland	77,720		77,720	77,720	4,584	31,740	37,027	4,010	356
EIB-D	41,738	1,738	40,000	40,000		7,408	28,222	4,010	356
EIB-A	* 1,738	* 1,738							
SP	37,720		37,720	37,720	4,584	24,331	8,505		
Portugal and possession	25,320	262	25,058	4,083					4,083
Portugal	25,320	262	25,058	4,083					4,083
ERP	23,590		23,590	4,083					19,507
DMFD	600		600						600
DMPC	868		868						868
EIB-D	262	262							
Angola	65	65							
EIB-D	65	65							
Saudi Arabia	30,358	12,714	17,644	14,344	3,910	7,208	3,208	20	3,300
EIB-D	13,300		13,300	10,000		7,000	3,000		3,300
LLS	15,158	12,714	2,444	2,444		2,444			
SP	1,900		1,900	1,900	1,466	206	206	20	
Spain	116	116							
EIB-A	116	116							
Sweden	24,214		24,214	24,214				3,814	20,400
ERP	20,400		20,400	20,400					20,400
EIB-D	2,155		2,155	2,155				2,155	
SP	1,659		1,659	1,659				1,659	
Thailand	6,215		6,215	6,215		6,010	1,205		
SP	6,215		6,215	6,215		6,010	1,205		

For footnotes see p. 100.

Appendix table H.—Credits utilized, by country, by agency, by program: Fiscal years 1941-51—Continued

[Thousands of dollars]

Country and program	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	5 postwar fiscal years 1946-51							
			Total	5 postwar fiscal years 1946-50					Korean period, fiscal year 1951	
				Total	1946	1947	1948	1949		1950
Turkey.....	111,539		111,539	76,782	3,093	5,627	11,804	13,594	42,065	24,757
MA.....	6,068		6,068	6,068		2,783	3,305			
ERP.....	71,089		71,089	37,925					37,925	33,163
DMPD.....	134		134	134					134	39
DMPC.....	61		61	21					21	
EIB-D.....	28,041		28,041	26,486		8,308		13,594	4,584	1,584
SP.....	6,127		6,127	6,127	3,063	2,844	190			
U. S. S. R.....	COG	222,553	222,553	222,553	222,553					
Yugoslavia.....	EIB-D	48,965	48,965	12,568				900	11,668	36,397
COG.....	48,965	48,965	48,965	11,668				900	11,668	36,397
International organization; United Nations.....	UNL	51,644	51,644	37,681				11,466	26,227	13,951

† Less than \$500.

* Excess of deductions.

Appendix table I.—Principal collected, by country, by agency, by program: Fiscal years 1941-51

[Thousands of dollars]

Country and program	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	5 postwar fiscal years 1946-51							
			Total	5 postwar fiscal years 1946-50					Korean period, fiscal year 1951	
				Total	1946	1947	1948	1949		1950
Total.....	1,947,886	380,327	1,667,659	1,304,967	85,608	176,406	331,387	431,620	280,052	262,632
Agriculture Department (occupied-areas commodity programs).....	AOR	214,353	214,353	214,353		33,600	133,085	47,068		
Commerce Department: Maritime Administration (merchant ships).....	MA	66,719	66,719	44,214		700	10,960	15,395	17,169	22,475
Defense Department: Army Department: Natural-fibers revolving fund.....	ARF	54,366	54,366	53,763					53,763	603
Economic Cooperation Administration: Deficiency-material projects (European recovery).....		440	440							440
Dollar funds.....	DMPD	353	353							353
Counterpart funds.....	DMPC	87	87							87
Export-Import Bank.....		664,335	214,329	770,007	631,856	37,707	61,141	119,603	278,845	134,558
Direct loans.....	EIB-D	738,188	134,184	604,004	482,441	28,535	46,343	85,461	240,376	81,728
Loans through agent banks.....	EIB-A	246,147	80,144	166,002	149,415	9,172	14,798	34,144	38,469	52,832
General Services Administration (surplus property).....	GSA	2,422		2,422	593			10	562	21
Reconstruction Finance Corporation: Loans.....	RFCL	307,581	119,785	277,797	224,052	41,795	62,050	32,753	41,437	63,744
Occupied-areas commodity programs.....	RFCC	14,760		14,760	14,760		8,780	5,960	(?)	
Surplus property.....	RFCP	1,965		1,965	1,965	192	1,664	109		
State Department: Institute of Inter-American Affairs.....	IIAA	241	102	139	138	49	53	20	15	1
Treasury Department: Lend-lease current credits.....	LLC	74,029	46,111	27,918	20,539	5,053	2,506	1,498	10,691	791
Lend-lease silver.....	LLS	180		180	180			180		
Credit-agreement offsets to grants.....	COG	24,370		24,370	21,544	712	2,847	8,284	5,545	4,157
Surplus property.....	SP	108,719		108,719	76,974		3,060	18,277	32,061	22,575
Philippine funding.....	PF	3,500		3,500						3,500
American Republics.....		376,558	148,961	226,697	171,142	21,198	26,833	32,192	49,408	41,510
MA.....		2,494		2,494	1,848			439	865	714
EIB-D.....		185,806	44,725	121,081	91,069	0,711	12,293	19,366	24,942	27,757
EIB-A.....		119,183	57,547	61,636	47,772	9,022	10,305	9,172	9,934	9,338
RFCL.....		572	376	196	191		12	7		5
RFCP.....		1,965		1,965	1,965	192	1,664	109		
IIAA.....		241	102	139	138	49	53	20	15	1
LLC.....		74,029	46,111	27,918	20,539	5,053	2,506	1,498	10,691	791
LLS.....		853		853	496					496
COG.....		10,415		10,415	7,124			1,582	3,130	2,413
SP.....										3,290
Argentina.....	EIB-D	451	390	61	41				20	20
Bolivia.....	EIB-D	3,162	2,439	723	405	172		36	30	167
RFCL.....		2,681	2,130	551	233			36	30	167
RFCL.....		481	306	172	172					
Brazil.....		77,060	28,298	48,763	36,653	3,247	5,911	7,776	10,292	9,436
MA.....		1,261		1,261	910			206	498	332
EIB-D.....		42,733	11,349	31,383	23,876	2,750	4,247	5,795	5,268	5,796
EIB-A.....		23,128	16,048	6,179	4,819	305		1,665	1,495	1,355
RFCL.....		3		3	3			2		1
RFCP.....		1,965		1,965	1,965	192	1,664	109		
SP.....		7,971		7,971	5,080				3,000	2,080

For footnote see p. 103.

SURVEY OF CURRENT BUSINESS

Appendix table I.—Principal collected, by country, by agency, by program: Fiscal years 1941-51—Continued

[Thousands of dollars]

Country and program	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	Total	6 postwar fiscal years 1946-51						Korean period, fiscal year 1951
				5 postwar fiscal years 1946-50					1950	
				Total	1946	1947	1948	1949		
American Republics—Continued										
Chile.....	41,888	8,112	33,776	27,585	3,812	4,424	4,643	7,813	6,893	6,192
EIB-D	18,238	1,579	16,659	11,205	71	543	2,118	3,940	4,334	5,454
EIB-A	23,649	6,533	17,117	16,379	3,740	3,882	2,525	3,874	2,559	738
Colombia.....	28,921	11,867	17,054	13,101	1,481	1,934	2,836	3,268	3,583	3,953
EIB-D	11,722	1,645	10,076	7,478	716	787	1,242	2,197	2,537	2,598
EIB-A	16,430	10,222	6,208	5,235	765	1,147	1,201	1,070	1,046	974
SP	769		769	387			387			382
Costa Rica.....	812	224	588	474	48	134	100	84	109	114
EIB-D	588		588	474	48	134	100	84	109	114
EIB-A	224	224								
Cuba.....	28,660	15,482	13,208	2,972	328	662	662	662	662	10,236
EIB-D	2,660	1,560	1,100	238	60	60	60	60	60	852
EIB-A	26,000	13,922	12,018	2,734	328	602	602	602	602	9,284
Dominican Republic.....	3,270	647	2,623	2,441	416	591	594	502	339	182
EIB-D	2,986	383	2,603	2,441	416	591	594	502	339	182
EIB-A	284	264								
Ecuador.....	3,405	593	2,812	2,316	179	240	455	608	774	497
EIB-D	3,166	526	2,640	2,166	179	228	450	668	641	474
RFCL	89	67	22	17				(1)		5
SP	150		150	133					133	18
El Salvador.....	691	30	661	536	56	133	83	144	120	125
EIB-D	6,706	1,807	4,898	4,428	803	830	885	885	1,025	470
EIB-A										
Honduras.....	1,118	135	983	983	90	198	190	67	438	
EIB-A	1,000	135	865	865	90	198	190	43	344	
SP	118		118	118				24	94	
Mexico.....	61,181	3,783	57,397	46,816	2,851	6,838	9,838	12,490	14,799	10,382
EIB-D	41,893	130	41,673	31,952		3,533	7,125	9,842	11,349	9,722
EIB-A	19,167	3,551	15,616	14,786	2,802	3,167	2,706	2,632	3,449	856
IIA	211	102	109	108	49	36	7	15	1	1
Nicaragua.....	3,674	1,382	2,292	1,892	358	473	310	332	421	400
EIB-D	3,174	882	2,292	1,892	358	473	310	332	421	400
EIB-A	500	500								
Panama.....	2,488	2,488								
EIB-D										
Paraguay.....	3,576	512	3,064	1,958	357	405	320	538	339	1,106
EIB-D	3,402	337	3,064	1,958	357	405	320	538	339	1,106
EIB-A	175	175								
Peru.....	2,214		2,214	1,935		26	1,138	229	540	379
MA	853		853	730		233	78	389	233	
EIB-D	206		206	161		28	42	45	45	45
SP	1,075		1,075	1,075			863	100	106	
Uruguay.....	2,121	9	2,123	1,450	27	192	537	336	358	673
MA	300		300	239				119	119	61
EIB-D	140	9	152	102	4	2	8	33	55	30
EIB-A	1,329		1,329	747	23	173	184	184	184	582
IIA	30		30	30			17	13		
SP	332		332	332			332			
Venezuela.....	4,877	2,031	2,846	2,352	962	700	200	300	200	494
EIB-D	2,179	499	1,679	1,185	285	200	200	300	300	494
EIB-A	2,698	1,532	1,167	1,167	677	500				
Unclassified.....	99,244	68,634	30,610	22,806	6,026	3,143	1,591	10,758	1,287	7,804
EIB-D	19,763	19,060	702	669				33		
EIB-A	4,599	3,463	1,136	1,068	304	637	94	34		68
LLC	74,029	46,111	27,918	20,539	5,053	2,506	1,498	10,691	791	7,379
COG	853		853	496				496		357
Austria.....	4,964		4,964	1,896			390	125	1,382	3,098
EIB-D	4,069		4,069	1,491				109	1,382	2,578
GSA	520		520	(1)				(1)		520
SP	396		396	396			390	18		
Bahrain.....	17,048	902	16,146	16,146	2,983	12,953	309			
RFCL										
Belgium.....	43,587		43,587	33,928		3,111	3,548	13,552	13,717	9,660
EIB-D	30,883		30,883	23,600		2,750	917	12,550	7,383	7,383
LLS	186		186	186						
SP	12,418		12,418	10,142		361	2,445	1,002	6,333	2,276
British Commonwealth.....	560,808	144,177	416,631	358,271	38,640	29,066	42,530	186,761	51,254	58,360
United Kingdom.....	380,648	118,113	268,535	212,451	38,493	38,921	42,178	43,863	49,005	55,084
RFCL	367,964	118,113	249,852	196,655	38,493	38,921	32,382	41,194	45,674	53,197
COG	10,920		10,920	9,283			3,787	2,419	3,081	1,637
SP	7,763		7,763	6,513			6,013	250	250	1,250
Australia.....	2,259		2,259	1,914				188	1,736	345
COG	440		440	392					392	48
SP	1,819		1,819	1,522				188	1,334	297
British East Africa.....	82		82	82				82		
RFCL	51	1	50	50	15	22	13			
British Honduras.....										
Canada.....	167,616	28,063	141,553	141,011	142	142	142	140,242	342	542
EIB-D	105,679	25,670	140,000	140,000				140,000		
RFCL	1,946	393	1,553	1,011	142	142	142	242	342	542

For footnote see p. 103.

Appendix table I.—Principal collected, by country, by agency, by program: Fiscal years 1941-51—Continued

[Thousands of dollars]

Country and program	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	6 postwar fiscal years 1946-51						Korean period, fiscal year 1951	
			Total	5 postwar fiscal years 1946-50						
				Total	1946	1947	1948	1949		1950
British Commonwealth—Continued										
India..... SP	2,271		2,271	2,271				2,207	65	
Jamaica.....	400		400							400
..... DMPD	313		313							313
..... DMPC	87		87							87
New Zealand..... SP	363		363	240				125	115	123
Pakistan..... GSA	136		136	136				136		
Union of South Africa..... SP	861		861	116			116			865
Burma..... SP	684		684	364				42	321	320
China.....	177,838	60,274	117,564	110,164	21,824	15,131	26,701	42,042	4,466	7,399
..... MA	8,267		8,267	1,832				408	1,332	6,456
..... EIB-D	146,935	60,274	86,660	85,737	21,824	15,131	22,139	25,343	1,299	944
..... EIB-A	10,319		10,319	10,319			2,788	7,531		
..... COG	3,356		3,356	3,356			1,655	1,702		
..... SP	8,921		8,921	8,921			119	6,967	1,835	
Czechoslovakia.....	24,393		24,393	24,022		4	177	21,721	2,120	371
..... EIB-D	5,385		5,385	5,385				5,385		
..... EIB-A	16,599		16,599	16,599		4	84	16,336		
..... SP	2,409		2,409	2,038			83	6	1,939	371
Denmark..... SP	144		144	136				46	90	8
Egypt..... SP	10,684		10,684	10,684		413	727	9,544		
Ethiopia.....	2,114	250	1,864	530	150	100	(1)		279	1,335
..... EIB-D	1,130		1,130							1,130
..... EIB-A	800	250	250	250	150	100				
..... COG	38		38							38
..... SP	427		427	280			(1)		279	147
Finland.....	34,657	2,341	32,615	26,899			15,551	2,367	8,950	5,717
..... MA	806		806	314				73	241	252
..... EIB-D	16,705	2,341	14,364	11,662			10,009	262	1,391	2,702
..... EIB-A	16,953		16,953	14,230			4,983	2,025	7,311	2,723
..... GSA	16		16	16				7	9	
..... SP	677		677	677			649		28	
France and possessions	111,566		111,566	78,637		14,297	26,196	21,037	23,106	32,929
France.....	111,526		111,526	78,637		14,297	26,196	21,037	23,106	32,889
..... MA	12,766		12,766	9,426		367	1,891	2,438	4,760	3,340
..... EIB-D	87,266		87,266	68,932		13,930	18,334	18,334	18,334	18,334
..... GSA	1,493		1,493	278			1	265	12	1,216
..... SP	10,000		10,000							10,000
French Equatorial Africa..... DMPD	40		40							40
Germany.....	41,804		41,804	41,804			29,124	12,330	350	
..... AGR	34,206		34,206	34,206			24,486	9,720		
..... EIB-D	4,592		4,592	4,592			1,982	2,610		
..... RFCC	2,656		2,656	2,656				(1)		
..... SP	350		350	350					350	
Greece.....	14,420		14,420	11,643		125	4,988	4,614	1,916	2,778
..... MA	12,259		12,259	9,906		125	4,988	3,098	1,696	2,353
..... SP	2,161		2,161	1,736			1,516	220	220	425
Hungary..... SP	2,242		2,242	1,828		175	492	1,014	148	414
Iceland..... EIB-A	590	590								
Iran.....	10,102		10,102	10,102	712	3,040	3,050	2,229	1,100	
..... COG	7,829		7,829	7,829	712	2,947	2,947	1,424		
..... SP	2,273		2,273	2,273		193	173	806	1,100	
Iraq..... SP	889		889	889		382	1	506		
Italy.....	75,055	4,412	70,643	47,891		4,389	20,975	6,603	16,015	22,762
..... MA	15,192		15,192	10,942			2,519	4,162	4,291	4,250
..... EIB-D	21,771		21,771	8,816			1,004	87	7,635	12,954
..... EIB-A	31,988	4,412	27,576	27,576		4,389	16,715	2,353	4,119	5,558
..... SP	6,104		6,104	546			546			
Japan.....	289,418		289,418	286,174		42,379	112,573	40,699	90,573	3,244
..... AGR	180,147		180,147	180,147		33,600	109,199	37,349		603
..... AFR	54,366		54,366	53,793					33,783	
..... EIB-D	8,275		8,275	8,275				3,350	4,925	
..... EIB-A	31,883		31,883	31,883					31,883	
..... RFCC	12,104		12,104	12,104		8,710	3,324			
..... SP	2,643		2,643	2					2	2,641
Korea..... SP	3,978		3,978	3,978					3,978	
Lebanon..... SP	980		980	952		229	598	125		38
Liberia..... MA	58		58							58
Netherlands—Indonesia	60,751		60,751	24,333		2,233	11,794	4,788	5,507	36,418
Netherlands.....	60,217		60,217	23,919		2,233	11,640	4,574	5,472	36,296
..... MA	3,517		3,517	2,343				1,173	1,170	1,173
..... EIB-D	53,415		53,415	18,813			2,233	10,958	2,326	3,296
..... EIB-A	756		756	766			490			
..... GSA	142		142	90				90		51
..... COG	300		300	188					188	112
..... SP	2,057		2,057	1,898			192	688	815	359
Indonesia..... SP	534		534	413			154	224	35	120

For footnote see p. 103.

Appendix table I.—Principal collected, by country, by agency, by program: Fiscal years 1941-51—Continued

[Thousands of dollars]

Country and program	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	6 postwar fiscal years 1946-51							Korean period, fiscal year 1951
			Total	5 postwar fiscal years 1946-50						
				Total	1946	1947	1948	1949	1950	
Norway.....	19,323	227	19,097	11,280		208	1,181	4,339	5,562	7,807
MA.....	9,907		9,907	6,480		208	1,172	2,585	2,515	3,427
EIB-D.....	8,355		8,555	4,388				1,610	2,778	4,167
EIB-A.....	227	227								
GSA.....	25		25	14			9	5		11
SP.....	609		609	407				138	269	202
Philippines.....	17,736		17,736	13,971		10,983	2,126	684	178	3,765
MA.....	396		396	276				155	120	130
EIB-D.....	100		100							100
GSA.....	89		89	58						32
RFCL.....	10,000		10,000	10,000		10,000				
SP.....	3,651		3,651	3,638		883	2,126	471	58	13
PF.....	3,500		3,500							3,500
Poland.....	2,207	6	2,200	1,300		250	374	429	248	900
EIB-D.....	6	6								
SP.....	2,200		2,200	1,300		250	374	429	248	900
Portugal and possession.....	1,154	1,121	33	33		5	29			
Portugal.....	1,121	1,121								
Angola.....	33		33	33		5	29			
Saudi Arabia.....	4,900		4,900	3,900			335	2,565	1,000	1,000
EIB-D.....	3,000		3,000	2,000				1,000	1,000	1,000
SP.....	1,900		1,900	1,900			335	1,565		
Spain.....	13,055	13,055								
EIB-D.....	47	47								
EIB-A.....	13,008	13,008								
Sweden.....	6,575	4,111	2,464	808				269	539	1,656
EIB-D.....	2,155		2,155	808				269	539	1,347
EIB-A.....	4,111	4,111								
SP.....	309		309							309
Thailand.....	1,791		1,791	784				444	339	1,008
Turkey.....	15,948		15,948	10,489		74	1,714	3,325	5,375	5,459
MA.....	1,236		1,236	876				516	360	360
EIB-D.....	11,128		11,128	6,838			634	2,198	4,007	4,290
SP.....	3,584		3,584	2,775		74	1,080	612	1,000	809
Yugoslavia.....	633		633							633

† Less than \$500.

Appendix table J.—Interest collected, by country, by agency, by program: Fiscal years 1941-51

[Thousands of dollars]

Country and program	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	6 postwar fiscal years 1946-51							Korean period, fiscal year 1951
			Total	5 postwar fiscal years 1946-50						
				Total	1946	1947	1948	1949	1950	
Total.....	506,270	60,252	448,018	344,754	20,466	32,534	84,190	101,378	106,274	103,254
Agriculture Department (occupied-areas commodity programs) AGR.....	6,957		6,957	6,957		2,692	2,526	1,839		
Commerce Department: Maritime Administration (merchant ships).....MA.....	26,947		26,947	20,475		127	4,977	7,449	7,922	6,472
Defense Department: Army Department: Natural-fibers revolving fund.....ARF.....	543		543	541					541	1
Economic Cooperation Administration: Deficiency-material projects (European recovery).....DMPD.....	11		11							11
Dollar funds.....	9		9							9
Counterpart funds.....DMPC.....	2		2							2
Export-Import Bank.....EIB.....	294,841	26,989	267,852	204,339	11,768	21,670	45,702	62,570	62,630	63,512
General Services Administration (surplus property).....GSA.....	304		304	214				124	90	90
Reconstruction Finance Corporation: Loans.....RFCL.....	70,773	33,263	37,510	34,153	8,700	7,406	7,080	6,084	4,851	3,357
Treasury Department: Credit-agreement offsets to grants.....COG.....	48,999		48,999	35,859		725	14,095	11,531	9,598	13,140
Surplus property.....SP.....	58,429		58,429	42,216		13	9,720	11,782	20,702	10,213
Philippine funding.....PF.....	467		467							467

Appendix table J.—Interest collected, by country, by agency, by program: Fiscal years 1941-51—Continued

[Thousands of dollars]

Country and program	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	6 postwar fiscal years 1946-51								
			Total	5 postwar fiscal years 1946-50					Korean period fiscal year 1951		
				Total	1946	1947	1948	1949		1950	
American Republics											
MA	71,128	9,802	61,326	48,110	7,883	7,153	9,872	10,978	12,823	13,216	
EIB	1,444		1,444	1,130			316	398	418	314	
GSA	69,032	9,792	59,240	46,494	7,883	7,146	9,236	10,246	11,954	12,776	
RFCL	1		1	(1)			(1)			(1)	
SP	33	10	23	17		8	2		8	5	
	618		618	498			19	336	143	120	
Argentina	EIB	49	28	21	15			7	7	6	
Bolivia	EIB	2,657	116	2,540	1,783		85	690	509	758	
Brazil	MA	21,790	3,134	18,655	14,489	1,532	2,058	3,174	3,776	3,940	
	EIB	790		790	605			173	252	181	
	SP	20,494	3,134	17,360	13,447	1,532	2,058	3,001	3,206	3,913	
		505		505	436			318	118	69	
Chile	EIB	9,298	1,099	8,199	4,987	375	525	643	1,293	2,151	
Colombia	EIB	5,384	1,386	3,998	3,161	457	612	658	695	739	
	SP	5,340	1,386	3,954	3,145	457	612	642	695	739	
		44		44	15			15		29	
Costa Rica	EIB	2,277	672	1,605	1,370	229	274	272	266	329	
Cuba	EIB	1,632	168	1,464	1,327	111	327	337	292	259	
Dominican Republic	EIB	558	267	290	288	100	81	56	34	15	
Ecuador	EIB	2,261	263	1,997	1,447	52	445	265	337	348	
	RFCL	2,192	253	1,939	1,411	52	438	264	332	326	
	SP	33	10	23	17		8	2		5	
		36		36	19			5	13	17	
El Salvador	EIB	334	68	266	232	32	67	37	56	39	
Haiti	EIB	2,838	1,290	1,548	1,378	238	404	278	247	208	
	GSA	2,837	1,290	1,547	1,375	238	404	279	247	208	
		1		1	(1)			(1)		(1)	
Honduras	EIB	86	12	75	75	19	20	16	11	9	
	SP	83	12	71	71	19	20	16	9	8	
		4		4	4				2	2	
Mexico	EIB	12,589	610	11,979	9,649	269	1,501	2,346	2,614	2,920	
Nicaragua	EIB	977	460	517	476	112	129	89	62	85	
Panama	EIB	271	208	63	30				1	30	
Paraguay	EIB	1,637	405	1,232	1,060	282	226	149	179	244	
Peru	MA	569		569	498		7	157	104	199	
	EIB	484		484	399			143	79	177	
	SP	59		59	48		7	14	14	12	
		25		25	20				10	10	
Uruguay	MA	2,143	120	2,022	1,969	282	300	329	385	373	
	EIB	170		170	126				65	61	
	SP	1,969	120	1,848	1,539	282	300	325	320	312	
		4		4	4			4			
Venezuela	EIB	982	415	567	463	93	71	81	106	110	
Unclassified	EIB	2,797	* 899	3,718	3,717	3,701	12	3	1		
Afghanistan	EIB	20		20						20	
Austria	EIB	1,316		1,316	739			23	314	402	
	GSA	902		902	551			2	171	377	
	SP	70		70	64				46	18	
		344		344	124			20	96	7	
Bahrain	RFCL	821	56	766	766	549	216	(1)			
Belgium	EIB	14,664		14,664	11,632		2,537	1,871	3,993	3,231	
	SP	14,044		14,044	11,286		2,537	1,752	3,979	3,017	
		620		620	347			119	15	214	
British Commonwealth		68,221	34,325	33,896	31,640	8,150	7,065	6,395	6,397	3,693	
United Kingdom	RFCL	63,268	32,842	30,452	28,415	7,901	6,767	5,640	4,653	3,455	
British Honduras	RFCL	17	9	8	8						
Canada	EIB	4,902	1,474	3,428	3,215	242	238	755	1,743	238	
	RFCL	3,276	1,128	2,149	2,051			520	1,512	20	
		1,625	340	1,279	1,164	242	238	235	231	218	
Jamaica	DMPD	7		7						7	
	DMPC	5		5						5	
		2		2						2	
Pakistan	GSA	1		1	1				1		
Burma	SP	475		475	356				238	119	
China	MA	23,787	12,373	11,394	10,630	1,954	1,270	2,819	3,692	895	
	EIB	1,651		1,651	1,071			120	421	630	
	COG	19,706	12,373	7,332	7,148	1,954	1,270	1,533	2,126	265	
	SP	2,289		2,289	2,289			1,106	1,123		
		122		122	122				22	100	
Czechoslovakia	EIB	1,184		1,184	1,050		1	155	740	154	
	SP	866		866	566		1	561	4	4	
		619		619	484			153	179	150	
Denmark	EIB	1,164		1,164	914	85	138	144	313	233	
	SP	1,106		1,106	877	85	138	143	301	210	
		59		59	37			1	12	24	

For footnotes see p. 105.

SURVEY OF CURRENT BUSINESS

Appendix table J.—Interest collected, by country, by agency, by program: Fiscal years 1941-51—Continued
[Thousands of dollars]

Country and program	11 fiscal years 1941-51	5 war-period fiscal years 1941-45	6 postwar fiscal years 1946-51							Korean period, fiscal year 1951
			Total	5 postwar fiscal years 1946-50					1950	
				Total	1946	1947	1948	1949		
Egypt..... EIB	438		438	196				31	185	242
Ethiopia..... EIB	149	2	147	112	8	11	10	33	53	34
..... SP	110	2	108	75	6	5	7	29	28	32
..... MA	39		39	37		7	2	4	25	2
Finland..... MA	10,805	2,652	14,153	11,214	1,519	1,188	2,538	2,781	3,188	2,939
..... EIB	15,170	2,652	12,518	10,027	1,519	1,188	2,224	2,382	2,714	2,480
..... SP	1,517		1,517	1,090			300	359	431	427
France and possession.....	185,296		185,296	138,703		6,544	37,701	46,518	47,940	48,583
France..... MA	185,293		185,293	138,703		6,544	37,701	46,518	47,940	48,590
..... EIB	7,037		7,037	5,480			732	1,921	2,827	1,557
..... GSA	124,370		124,370	93,638		6,544	24,199	31,504	31,422	30,731
..... COG	121		121	74			27	47	47	47
..... SP	27,968		27,968	20,932			6,800	7,066	7,066	7,066
..... MA	25,766		25,766	18,579			5,000	6,000	6,579	7,188
French Equatorial Africa..... DMPD	4		4							4
Germany..... MA	1,542		1,542	1,542			960	582		
..... AGR	1,483		1,483	1,483			950	533		
..... EIB	58		58	58			10	48		
Greece..... MA	10,050		10,050	6,579		76	1,782	2,697	2,624	3,472
..... EIB	4,981		4,981	3,838		29	1,467	1,243	1,099	1,113
..... SP	1,329		1,329	985		46	192	362	364	364
..... MA	3,771		3,771	1,776			123	1,092	661	1,995
Hungary..... SP	882		882	882			80	442	361	
Iceland..... EIB	33	33								
Israel..... EIB	1,332		1,332	90					90	1,242
Italy..... MA	26,649	(†)	26,649	17,969		41	3,027	3,482	11,448	9,050
..... EIB	7,744		7,744	6,819		21	1,669	2,154	1,975	1,925
..... SP	6,971	(†)	6,970	541		20	303	1,185	2,452	3,001
..... MA	11,934		11,934	8,210			1,055	134	7,021	3,724
Japan..... MA	6,397		6,397	6,396						1
..... AGR	5,473		5,473	5,473		2,592	1,576	1,373	856	
..... EIB	543		543	541		2,692	1,576	1,305	541	1
..... SP	381		381	381				66	313	
Korea..... SP	1,032		1,032	534					534	498
Lebanon..... SP	74		74	57				53	4	17
Liberia..... MA	78		78	16					16	62
..... EIB	13		13							13
..... SP	65		65	16					16	49
Netherlands-Indonesia.....	33,986		33,986	27,048	289	2,616	7,911	7,105	9,128	6,888
Netherlands..... MA	29,009		29,009	22,748	289	2,616	6,811	5,806	7,227	6,261
..... EIB	920		920	665			40	345	280	255
..... GSA	23,200		23,200	18,501	289	2,616	4,811	5,157	5,629	4,999
..... COG	11		11	8				6	2	4
..... SP	3,877		3,877	2,920			1,960	960	960	960
..... MA	1,000		1,000	654				298	356	345
Indonesia..... SP	4,977		4,977	4,300			1,100	1,206	1,901	678
Norway..... MA	6,685	19	6,666	4,837		77	900	1,781	2,080	1,828
..... EIB	2,106		2,106	1,698		77	535	551	835	468
..... GSA	4,222	19	4,203	2,889			309	1,141	1,438	1,815
..... SP	10		10	8				4	4	2
..... MA	347		347	243			55	85	103	103
Philippines..... MA	5,753		5,753	3,967		185	1,203	1,313	1,280	1,766
..... EIB	203		203	140				73	67	63
..... GSA	8		8	6						6
..... RFCL	4,962		4,962	3,782		179	1,203	1,200	1,200	1,200
..... SP	6		6	6		6				
..... PF	467		467							467
Poland..... MA	7,733	365	7,368	6,072	33	155	874	1,969	3,041	1,296
..... EIB	4,746	365	4,381	3,065	33	155	444	1,161	1,292	1,296
..... SP	2,987		2,987	2,967			426	809	1,749	
Portugal and possession.....	111	99	12	12		4			8	
Portugal..... EIB	98	98								
Angola..... EIB	13	1	12	12		4			8	
Saudi Arabia..... EIB	616		616	400				200	200	216
Spain..... EIB	473	473								
Sweden..... MA	314	51	263	99				38	61	164
..... EIB	180	51	129	99				38	61	30
..... SP	134		134							134
Thailand..... SP	640		640	509			80	265	137	131
Turkey..... MA	2,885		2,885	1,915			304	682	929	970
..... EIB	759		759	537			83	306	148	222
..... GSA	1,960		1,960	983			45	351	567	667
..... SP	466		466	385			175	26	184	81
U. S. S. R..... COG	14,836		14,836	9,718		725	4,170	3,341	1,481	5,117
Yugoslavia..... EIB	720		720	2					2	718

† Less than \$500.

* Excess of deductions.

Appendix table K.—Summary of projections of contractual debt service (principal and interest) for calendar years 1952-61 on indebtedness of foreign countries to the United States Government as of June 30, 1951

[Thousands of dollars]

Table with columns for Program and country, and years 1952-1961. Rows include Total, American Republics, British Commonwealth, and various other countries. Each year has sub-columns for Principal and Interest.

† Less than \$500.

Major Legislation 1940–51
Appendix Tables L to N

Legislative
Appendix



THE following pages present a summary of major legislation relating to foreign aid enacted by the Congress between January 3, 1940, and October 20, 1951. The presentation covers the period from the beginning of the third session of the Seventy-sixth Congress through the first session of the Eighty-first Congress.

In appendix table L each program or activity is listed by date of its original enactment by the Congress within the period covered.

An alphabetic index to the legislation is provided in appendix table M and an index by Congress and public-law number is provided in appendix table N.

Amounts authorized, and more particularly amounts appropriated, are frequently available for limited periods only, and unutilized portions may be authorized or appropriated again. A totaling of appropriations or authorizations without double counting is not readily obtained, and accordingly no totals of amounts authorized or appropriated are provided in appendix table L. Wherever possible, explanatory material concerning these double countings has been included in the "Remarks" column of appendix table L.

Appendix table L.—Major legislation relating to United States Government foreign aid enacted by the 76th Cong., 3d sess., through the 82d Cong., 1st sess. For period Jan. 3, 1940, through Oct. 20, 1951

Line	Basic authorizing legislation					Appropriation act					Remarks		
	Congress	Public Law number	Date approved	Statute		Amount appropriated	Congress	Public Law number	Date approved	Statute		Amount appropriated	
				Volume	Page					Volume			Page
Export-Import Bank													
A1	76th	420	Mar. 2, 1940	54	38							To amend the act approved Jan. 31, 1935, to provide for increasing the lending authority for EIB from \$100,000,000 to \$200,000,000.	
A2	76th	792	Sept. 26, 1940	54	961							To provide for increasing the lending authority for EIB from \$200,000,000 to \$700,000,000.	
A3	79th	173	July 31, 1945	59	526							To provide for increasing the lending authority of EIB from \$700,000,000 to \$3,500,000,000.	
A4	79th	282	Dec. 28, 1945	59	666							To authorize EIB to extend its operations to include the Philippines.	
A5	80th	89	June 9, 1947	61	130							To provide for the reincorporation of EIB to June 30, 1953.	
A6	82d	158	Oct. 3, 1951	65	367							To increase the lending authority of EIB from \$3,500,000,000 to \$4,500,000,000 and to extend the period during which the Bank may make loans to June 30, 1958.	
Cooperation with the American Republics													
A7						76th	508	May 14, 1940	54	192	\$120,500	Department of State Appropriation Act, 1941.	
A8						76th	668	June 27, 1940	54	651	250,000	Second Deficiency Appropriation Act, 1940 (State).	
A9						77th	135	June 28, 1941	55	276	600,300	Department of State Appropriation Act, 1942.	
A10						77th	139	June 30, 1941	55	389	500,000	Military Appropriation Act, 1942 (Army).	
A11						77th	644	July 2, 1942	56	479	1,685,000	Department of State Appropriation Act, 1943.	
A12						77th	649	do	56	628	500,000	Military Appropriation Act, 1943 (Army).	
A13						78th	105	July 1, 1943	57	281	4,500,000	Department of State Appropriation Act, 1944.	
A14						78th	108	do	57	365	500,000	Military Appropriation Act, 1944 (Army).	
A15						78th	365	June 28, 1944	58	406	3,450,000	Department of State Appropriation Act, 1945.	
A16						79th	61	May 21, 1945	59	180	4,000,000	Department of State Appropriation Act, 1946.	
A17						79th	490	July 5, 1946	60	457	5,375,000	Department of State Appropriation Act, 1947.	
A18						79th	515	July 16, 1946	60	560	1,000,000	Military Appropriation Act, 1947 (Army).	
A19						80th	166	July 9, 1947	61	286	3,900,000	Department of State Appropriation Act, 1948.	
A20						80th	267	July 30, 1947	61	568	650,000	Military Appropriation Act, 1948 (Army).	
A21						80th	597	June 3, 1948	62	313	4,100,000	Department of State Appropriation Act, 1949.	
A22						80th	766	June 24, 1948	62	650	750,000	Military Appropriation Act, 1949 (Army).	
A23						81st	434	Oct. 29, 1949	63	989	565,000	National Military Establishment Appropriation Act, 1950 (Army).	
A24						81st	759	Sept. 6, 1950	64	732	432,000	General Appropriation Act, 1951 (Army).	
A25						82d	179	Oct. 18, 1951	65	426	388,000	Department of Defense Appropriation Act, 1952 (Army).	
Institute of Inter-American Affairs (Formerly Coordinator of Inter-American Affairs) ¹													
A26						76th	588	June 11, 1940	54	297	Indefinite	Navy Department Appropriation Act, 1941. Emergency fund for the President.	
A27						76th	611	June 13, 1940	54	377	Indefinite	Military Appropriation Act, 1941. Emergency fund for the President.	
A28						76th	667	June 26, 1940	54	599	\$1,000,000	First Supplemental National Defense Appropriation Act, 1941.	
A29						77th	150	July 3, 1941	55	543	1,600,000	Second Deficiency Appropriation Act, 1941; plus \$3,000,000 contract authorization.	
A30	77th	353	Dec. 17, 1941	55	818	Indefinite						Third Supplemental National Defense Appropriation Act, 1942. Authorized use of money made available to the Coordinator to create corporations to assist in carrying out the Coordinator's programs and capitalizing such corporations.	
A31						77th	678	July 25, 1942	56	708	28,638,000	First Supplemental National Defense Appropriation Act, 1943. Included \$3,000,000 for payment of obligations incurred under the contract authorization of \$3,000,000 under Public Law 150, July 3, 1941.	
A32						77th	783	Oct. 26, 1942	56	996	5,000,000	Second Supplemental National Defense Appropriation Act, 1943.	
A33						78th	139	July 12, 1943	57	528	30,735,000	National War Agencies Appropriation Act, 1944; plus contract authorization of \$18,000,000.	
A34						78th	372	June 28, 1944	58	537	18,000,000	National War Agencies Appropriation Act, 1945. Included \$4,000,000 for payment of obligations incurred under contract authorization of \$18,000,000 under Public Law 139, plus \$2,500,000 additional contract authorization.	
A35						79th	156	July 17, 1945	59	476	13,000,000	National War Agencies Appropriation Act, 1946. Included \$3,543,290 for payment of obligations incurred under contract authorization of \$18,000,000 under Public Law 139 and \$301,423 under contract authorization of \$2,500,000 under Public Law 372.	
A36						79th	519	July 20, 1946	60	587	4,540,287	Government Corporations Appropriation Act, 1947. Included \$3,456,710 for payment of obligations incurred under contract authorization of \$18,000,000 under Public Law 139 and \$1,083,577 under contract authorization of \$2,500,000 under Public Law 372.	
A37						80th	268	July 30, 1947	61	575	8,115,000	Government Corporations Appropriation Act, 1948. Included \$7,000,000 to Institute of Inter-American Affairs for payment of obligations incurred under contract authorization of \$18,000,000 under Public Law 139 and \$1,115,000 to Inter-American Education Foundation, Inc. under contract authorization of \$2,500,000 under Public Law 372.	

¹ The Office of the Coordinator of Inter-American Affairs was established within the Office for Emergency Management of the Executive Office of the President by Executive Order 8840, July 30, 1941.

The Coordinator was directed to perform functions previously vested in the Office for the Coordination of Commercial and Cultural Relations Between the American Republics, which had been established by order of the Council of National Defense on Aug. 16, 1940, under authority of the act of Aug. 29, 1918 (39 Stat. 640).

Congress provided funds for the creation of corporations by the Coordinator to carry out program under the following appropriation acts: Third Supplemental National Defense Appropriation Act, 1942, Public Law 353; the First Supplemental National Defense Appropriation Act, 1943, Public Law 678; and the National War Agencies Appropriation Act, 1944, Public Law 139. Pursuant to these acts, 5 corporations were created under the laws of the State of Delaware and dissolved on the dates shown:

The Office of Inter-American Affairs created Mar. 31, 1942.

Inter-American Educational Foundation, Inc., created Sept. 25, 1943.

Inter-American Navigation Corporation created July 14, 1942; dissolved Feb. 25, 1947.

Prencinradio, Inc., created July 29, 1942; dissolved May 10, 1949.

Institute of Inter-American Transportation created June 26, 1943; dissolved Aug. 20, 1949.

The first 2 corporations listed above were reincorporated as the Institute of Inter-American Affairs for a period of not to exceed 3 years, by Public Law 369, approved Aug. 5, 1947, 80th Cong.; Public Law 283, approved Sept. 3, 1949, 81st Cong., extended it through June 30, 1955.

By Executive Order 9532, dated Mar. 23, 1945, the President changed the name of the Office of the Coordinator of Inter-American Affairs to the Office of Inter-American Affairs.

By Executive Order 9710, dated Apr. 10, 1946, the President transferred control of the above listed 5 corporations to the State Department effective May 20, 1946.

Appendix table L.—Major legislation relating to United States Government foreign aid enacted by the 76th Cong., 3d sess., through the 82d Cong., 1st sess.: For period Jan. 3, 1940, through Oct. 20, 1951—Continued

Line	Basic authorizing legislation					Appropriation act					Remarks		
	Congress	Public Law number	Date approved	Statute		Amount appropriation authorized	Congress	Public Law number	Date approved	Statute		Amount appropriated	
				Volume	Page					Volume			Page
Institute of Inter-American Affairs (Formerly Coordinator of Inter-American Affairs) 1—Continued													
B1	80th	369	Aug. 5, 1947	61	780	\$ 15,000,000							Institute of Inter-American Affairs Act, 1948. Provided for reincorporation for 3 years.
B2							80th	860	June 30, 1948	62	1184	\$2,500,000	Government Corporation Appropriation Act, 1949.
B3							81st	179	July 20, 1949	63	456	4,751,600	Department of State Appropriation Act, 1950.
B4	81st	283	Sept. 3, 1949	63	685	35,000,000							Extended IIAA through June 30, 1955.
B5							81st	759	Sept. 6, 1950	64	615	5,000,000	General Appropriation Act, 1951; plus contract authorization of \$1,000,000.
B6	82d	165	Oct. 10, 1951	65	377								Mutual Security Act of 1951. Authorized assistance under the provisions of Public Laws 369 and 283 as part of new program.
Assistance to the American Republics													
B7	76th	§ 83	June 15, 1940	54	396								To authorize the Secretaries of the Army and of the Navy to assist the American Republics to increase their military and naval establishments through the sale of arms, ammunition, and implements of war on a cash-reimbursable basis.
American Red Cross (Foreign War Relief) Funds Appropriated to the President													
B8							76th	§ 88	June 26, 1940	54	611	\$50,000,000	Emergency Relief Appropriation Act, 1941.
B9							77th	353	Dec. 17, 1941	55	817	35,000,000	Third Supplemental National Defense Appropriation Act, 1942.
B10							77th	648	July 2, 1942	56	593		Second Deficiency Appropriation Act, 1942. Authorized the consolidation of the unexpended balances of both the above appropriations as of Dec. 17, 1941, into the Foreign War Relief Fund and extended its availability until June 30, 1943.
B11							78th	50	May 7, 1943	57	78		Urgent Deficiency Appropriation Act, 1943. Extended the availability of the fund until June 30, 1944.
B12							78th	375	June 28, 1944	58	599		Second Deficiency Appropriation Act, 1944. Extended the availability of the fund until June 30, 1945.
B13							79th	132	July 5, 1945	59	414		Second Deficiency Appropriation Act, 1945. Extended only \$2,150,000 of the unobligated portion of the fund until December 31, 1945.
Lend-Lease (Defense Aid)													
B14	77th	11	Mar. 11, 1941	55	31								Lend-Lease Act, an act to promote the defense of the United States to June 30, 1943. Authorized the transfer of \$1,300,000,000 in goods procured with funds appropriated prior to Mar. 11, 1941.
B15	78th	9	Mar. 11, 1943	57	20								To extend the Lend-Lease Act to June 30, 1945.
B16	78th	304	May 17, 1944	58	222								To extend the Lend-Lease Act to June 30, 1946.
B17	79th	31	Apr. 16, 1945	59	52								Defense Aid Supplemental Appropriation Act, 1941.
B18							77th	23	Mar. 27, 1941	55	53	\$7,000,000,000	Defense Aid Supplemental Appropriation Act, 1942.
B19							77th	282	Oct. 28, 1941	55	747	5,985,000,000	Second Defense Aid Supplemental Appropriation Act, 1942.
B20							77th	474	Mar. 5, 1942	56	130	5,425,000,000	Second Defense Aid Supplemental Appropriation Act, 1942.
B21							78th	70	June 14, 1943	57	151	6,273,629,000	Defense Aid Supplemental Appropriation Act, 1943.
B22							78th	382	June 30, 1944	58	628	3,538,869,000	Defense Aid Appropriation Act, 1945.
B23							79th	132	July 5, 1945	59	429	2,475,000,000	Defense Aid Appropriation Act, 1946. Included \$140,000,000 earmarked in 1945 for relief supplies for Italy.
B24							80th	271	July 30, 1947	61	613	500,000	Defense Aid Supplemental Appropriation Act, 1948 (administrative expenses to June 30, 1948, for liquidation).
B25							80th	785	June 25, 1948	62	1030	250,000	Second Deficiency Appropriation Act, 1948 (administrative expenses to June 30, 1949, for liquidation).
B26							81st	343	Oct. 10, 1949	63	740	100,000	Third Deficiency Appropriation Act, 1949 (administrative expenses to June 30, 1950, for liquidation).
Maximum Amount Authorized To Be Expended From Appropriations to Military Establishments and Other Government Agencies for Defense Aid (Lend-Lease)													
<i>Army Department</i>													
B27							77th	353	Dec. 17, 1941	55	813	\$2,000,000,000	Third Supplemental National Defense Appropriation Act 1942. ⁴
B28							77th	422	Jan. 30, 1942	56	38	4,000,000,000	Fourth Supplemental National Defense Appropriation Act 1942.
B29							77th	474	Mar. 5, 1942	56	130	11,250,000,000	Fifth Supplemental National Defense Appropriation Act, 1942.
B30							77th	528	Apr. 28, 1942	56	228	2,220,000,000	Sixth Supplemental National Defense Appropriation Act, 1942.
B31							77th	649	July 2, 1942	56	632	12,700,000,000	Military Appropriation Act, 1943.
<i>Navy Department</i>													
B32							77th	763	Oct. 26, 1942	56	994	\$3,000,000,000	Second Supplemental National Defense Appropriation Act, 1943.
B33							77th	353	Dec. 17, 1941	55	813	800,000,000	Third Supplemental National Defense Appropriation Act, 1942. ⁴
B34							77th	763	Oct. 26, 1942	56	994		Second Supplemental National Defense Appropriation Act, 1943.
B35							78th	1	Feb. 10, 1943	57	4	2,637,370,821	Naval Appropriation Act, 1943. The above acts authorized the leasing of ships without any limitation as to the dollar value or the number. Amount shown is transfers under this authority.

¹ Appropriations authorized for 3 years at the rate of not to exceed \$5,000,000 annually.

² Public Resolution.

³ Public Law 353, 77th Cong., substituted the limitation of \$800,000,000 for the Navy Department, and created a limitation of \$2,000,000,000 from any funds appropriated to the Army Department.

⁴ Public Resolution.

Appendix table L.—Major legislation relating to United States Government foreign aid enacted by the 76th Cong., 3d sess., through the 82d Cong., 1st sess.: For period Jan. 3, 1940, through Oct. 20, 1951—Continued

Line	Basic authorizing legislation					Appropriation act					Remarks
	Congress	Public Law number	Date approved	Statute Volume Page	Amount appropriation authorized	Congress	Public Law number	Date approved	Statute Volume Page	Amount appropriated	
Maximum Amount Authorized To Be Expended From Appropriations to Military Establishments and Other Government Agencies for Defense Aid (Lend-Lease)—Continued											
<i>Maritime Commission (War Shipping Administration)</i>											
C1						77th	11	Mar. 11, 1941	55 31	\$630,647,410	Lend-Lease Act. Authorized the leasing of merchant ships without any limitation as to the dollar value or the number. Amount shown is transfers under this authority.
Rescissions by the Congress of Funds Made Available for Lend-Lease											
C2						79th	301	Feb. 18, 1946	80 8	\$1,739,561,000	First Supplemental Surplus Appropriation Rescission Act, 1946.
C3						79th	391	May 27, 1946	80 221	945,000,000	Second Supplemental Surplus Appropriation Rescission Act, 1946. (\$1,080,000,000 less \$135,000,000 transferred to UNRRA.)
C4						79th	521	July 23, 1946	80 624	672,634,102	Third Deficiency Appropriation Act, 1946. Title II, Third Supplemental Surplus Appropriation Rescission Act, 1946. Included \$34,162 of funds from Public Law 23, 77th Cong., transferred to the Coast Guard.
Transfers of Lend-Lease Funds to Other Agencies for Other Than Lend-Lease Purposes, Authorized by Law											
C5						78th	382	June 30, 1944	58 630	\$250,000,000	Defense Aid Appropriation Act, 1945. Section 202 authorized \$250,000,000 of which only \$250,000,000 was transferred in funds to the appropriation for the United Nations Relief and Rehabilitation Administration.
C6						79th	132	July 5, 1945	59 430	800,000,000	Second Deficiency Appropriation Act, 1945. Sections 201 (d) and 202 transferred funds to the State Department (Office of the Foreign Liquidation Commissioner). This amount was subsequently paid to the Commodity Credit Corporation, Agriculture Department, for use as a reserve for post-war price support of agriculture, in compliance with title I of the First Supplemental Surplus Appropriation Rescission Act, 1946 (Public Law 301, 79th Cong., approved Feb. 18, 1946).
C7						79th	391	May 27, 1946	80 228	135,000,000	Second Supplemental Surplus Appropriation Rescission Act, 1946. Transferred to UNRRA.
Extension of Availability of Appropriations											
C8						The Third Deficiency Appropriation Act, 1946 (Public Law 521, 79th Cong., approved July 23, 1946) extended the availability of \$5,500,000 from the unexpended balances of lend-lease appropriations through June 30, 1947, for the liquidation of lend-lease activities.					
C9						The First Deficiency Appropriation Act, 1948 (Public Law 519, 80th Cong., approved May 10, 1948) extended the availability of \$4,000,000 from the unexpended balances of lend-lease appropriations for the completion of the construction of port facilities and access roads in Monrovia, Liberia, until June 30, 1950.					
C10						The Second Deficiency Appropriation Act, 1948 (Public Law 785, 80th Cong., approved June 25, 1948) extended the availability of \$25,000,000 from the unexpended balances of lend-lease appropriations through June 30, 1949, for the payment of lend-lease obligations incurred prior to June 30, 1946, and for the payment of claims approved prior to June 30, 1949, under a patent interchange agreement executed pursuant to the Lend-Lease Act.					
C11						The Third Deficiency Appropriation Act, 1949 (Public Law 343, 81st Cong., approved Oct. 10, 1949) extended the availability of \$1,000,000 from the unexpended balances of lend-lease appropriations through June 30, 1950, for the payment of claims approved prior to Dec. 31, 1949, under a patent interchange agreement executed pursuant to the Lend-Lease Act.					
Reconstruction Finance Corporation											
C12	77th	108	June 10, 1941	55 248	Indefinite						To provide for increasing the lending authority of RFC and to authorize loans to foreign governments, but only upon the security of certain approved bonds, debentures, and stocks. The major loan made by RFC under this authority was the United Kingdom collateral loan of \$425,000,000 of which only \$390,000,000 was utilized.
C13	79th	656	Aug. 7, 1946	80 901	Indefinite						To extend the lending powers of RFC. Included authority to lend to the Republic of the Philippines up to \$75,000,000 by July 1, 1947. A total of \$70,000,000 was approved and disbursed.
Inter-American Highway¹											
C14	77th	375	Dec. 26, 1941	55 890	\$20,000,000						To provide for cooperation with the American Republics in the construction of the Inter-American Highway.
C15						77th	463	Feb. 21, 1942	56 101	\$7,000,000	First Deficiency Appropriation Act, 1942.
C16						78th	90	June 26, 1943	57 180	5,000,000	Independent Offices Appropriation Act, 1944.
C17						78th	140	July 12, 1943	57 540	12,000,000	Second Deficiency Appropriation Act, 1943. Authorized the construction of 85 miles of road in Costa Rica.
C18						78th	358	June 27, 1944	58 370	2,000,000	Independent Offices Appropriation Act, 1945.
C19						79th	49	May 3, 1945	59 116	1,000,000	Independent Offices Appropriation Act, 1946.
C20						79th	334	Mar. 28, 1946	80 89	5,000,000	Independent Offices Appropriation Act, 1947.
C21						80th	269	July 30, 1947	61 596	100,000	Independent Offices Appropriation Act, 1948.
C22						80th	491	Apr. 20, 1948	62 185	100,000	Independent Offices Appropriation Act, 1949.
C23						81st	266	Aug. 24, 1949	63 642	100,000	Independent Offices Appropriation Act, 1950.
C24						81st	759	Sept. 6, 1950	64 628	100,000	General Appropriation Act, 1951.
C25	81st	769	Sept. 7, 1950	64 789	8,000,000						Federal Aid Highway Act of 1950. Authorized appropriations of \$4,000,000 for fiscal year 1951 and \$4,000,000 for fiscal year 1952.
C26						81st	911	Jan. 6, 1951	64 1225	4,000,000	Second Supplemental Appropriation Act, 1951.
C27						82d	188	Oct. 22, 1951		3,000,000	Department of Commerce Appropriation Act, 1952. Also authorized use of additional \$100,000 for expenses in fulfilling the obligations under the convention on the Pan-American Highway.
Assistance to China											
C28	77th	442	Feb. 7, 1942	56 82	\$500,000,000	77th	452	Feb. 12, 1942	56 89	\$500,000,000	To provide financial aid to China to assist in the prosecution of the war against Japan and to stabilize the Chinese economy.
C29	79th	512	July 16, 1946	80 539	Indefinite						Assistance to China in maintaining naval establishments.
C30	80th	472	Apr. 3, 1948	82 158	463,000,000						Foreign Assistance Act of 1948. Title IV, China Aid Act of 1948. Sec. 404 (b) authorized \$125,000,000 for aid on such terms as the President decided, which was used for military aid.
C31						80th	793	June 28, 1948	62 1056	400,000,000	Foreign Aid Appropriation Act, 1949. Included appropriation of \$125,000,000 for sec. 404 (b) of Public Law 472.

¹ In addition to direct appropriations, approximately \$14,700,000 was transferred from other agencies.

Appendix table L.—Major legislation relating to United States Government foreign aid enacted by the 76th Cong., 3d sess., through the 82d Cong., 1st sess.: For period Jan. 3, 1940, through Oct. 20, 1951—Continued

Line	Basic authorizing legislation					Appropriation act					Remarks		
	Congress	Public Law number	Date approved	Statute		Congress	Public Law number	Date approved	Statute			Amount appropriated	
				Volume	Page				Volume	Page			
Assistance to China—Continued													
D1	81st	47	Apr. 10, 1949	63	55							Extended authorization and available appropriation under Public Laws 472 and 793 through Feb. 15, 1950. Foreign Aid Appropriation Act, 1950. Authorized indefinite use of \$4,000,000 for relief of Chinese students. Far Eastern Economic Assistance Act of 1950. Extended authorization and available appropriation under Public Laws 472 and 793 through June 30, 1950. Foreign Economic Assistance Act of 1950. Title II, China Area Aid Act of 1950 extended aid to the general area of China with the following limitations: (1) Not less than \$40,000,000 for assistance in areas of China (including Formosa), (2) not more than \$5,000,000 for relief in China through voluntary relief agencies, and (3) not more than \$8,000,000 for Chinese students. It also extended authorization and available appropriation under Public Laws 472 and 793 through June 30, 1951. Second Supplemental Appropriation Act, 1961. Authorized the President to utilize, for carrying out the purposes of the China Area Aid Act of 1950, not to exceed 3 percent of the funds made available for the European Recovery Program under Public Law 759, approved Sept. 6, 1950.	
D2						81st	327	Oct. 6, 1949	63	711			
D3	81st	447	Feb. 14, 1950	64	5								
D4	81st	533	June 5, 1950	64	202								
D5						81st	911	Jan. 6, 1951	64	1236	Indefinite		
<i>Additional authorizations are included under Mutual-Security Program, below.</i>													
United Nations Relief and Rehabilitation Administration													
D6	78th	267	Mar. 28, 1944	58	122						\$1,350,000,000	To authorize United States participation in the work of UNRRA to June 30, 1946. Defense Aid Appropriation Act, 1945. Included authority under sec. 202 (as later determined by the President) to (1) transfer, without reimbursement, up to \$100,000,000 of excess Army stocks and (2) transfer \$250,000,000 of lend-lease funds to the appropriation for UNRRA. UNRRA Participation Act, 1946. To increase authorization to \$2,700,000,000 and to extend life to June 30, 1947. First Deficiency Appropriation Act, 1946. Second Supplemental Appropriation Rescission Act, 1946 (transferred from lend-lease funds). Third Deficiency Appropriation Act, 1946. To authorize administrative expenses to June 30, 1948, for liquidation. First Supplemental Appropriation Act, 1948 (administrative expenses to June 30, 1948, for liquidation).	
D7						78th	382	June 30, 1944	58	629	\$800,000,000		
D8						79th	259	Dec. 14, 1945	59	600	550,000,000		
D9	79th	262	Dec. 18, 1945	59	612						1,350,000,000		
D10						79th	269	Dec. 28, 1945	59	634	750,000,000		
D11						79th	391	May 27, 1946	60	228	135,000,000		
D12						79th	521	July 23, 1946	60	603	465,000,000		
D13	80th	184	July 8, 1947	61	290						2,370,000		
D14						80th	271	July 30, 1947	61	614	1,900,000		
Surplus Property													
D15	78th	457	Oct. 3, 1944	58	765								Surplus Property Act of 1944. Designated the Maritime Commission as the sole disposal agency for surplus merchant vessels of more than 1,500 gross tons. To provide for administration of the Surplus Property Act of 1944 by a Surplus Property Administrator. Department of State Appropriation Act, 1947. To amend the Surplus Property Act of 1944 to designate the State Department as the disposal agency for all surplus property located outside the continental United States, its Territories, and possessions, except surplus vessels of more than 1,500 gross tons. Department of State Appropriation Act, 1948. Supplemental Appropriation Act, 1948. For care and handling of surplus property: Army \$32,000,000; Navy \$3,548,000. Second Deficiency Appropriation Act, 1948. Federal Property and Administrative Services Act of 1949. Title IV, Foreign Excess Property, established procedures for disposals. Third Deficiency Appropriation Act, 1949. Extended availability of \$7,500,000.
D16	79th	181	Sept. 18, 1945	59	533								
D17						79th	490	July 5, 1946	60	448	\$5,000,000		
D18	79th	584	Aug. 1, 1946	60	754								
D19						80th	166	July 9, 1947	61	280	2,650,000		
D20						80th	271	July 30, 1947	61	614	35,348,000		
D21						80th	785	June 25, 1948	62	1030	18,300,000		
D22	81st	152	June 30, 1949	63	397								
D23						81st	343	Oct. 10, 1949	63	739			
Bretton Woods Agreement													
D24	79th	171	July 31, 1945	59	512						\$5,925,000,000	To provide for participation of the United States in the International Monetary Fund and the International Bank for Reconstruction and Development. Authorized subscription of \$2,750,000,000 to the Fund and subscription of \$3,175,000,000 to the Bank to be paid as required. To amend the National Bank Act and the Bretton Woods Agreement Act.	
D25	81st	142	June 29, 1949	63	298								
Assistance to the Philippines													
D26						79th	269	Dec. 28, 1945	59	637	\$1,000,000	First Deficiency Appropriation Act, 1946. Enabled the Surgeon General of the Public Health Service to assist the public-health organization of the Philippines in reconstituting and reactivating public-health services and programs in the Philippines. Philippines Military Assistance Act. Effective for 5 years ending July 3, 1951. First Supplemental Appropriation Act, 1947. Authorized no more than \$19,750,000 to be available from Military Establishment appropriations in fiscal year 1947 for the purposes of Public Law 454. Philippine Rehabilitation Act of 1946: Title I—Payment of private war-damage claims. Title II—Transfer, without reimbursement, of excess Army stocks. Title III—Restoration of public property and essential public services and for training Philippine citizens. Title V—Restoration and acquisition of United States Government buildings.	
D27	79th	454	June 26, 1946	60	315						Indefinite		
D28						79th	663	Aug. 8, 1946	60	916			
D29	79th	370	Apr. 30, 1946	60	128						(As below)		
D30				60	128						\$400,000,000		
D31				60	134						100,000,000		
D32				60	135						(^c)		
D33				60	140						5,000,000		

^c Limitation of \$120,000,000 to be allocated from time to time, but not later than fiscal year 1950 for secs. 302 through 305; plus additional sums as may be necessary to carry out the purposes of secs. 306 through 311.

Appendix table L.—Major legislation relating to United States Government foreign aid enacted by the 76th Cong., 3d sess., through the 82d Cong., 1st sess.: For period Jan. 3, 1940, through Oct. 20, 1951—Continued

Line	Basic authorizing legislation					Appropriation act					Remarks	
	Congress	Public Law number	Date approved	Statute		Congress	Public Law number	Date approved	Statute			Amount appropriated
				Volume	Page				Volume	Page		
Aid to the Philippines—Continued												
E1	81st	295	Sept. 7, 1949	83	692							To amend the Philippine Rehabilitation Act of 1948. Authorized extension through June 30, 1951, for public roads and port and harbor facilities. To give Commerce Department authority to extend present vessel charters to Philippine citizens under the terms of sec. 306 (a) of the Philippine Rehabilitation Act of 1948, through Apr. 30, 1952. For title I—To Philippine War Damage Commission: Third Deficiency Appropriation Act, 1948. Independent Offices Appropriation Act, 1948. Independent Offices Appropriation Act, 1949. Independent Offices Appropriation Act, 1950. General Appropriations Act, 1951. For title III—To State Department: Third Deficiency Appropriation Act, 1948. Department of State Appropriation Act, 1948. Department of State Appropriation Act, 1949, plus \$26,400,000 contract authorization. Second Deficiency Appropriation Act, 1949. Department of State Appropriation Act, 1950. General Appropriation Act, 1951. Department of State Appropriation Act, 1952. For liquidation of previous contract authorization. For title V—To State Department: Third Deficiency Appropriation Act, 1948. To assist the Philippines in providing medical care and treatment for certain Philippine veterans. Authorized, for a period of 3 years, not to exceed: (1) \$22,600,000 for constructing and equipping hospital and (2) \$3,285,000 in any fiscal year for hospitalization. Independent Offices Appropriation Act, 1950. For (1) constructing and equipping hospital \$9,400,000 and (2) expenses incident to medical care and treatment of veterans \$3,285,000. General Appropriation Act, 1951. For expenses incident to medical care and treatment of veterans. Independent Offices Appropriation Act, 1952. For payment to the Philippines for medical care and treatment of Philippine veterans.
E2	82d	25	Apr. 28, 1951	65	39							
E3						79th	521	July 23, 1946	60	613	\$10,000,000	
E4						50th	269	July 30, 1947	61	601	70,000,000	
E5						80th	491	Apr. 20, 1948	62	190	95,000,000	
E6						81st	296	Aug. 24, 1949	63	648	184,800,000	
E7						81st	759	Sept. 6, 1950	64	712	40,200,000	
E8						79th	521	July 23, 1946	60	621	43,918,000	
E9						80th	166	July 9, 1947	61	287	42,500,000	
E10						80th	597	June 3, 1948	62	314	21,373,000	
E11						81st	119	June 23, 1949	63	250	126,000	
E12						81st	179	July 20, 1949	63	455	17,166,398	
E13						81st	759	Sept. 6, 1950	64	614	10,000,000	
E14						82d	188	Oct. 22, 1951	65	581	3,000,000	
E15						79th	521	July 23, 1946	60	621	4,000,000	
E16	80th	865	July 1, 1948	62	1210						Indefinite	
E17						81st	266	Aug. 24, 1949	63	655	12,665,000	
E18						81st	759	Sept. 6, 1950	64	719	3,285,000	
E19						82d	137	Aug. 31, 1951	65	282	1,100,000	
<i>Additional authorizations are included under Mutual-Security Program, below.</i>												
Merchant Ship Sales												
E20	79th	321	Mar. 8, 1946	60	41							Merchant Ship Sales Act of 1946. Authorized the Maritime Commission to sell or charter war-built vessels to foreigners. Prohibited the Maritime Commission from the further sale of ships to foreigners after Mar. 1, 1948.
E21	80th	423	Feb. 27, 1948	62	38							
British Loan												
E22	79th	609	July 15, 1946	60	535	\$3,750,000,000						Joint Resolution. To implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out the agreement dated Dec. 6, 1945, with the United Kingdom.
Government and Relief in Occupied Areas¹												
E23						79th	515	July 16, 1946	60	560	\$425,000,000	Military Appropriation Act, 1947. First Deficiency Appropriation Act, 1947. First Supplemental Appropriation Act, 1948. Third Supplemental Appropriation Act, 1948. First Deficiency Appropriation Act, 1948. Foreign Aid Appropriation Act, 1949. Foreign Aid Appropriation Act, 1950. General Appropriation Act, 1951. For Japan and the Ryukyus (Army). General Appropriation Act, 1951. For government only in Germany (State). Also included authorization to use 5-percent counterpart funds arising from ECA grants, without dollar reimbursement. Supplemental Appropriation Act, 1952. Provides \$22,500,000 for Department of the Army for government and relief in occupied areas (Japan and Ryukyu Islands) of which \$6,250,000 is for administrative expenses. Also includes \$26,250,000 for the Department of State for government in occupied areas (Austria and Germany).
E24						80th	46	May 1, 1947	61	71	800,000,000	
E25						80th	271	July 30, 1947	61	625	600,000,000	
E26						80th	393	Dec. 23, 1947	61	943	340,000,000	
E27						80th	519	May 10, 1948	62	224	143,000,000	
E28						80th	793	June 28, 1948	62	1057	1,300,000,000	
E29						81st	327	Oct. 6, 1949	63	711	912,500,000	
E30						81st	759	Sept. 6, 1950	64	760	288,000,000	
E31						81st	759	do	64	761	27,000,000	
E32						82d	253	Nov. 1, 1951	65	747	48,750,000	
Foot-and-Mouth Disease Eradication in Mexico												
E33	80th	8	Feb. 28, 1947	61	7	Indefinite						To authorize the Secretary of Agriculture to cooperate with the Government of Mexico in the control and eradication of foot-and-mouth disease and rinderpest. Joint Resolution. Second Urgent Deficiency Appropriation Act, 1947. Emergency Appropriation Act, 1948. Supplemental Appropriation Act, 1948. Authorized transfers of such sums from other appropriations of the Agriculture Department as the Secretary may deem necessary. Department of Agriculture Appropriation Act, 1949. Authorized transfers of such sums from other appropriations of the Agriculture Department as the Secretary may deem necessary. Second Deficiency Appropriation Act, 1948. Reimbursed transfers as authorized under Public Law 271.
E34						80th	22	Mar. 27, 1947	61	24	\$0,000,000	
E35						80th	122	June 27, 1947	61	185	1,800,000	
E36						80th	161	July 3, 1947	61	243	6,000,000	
E37						80th	271	July 30, 1947	61	617	100,000	
E38						80th	712	June 19, 1948	64	515	Indefinite	
E39						80th	785	June 25, 1948	62	1037	25,400,000	

¹ Established limitation of \$8,000,000 for entire accomplishment of sec. 307 (a).

² Included funds to liquidate all except \$3,000,000 of previous contract authorization of \$26,400,000.

³ These appropriations are used to provide civilian supplies abroad. Prior to July 1, 1946, civilian supply and other military government items procured by the Army Department had been financed from regular Army Department appropriations. No funds had been appropriated specifically for civilian-supply requirements.

Appendix table L.—Major legislation relating to United States Government foreign aid enacted by the 76th Cong., 3d sess., through the 82d Cong., 1st sess.: For period Jan. 3, 1940, through Oct. 20, 1951—Continued

Line	Basic authorizing legislation					Appropriation act					Remarks			
	Congress	Public Law number	Date approved	Statute Volume	Page	Amount appropriated authorized	Congress	Public Law number	Date approved	Statute Volume		Page	Amount appropriated	
Foot-and-Mouth Disease Eradication in Mexico—Continued														
F1							81st	146	June 29, 1949	63	332	Indefinite	Department of Agriculture Appropriation Act, 1950. Authorized transfers of such sums from other appropriations of the Agriculture Department as the Secretary may deem necessary. Third Deficiency Appropriation Act, 1949. Reimbursed transfers made from other appropriations in fiscal year 1949. General Appropriation Act, 1951. Authorized transfers of such sums from other appropriations of the Agriculture Department as the Secretary may deem necessary. Department of Agriculture Appropriation Act, 1952. Authorized cancellation of notes of the Commodity Credit Corporation equivalent to advances made by CCC in prior years. Also authorized transfer of such sums from other appropriations of the Agriculture Department as the Secretary may deem necessary.	
F2							81st	343	Oct. 10, 1949	63	744	\$34,000,000		
F3							81st	759	Sept. 6, 1950	64	661	Indefinite		
F4							82d	135	Aug. 31, 1951	65	243	32,700,000		
Assistance to Greece and Turkey														
F5	80th	75	May 22, 1947	61	103	\$400,000,000							To provide for assistance to Greece and Turkey. Supplemental Appropriation Act, 1948. Foreign Assistance Act, 1948. Title III, Greek-Turkish Assistance Act, 1948. Foreign Aid Appropriation Act, 1949. Foreign Aid Appropriation Act, 1950.	
F6							80th	271	July 30, 1947	61	613	\$400,000,000		
F7	80th	472	Apr. 3, 1948	62	157	275,000,000								
F8							80th	793	June 28, 1948	62	1056	225,000,000		
F9							81st	327	Oct. 6, 1949	63	710	45,000,000		
<i>Additional authorizations are included under Mutual Defense Assistance Program, below.</i>														
Relief Assistance (Post-UNRRA) and International Children's Welfare Work														
F10	80th	84	May 31, 1947	61	125	\$350,000,000							To provide relief assistance to the people of countries devastated by war. Included not to exceed \$40,000,000 for the International Children's Emergency Fund (ICEF). Supplemental Appropriation Act, 1948. Included ICEF. Third Supplemental Appropriation Act, 1948 (additional appropriation for China to carry out the provisions of Public Law 84). Foreign Assistance Act, 1948. Title II, International Children's Emergency Fund Assistance Act of 1948, increased authorization to \$100,000,000. Foreign Aid Appropriation Act, 1949; for ICEF. Extended authorization and available appropriations for ICEF through June 30, 1950. Foreign Economic Assistance Act of 1950. Title V authorized appropriation of \$15,000,000 for fiscal year 1951 for international children's welfare work. Provided, at the President's discretion, such funds to be made available to ICEF within limitations of Public Law 472. Also extended available appropriations under Public Law 793 through June 30, 1951. Third Supplemental Appropriation Act, 1951.	
F11							80th	271	July 30, 1947	61	613	\$332,000,000		
F12							80th	393	Dec. 23, 1947	61	942	18,000,000		
F13	80th	472	Apr. 3, 1948	62	157	80,000,000								
F14							80th	793	June 28, 1948	62	1056	35,000,000		
F15	81st	170	July 14, 1949	63	412									
F16	81st	535	June 6, 1950	64	209	15,000,000								
F17							82d	45	June 2, 1951	65	60	5,750,000		
International Refugee Organization (IRO)														
F18	80th	146	July 1, 1947	61	214									To provide for United States participation in IRO. Supplemental Appropriation Act, 1948. Foreign Aid Appropriation Act, 1949. Department of State Appropriation Act, 1950. General Appropriation Act, 1951.
F19							80th	271	July 30, 1947	61	623	\$71,075,900		
F20							80th	793	June 28, 1948	62	1058	70,710,229		
F22							81st	179	July 20, 1949	63	450	70,500,029		
							81st	759	Sept. 6, 1950	74	610	25,000,000		
Foreign (Interim) Aid														
F23	80th	389	Dec. 17, 1947	61	634	\$597,000,000								Foreign Aid Act of 1947. Third Supplemental Appropriation Act, 1948. Joint Resolution. Funds appropriated for foreign aid.
F24							80th	393	Dec. 23, 1947	61	942	\$522,000,000		
F25							80th	470	Mar. 31, 1948	62	109	55,000,000		
Information and Educational Activities														
F26	80th	402	Jan. 27, 1948	62	6	Indefinite							United States Information and Educational Exchange Act of 1948. First Deficiency Appropriation Act, 1948. Department of State Appropriation Act, 1949; plus \$1,000,000 contract authorization. Department of State Appropriation Act, 1950. Included \$1,000,000 to liquidate previous contract authorizations. Third Deficiency Appropriation Act, 1949. Supplemental Appropriation Act, 1950. General Appropriation Act, 1951. Supplemental Appropriation Act, 1951. Authorized use of \$15,212,000 from 5-percent counterpart funds arising from ECA grants, without dollar reimbursement. Third Supplemental Appropriation Act, 1951. Department of State Appropriation Act, 1952.	
F27							80th	519	May 10, 1948	62	226	\$3,000,000		
F28							80th	597	June 3, 1948	62	312	27,000,000		
F29							81st	179	July 20, 1949	63	454	34,000,000		
F30							81st	343	Oct. 10, 1949	63	747	1,800,000		
F31							81st	358	Oct. 14, 1949	63	878	11,500,000		
F32							81st	759	Sept. 6, 1950	64	613	32,700,000		
F33							81st	843	Sept. 27, 1950	64	1048	63,855,850		
F34							81st	843	do.	64	1048	15,212,000		
F35							82d	45	June 2, 1951	65	56	9,533,939		
F36							82d	188	Oct. 22, 1951	65	580	85,000,000		
European Recovery Program														
F37	80th	472	Apr. 3, 1948	62	137	\$5,300,000,000								Foreign Assistance Act of 1948. Title I, Economic Cooperation Act of 1948. Included \$1,000,000,000 for assistance on credit terms through the Export-Import Bank. Foreign Aid Appropriation Act, 1949. Also required that 5 percent of each special local-currency account (commensurate deposit for grant aid) be allocated to the use of the United States Government. Amended the Economic Cooperation Act of 1948. Also authorized \$150,000,000 for currency-transfer guarantees to encourage American private investments abroad and authorized issuance of notes to the Secretary of the Treasury for \$150,000,000 less any amount allocated for this purpose prior to April 3, 1949.
F38							80th	793	June 28, 1948	62	1055	\$4,000,000,000		
F39	81st	47	Apr. 19, 1949	63	53	5,430,000,000								

Appendix table L.—Major legislation relating to United States Government foreign aid enacted by the 76th Cong., 3d sess., through the 82d Cong., 1st sess.: For period Jan. 3, 1940, through Oct. 20, 1951—Continued

Line	Basic authorizing legislation					Appropriation act					Remarks		
	Congress	Public Law number	Date approved	Statute		Amount appropriation authorized	Congress	Public Law number	Date approved	Statute		Amount appropriated	
				Volume	Page					Volume			Page
European-Recovery Program—Continued													
G1							81st	327	Oct. 6, 1949	63	709	\$4,702,380,000	Foreign Aid Appropriation Act, 1950. Also authorized issuance of notes to the Secretary of the Treasury to finance \$150,000,000 of credit aid. Foreign Economic Assistance Act of 1950. Title I, Economic Cooperation Act of 1950. Also authorized \$200,000,000 for currency-transfer guarantees to encourage American private investments abroad and authorized issuance of notes to the Secretary of the Treasury for \$200,000,000 less any amount allocated for this purpose prior to April 3, 1949. Also authorized the use of funds for furthering the objectives of the occupation of Germany. General Appropriation Act, 1951. Restricted \$500,000,000 of the appropriation authorized to encourage and facilitate a program of liberalized trade and payments, including the support of a central institution or other organization for this purpose. Also authorized issuance of notes to the Secretary of the Treasury to finance \$62,500,000 of credit aid to Spain.
G2	81st	535	June 5, 1950	64	200	\$2,700,000,000							
G3	81st	759	Sept. 6, 1950	64	758	62,500,000	81st	759	Sept. 6, 1950	64	757	2,250,000,000	
<i>Additional authorizations are included under Mutual-Security Program, below.</i>													
Natural-Fibers Revolving Fund													
G4	80th	820	June 29, 1948	62	1098	\$150,000,000							To provide a revolving fund for the purchase of agricultural commodities and raw materials (natural fibers) to be processed in occupied areas and sold.
United Nations Headquarters Loan													
G5	80th	903	Aug. 11, 1948	62	1286	\$65,000,000							To authorize the President, following appropriation of the necessary funds by Congress, to bring into effect on the part of the United States the loan agreement by the United States and the United Nations signed at Lake Success, N. Y., Mar. 23, 1948; for construction of the United Nations Headquarters in New York City. Second Deficiency Appropriation Act, 1949.
G6							81st	110	June 23, 1949	63	250	\$65,000,000	
Relief of Palestine Refugees													
G7	81st	25	Mar. 24, 1949	63	16	\$16,000,000							Authorized contribution to the United Nations for the relief of Palestine refugees. Second Deficiency Appropriation Act, 1949. Foreign Economic Assistance Act of 1950. Title III, United Nations Palestine Refugee Aid Act of 1950. General Appropriation Act, 1951.
G8							81st	119	June 23, 1949	63	232	\$16,000,000	
G9	81st	535	June 5, 1950	64	203	27,450,000							
G10							81st	759	Sept. 6, 1950	64	763	27,450,000	
<i>Additional authorizations are included under Mutual-Security Program, below.</i>													
Mutual-Defense Assistance Program													
G11	81st	329	Oct. 6, 1949	63	714	(As below)							Mutual Defense Assistance Act of 1949. Also authorized transfer of excess property valued at \$450,000,000 (actual or estimated gross cost) to all areas under the act. Second Supplemental Appropriation Act, 1950. Title I, North Atlantic Treaty countries. Public Law 430 also provided \$500,000,000 contract authorization. Title II, Greece and Turkey. Title III, Iran, Korea, and Philippines. Title III, General area of China. To amend the Mutual Defense Assistance Act of 1949. Included authorizing additional transfers of excess property valued at \$250,000,000 (actual or estimated gross cost) to all areas under the act. General Appropriation Act, 1951. Title I, North Atlantic Treaty countries. Public Law 759 included \$455,523,729 to liquidate part of previous contract authorization of \$600,000,000. Title II, Greece, Turkey, and Iran. Title III, Korea and Philippines. Title III, General area of China. Supplemental Appropriation Act, 1951. Both authorized and appropriated amounts shown. Title I, North Atlantic Treaty countries. Title II, Greece, Turkey, and Iran. Title III, Korea, Philippines, and general area of China. To authorize the transfer of certain naval vessels under the provisions of the Mutual Defense Assistance Act of 1949.
G12							81st	430	Oct. 28, 1949	63	975	(As below)	
G13						\$1,000,000,000				63	975	\$500,000,000	
G14						211,370,000				63	975	211,370,000	
G15						27,640,000				63	975	27,640,000	
G16						75,000,000				63	975	75,000,000	
G17	81st	621	July 26, 1950	64	373	(As below)							
G18						1,000,000,000	81st	759	Sept. 6, 1950	64	759	(As below)	
G19										64	759	1,455,523,729	
G20						131,500,000				64	759	131,500,000	
G21						16,000,000				64	759	16,000,000	
G22						75,000,000				64	759	75,000,000	
G23	81st	843	Sept. 27, 1950	64	1063	(As below)	81st	843	Sept. 27, 1950	64	1063	(As below)	
G24						3,504,000,000				64	1063	3,504,000,000	
G25						193,000,000				64	1063	193,000,000	
G26						303,000,000				64	1063	303,000,000	
G27	82d	146	Sept. 15, 1951	65	322								
<i>Additional authorizations are included under Mutual-Security Program, below.</i>													
Assistance to Korea													
G28							81st	343	Oct. 10, 1949	63	739	\$30,000,000	Third Deficiency Appropriation Act, 1949. Second Supplemental Appropriation Act, 1950. Public Laws 343 and 430 provided for expenditures pending enactment of legislation authorizing further aid to Korea. Far Eastern Economic Assistance Act of 1950. Title I, Economic Cooperation Act of 1950. Public Laws 447 and 535 also made available 10 merchant vessels at any one time until June 30, 1952. Deficiency Appropriation Act, 1950. General Appropriation Act, 1951. Second Supplemental Appropriation Act, 1951. Funds appropriated to the Army Department. Also made available additional materials and supplies from Defense Department sources. Department of Defense Appropriation Act, 1952.
G29							81st	430	Oct. 28, 1949	63	975	30,000,000	
G30	81st	447	Feb. 14, 1950	64	5	\$60,000,000							
G31	81st	535	June 5, 1950	64	202	100,000,000							
G32							81st	383	June 29, 1950	64	289	50,000,000	
G33							81st	759	Sept. 6, 1950	64	758	90,000,000	
G34							81st	911	Jan. 8, 1951	64	1231	50,000,000	
G35							82d	179	Oct. 18, 1951	65	425	50,000,000	
<i>Additional authorizations are included under Mutual-Security Program, below.</i>													

Appendix table L.—Major legislation relating to United States Government foreign aid enacted by the 76th Cong., 3d sess., through the 82d Cong., 1st sess. For period Jan. 3, 1940, through Oct. 20, 1951—Continued

Line	Basic authorizing legislation						Appropriation act					Remarks		
	Congress	Public Law number	Date approved	Statute		Amount appropriation authorized	Congress	Public Law number	Date approved	Statute			Amount appropriated	
				Volume	Page					Volume	Page			
Donations of Agricultural Commodities														
H1	81st	439	Oct. 31, 1949	63	1051	Indefinite							Agricultural Act of 1949. To provide for the disposition of price-supported food commodities in payment for commodities not produced in the United States and through private welfare organizations for the assistance of needy persons abroad. Authorized disposition of price-supported Irish potatoes through private or international nonprofit welfare organizations for the assistance of needy persons abroad.	
H2	81st	471	Mar. 31, 1950	64	41	Indefinite								
International Development (Point 4) Program														
H3	81st	535	June 5, 1950	64	204	\$15,000,000							Foreign Economic Assistance Act of 1950. Title IV, Act for International Development. Authorization limitation applied only to fiscal year ending June 30, 1951, and included any sums appropriated to the Institute of Inter-American Affairs (IIAA) and for technical-cooperation programs under Public Law 402, approved Jan. 27, 1948. General Appropriation Act, 1951. Also authorized transfer of \$2,500,050 from appropriation for information and educational activities.	
H4							81st	750	Sept. 6, 1950	64	758	\$26,900,000		
<i>Additional authorizations are included under Mutual-Security Program, below.</i>														
Assistance to Yugoslavia														
H5	81st	897	Dec. 29, 1950	64	1122	\$30,000,000							Yugoslav Emergency Relief Assistance Act of 1950. Authorized the use of funds previously appropriated for the European Recovery Program under Public Law 759, approved Sept. 6, 1950.	
<i>Additional authorizations are included under Mutual-Security Program, below.</i>														
Assistance to India														
H8	82d	48	June 15, 1951	65	69	\$190,000,000							India Emergency Food Act of 1951. Directed the Economic Cooperation Administration to furnish emergency food relief and to transfer at least \$100,000,000 from funds under the Foreign Economic Assistance Act of 1948. Also authorized necessary remainder (not to exceed \$90,000,000) from public-debt funds.	
<i>Additional authorizations are included under Mutual-Security Program, below.</i>														
Mutual-Security Program														
H7	82d	165	Oct. 10, 1951	65	373	(As below)							Mutual Security Act of 1951. To provide for military and economic assistance to friendly nations and to amend the Mutual Defense Assistance Act of 1949, the Economic Cooperation Act of 1948, and the Act for International Development. Required at least 10 percent of the aid authorized here under the Economic Cooperation Act to be on credit terms. Mutual Security Appropriation Act, 1952. For military assistance: Title I. For North Atlantic Treaty countries. ¹⁶ Also authorized \$300,000,000 in excess-property transfers for all countries. Title II. For Greece, Turkey, and Iran. Title III. For general area of China (including Philippines and Korea). Title IV. For American Republics. For economic and technical assistance: Title I. For European-recovery program and North Atlantic Treaty countries. ¹⁷ Title II. For Near East and Africa (included authorizations not to exceed \$50,000,000 for the purpose of United Nations Palestine Refugee Act of 1950 and not to exceed \$50,000,000 for relief of refugees coming into Israel). Title III. For general area of China (including Philippines). Also authorized use of funds appropriated for Chinese students (Public Laws 327 and 335) for Korean students. Title III. For United Nations Korean Reconstruction Agency. Also authorized and continued available unobligated balances of appropriations originally made under Far Eastern Economic Aid Act of 1950. Title IV. For American Republics. For military, economic, and technical assistance to Spain. Public Law 249 both authorized and appropriated amounts shown.	
H8							82d	249	Oct. 31, 1951	65	730	(As below)		
H9				65	373	\$5,028,000,000				65	730	\$4,818,852,457		
H10				65	374	396,250,000				65	731	396,250,000		
H11				65	375	535,250,000				65	731	535,250,000		
H12				65	377	38,150,000				65	731	38,150,000		
H13				65	374	1,022,000,000				65	731	1,022,000,000		
H14				65	375	180,000,000				65	731	180,000,000		
H15				65	376	237,500,000				65	731	237,155,866		
H16				65	376	45,000,000				65	731			
H17				65	376	21,250,000				65	731	21,245,653		
H18	82d	249	Oct. 31, 1951	65	731	100,000,000	82d	249	Oct. 31, 1951	65	731	100,000,000		
Restrictions on Aid														
H19	81st	843	Sept. 27, 1950	64	1066									Supplemental Appropriation Act, 1951. Restricts foreign aid from countries whose trade with U. S. S. R. or satellite countries is found by National Security Council to be contrary to the security interest of the United States.
H20	82d	45	June 2, 1951	65	63									Third Supplemental Appropriation Act, 1951. Restricts foreign aid from countries exporting armament or military matériel to U. S. S. R. or satellite countries, except upon determination by National Security Council that such exception is in the security interest of the United States. Repealed provisions of Public Law 843.
H21	82d	213	Oct. 26, 1951	65	644									Mutual Defense Assistance Control Act of 1951. Continued, in essence, provisions of Public Law 45, repealing requirement for National Security Council determination, and placing administration in the Director for Mutual Security.

¹⁶ The President may determine other countries in Europe to be of direct importance to the defense of the North Atlantic area and to the security of the United States. Such a determination has been made for Yugoslavia.

Appendix table M.—Index to major legislation listed in appendix table L, by subject

	<i>Line</i>		<i>Line</i>
Agricultural commodities, donations of	H1-2.	Israel	H14.
American Red Cross (Foreign war relief)	B8-13.	Italy, civilian supplies (relief)	B23.
American Republics:		Japan	E30, E32.
Cooperation with	A7-25.	Korea	G15, G21, G26, G28-35.
Coordinator of Inter-American Affairs (Institute of Inter-American Transportation, Inter-American Educational Foundation, Inc., Inter-American Navigation Corporation, Office for Coordination of Commercial and Cultural Relations between the American Republics, Office of Inter-American Affairs, Prencinradio, Inc.)	A26-37, B1-6.	Lend-lease (defense aid)	B14-35, C1-11.
Costa Rican highways	C17.	Liberia	C9.
Foot-and-mouth disease in Mexico	E33-39, F1-4.	Marshall plan (European-recovery program)	F37-39, G1-3.
Highways	C14-27.	Merchant ships:	
Institute of Inter-American Affairs	A26-37, B1-6, H3.	Korea	G31.
Inter-American Highway	C14-27.	Leasing (lend-lease)	C1.
Mexico, eradication of foot-and-mouth disease	E33-39, F1-4.	Sale	D15, D18, E20-21.
Mutual security	H12, H17.	Mexico, eradication of foot-and-mouth disease	E33-39, F1-4.
Sale of arms	B7.	Military aid	H7-12, H18.
Anglo-American Financial Agreement	E22.	Mutual-defense assistance	G11-27, H7, H21.
Austria	E32.	Mutual-security	H7-18.
Bretton Woods Agreement	D24-25, E22.	Natural-fibers revolving fund	G4.
British loan	E22.	Naval vessels	B34-35, G27.
Care and handling of surplus property	D20-21, D23.	North Atlantic Treaty	G13, G19, G24, H9, H13.
Children's welfare	F10-11, F13-17.	Occupied areas:	
China	C28-31, D1-5, F12, G16, G22, G26.	Government and relief	E23-32, G2.
Civilian supplies:		Natural-fibers revolving fund	G4.
Government and relief in occupied areas	E23-32.	Office for Coordination of Commercial and Cultural Relations between the American Republics	A26 (note).
Italy	B23.	Office of Inter-American Affairs	A26 (note).
Cooperation with American Republics. <i>See</i> American Republics.		Palestine refugee relief	G7-10.
Coordinator of Inter-American Affairs	A26-37, B1-6.	Pan-American Highway	C27.
Costa Rican highways	C17.	Philippines	D26-33, E1-19.
Counterpart funds, use of (<i>see also</i> by program)	E31, F33-34.	Economic and technical assistance	H15.
Defense aid (lend-lease)	B14-35, C1-11.	Export-Import Bank operations	A4.
Donations of agricultural commodities	H1-2.	Medical care and hospital for veterans	E16-19.
European recovery	F37-39, G1-3.	Military assistance	D27-28, G15, G21, G26, H11.
Transfer to China	D5.	Reconstruction Finance Corporation loan	C13.
Transfer to India	H6.	Rehabilitation	D29-33, E1-15.
Transfer to Yugoslavia	H5.	Point 4 (International development)	H3-4.
Export-Import Bank	A1-6, F37.	Post-UNRRA relief	F10-14.
Foot-and-mouth disease eradication	E33-39, F1-4.	Potatoes, donation of	H2.
Foreign war relief	B8-13.	Prencinradio, Inc.	A26 (note).
Formosa. <i>See</i> China.		Private-investment guaranties under European-recovery program	F39, G2.
Guaranties, currency-transfer, under European-recovery program	F39, G2.	Reconstruction Finance Corporation credits	C12-13.
Germany	E31-32, G2.	Refugees	F18-22, G7-10.
Government and relief in occupied areas	E23-32, G2.	Relief assistance to people of countries devastated by war	F10-14.
Greece	F5-9, G14, G20, G25, H10, H14.	Restrictions on aid	H19-21.
Highways	C14-27.	Ryukyu Islands	E30, E32.
India	H6.	Spain	G3, H18.
Information and educational activities	F26-36.	Surplus property	D15-23.
Institute of Inter-American Affairs (Institute of Inter-American Transportation, Inter-American Educational Foundation, Inc., Inter-American Navigation Corporation)	A26-37, B1-6, H3.	Merchant ships	D15, D18, E20-21.
Inter-American Highway	C14-27.	Technical assistance (Technical cooperation). <i>See</i> American Republics and Point 4.	
Interim aid	F23-25.	Turkey	F5-9, G14, G20, G25, H10, H14.
International Bank (Bretton Woods Agreement)	D24.	United Kingdom credits:	
International Children's Emergency Fund	F10-11, F13-17.	British loan	E22.
International development (Point 4)	H3-4.	Reconstruction Finance Corporation	C12.
International Monetary Fund (Bretton Woods Agreement)	D24.	United Nations:	
International Refugee Organization	F18-22.	Headquarters loan	G5-6.
Iran	G15, G20, G25, H10, H14.	Palestine refugee relief	G7-10.
		United Nations Korean Reconstruction Agency	H16.
		United Nations Relief and Rehabilitation Administration	C5, C7, D6-14.
		War relief	B8-13.
		Yugoslavia	H5, H9.

Appendix table N.—Index to major legislation listed in appendix table L, by Congress, by date, by public-law number

Public Law number	Date approved	Line in appendix table L	Public Law number	Date approved	Line in appendix table L
Seventy-sixth Congress					
83 ¹	June 15, 1940	B7.	611	June 13, 1940	A27.
88 ¹	June 26, 1940	B8.	667	June 26, 1940	A28.
420	Mar. 2, 1940	A1.	668	June 27, 1940	A8.
508	May 14, 1940	A7.	792	Sept. 26, 1940	A2.
588	June 11, 1940	A26.			
Seventy-seventh Congress					
11	Mar. 11, 1941	B14, C1.	442	Feb. 7, 1942	C28.
23	Mar. 27, 1941	B18.	452	Feb. 12, 1942	C28.
108	June 10, 1941	C12.	463	Feb. 21, 1942	C15.
135	June 28, 1941	A9.	474	Mar. 5, 1942	B20, B29.
139	June 30, 1941	A10.	528	Apr. 28, 1942	B30.
150	July 3, 1941	A29.	644	July 2, 1942	A11.
282	Oct. 28, 1941	B19.	648	July 2, 1942	B10.
353	Dec. 17, 1941	A30, B9, B27, B33.	649	July 2, 1942	A12, B31.
375	Dec. 26, 1941	C14.	678	July 25, 1942	A31.
422	Jan. 30, 1942	B28.	763	Oct. 26, 1942	A32, B32, B34.
Seventy-eighth Congress					
1	Feb. 19, 1943	B35.	267	Mar. 28, 1944	D6.
9	Mar. 11, 1943	B15.	304	May 17, 1944	B16.
50	May 7, 1943	B11.	358	June 27, 1944	C18.
70	June 14, 1943	B21.	365	June 28, 1944	A15.
90	June 26, 1943	C16.	372	June 28, 1944	A34.
105	July 1, 1943	A13.	375	June 28, 1944	B12.
108	July 1, 1943	A14.	382	June 30, 1944	B22, C5, D7.
139	July 12, 1943	A33.	457	Oct. 3, 1944	D15.
140	July 12, 1943	C17.			
Seventy-ninth Congress					
31	Apr. 16, 1945	B17.	334	Mar. 28, 1946	C20.
49	May 3, 1945	C19.	370	Apr. 30, 1946	D29-33.
61	May 21, 1945	A16.	391	May 27, 1946	C3, C7, D11.
132	July 5, 1945	B13, B23, C6.	454	June 26, 1946	D27.
156	July 17, 1945	A35.	490	July 5, 1946	A17, D17.
171	July 31, 1945	D24.	509	July 15, 1946	E22.
173	July 31, 1945	A3.	512	July 16, 1946	C29.
181	Sept. 18, 1945	D16.	515	July 16, 1946	A18, E23.
259	Dec. 14, 1945	D8.	519	July 20, 1946	A36.
262	Dec. 18, 1945	D9.	521	July 23, 1946	C4, C8, D12, E3, E8, E15.
269	Dec. 28, 1945	D10, D26.	584	Aug. 1, 1946	D18.
282	Dec. 28, 1945	A4.	656	Aug. 7, 1946	C13.
301	Feb. 18, 1946	C2.	663	Aug. 8, 1946	D28.
321	Mar. 8, 1946	E20.			
Eightieth Congress					
8	Feb. 28, 1947	E33.	389	Dec. 17, 1947	F23.
22	Mar. 27, 1947	E34.	393	Dec. 23, 1947	E26, F12, F24.
46	May 1, 1947	E24.	402	Jan. 27, 1948	F26.
75	May 22, 1947	F5.	423	Feb. 27, 1948	E21.
84	May 31, 1947	F10.	470	Mar. 31, 1948	F25.
89	June 9, 1947	A5.	472	Apr. 3, 1948	C30, F7, F13, F37.
122	June 27, 1947	E35.	491	Apr. 20, 1948	C22, E5.
146	July 1, 1947	F18.	519	May 10, 1948	C9, E27, F27.
161	July 3, 1947	E36.	597	June 3, 1948	A21, E10, F28.
164	July 8, 1947	D13.	712	June 19, 1948	E38.
166	July 9, 1947	A19, D19, E9.	766	June 24, 1948	A22.
267	July 30, 1947	A20.	785	June 25, 1948	B25, C10, D21, E39.
268	July 30, 1947	A37.	793	June 28, 1948	C31, E28, F8, F14, F20, F38.
269	July 30, 1947	C21, E4.	820	June 29, 1948	G4.
271	July 30, 1947	B24, D14, D20, E25, E37, F6, F11, F19.	860	June 30, 1948	B2.
369	Aug. 5, 1947	B1.	865	July 1, 1948	E16.
			903	Aug. 11, 1948	G5.

¹ Public Resolution.

(Continued on next page)

Appendix table N.—Index to major legislation listed in appendix table L, by Congress, by date, by public-law number—Con.

Public Law number	Date approved	Line in appendix table L	Public Law number	Date approved	Line in appendix table L
Eighty-first Congress					
25	Mar. 24, 1949	G7.	430	Oct. 28, 1949	G12-16, G29.
47	Apr. 19, 1949	D1, F39.	434	Oct. 29, 1949	A23.
119	June 23, 1949	E11, G6, G8.	439	Oct. 31, 1949	H1.
142	June 29, 1949	D25.			
146	June 29, 1949	F1.	447	Feb. 14, 1950	D3, G30.
			471	Mar. 31, 1950	H2.
152	June 30, 1949	D22.	535	June 5, 1950	D4, F16, G2, G9, G31, H3.
170	July 14, 1949	F15.	583	June 29, 1950	G32.
179	July 20, 1949	B3, E12, F21, F29.	621	July 26, 1950	G17-22.
266	Aug. 24, 1949	C23, E6, E17.	759	Sept. 6, 1950	A24, B5, C24, E7, E13, E18, E30-31, F3, F22, F32, G3, G10, G18-22, G33, H4.
283	Sept. 3, 1949	B4.			
			769	Sept. 7, 1950	C25.
295	Sept. 7, 1949	E1.	843	Sept. 27, 1950	F33-34, G23-26, H19.
327	Oct. 6, 1949	D2, E29, F9, G1.	897	Dec. 29, 1950	H5.
329	Oct. 6, 1949	G11-16.	911	Jan. 6, 1951	C26, D5, G34.
343	Oct. 10, 1949	B26, C11, D23, F2, F30, G28.			
358	Oct. 14, 1949	F31.			
Eighty-second Congress					
25	Apr. 28, 1951	E2.	165	Oct. 10, 1951	B6, H7-17.
45	June 2, 1951	F17, F35, H20.	179	Oct. 18, 1951	A25, G35.
48	June 15, 1951	H6.	188	Oct. 22, 1951	C27, E14, F36.
135	Aug. 31, 1951	F4.	213	Oct. 26, 1951	H21.
137	Aug. 31, 1951	E19.	249	Oct. 31, 1951	H8-18.
146	Sept. 15, 1951	G27.	253	Nov. 1, 1951	E32.
158	Oct. 3, 1951	A6.			



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No. 4

APRIL 1952

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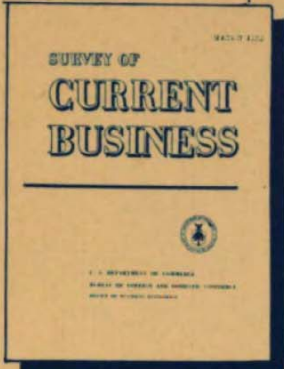
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