

LOCAL CURRENCY COUNTERPART FUNDS

FIRST ANNUAL REVIEW

1948-1949

ECONOMIC COOPERATION ADMINISTRATION

The photographs on the cover depict some of the ways in which local currency counterpart funds generated in connection with Marshall Plan grants have been utilized to assist the countries of Western Europe. The center picture shows a coal miner in France; the equivalent of approximately 85 million dollars of French counterpart funds has been withdrawn for the rehabilitation of this basic industry in France. Beginning in the upper left-hand corner and moving clockwise the pictures show:

(1) The Genissiat Dam in France - when completed it will be the largest in Western Europe.

(2) Construction of a drydock at Naples - when completed it will be the largest in the Mediterranean Basin.

(3) Grading a ramp in the operation of clearing the Corinth Canal in Greece.

(4) Workmen on a road-building and land reclamation project in Italy.

(5) A vessel for use in the fishing fleet out of Trieste, built with counterpart funds.

(6) An Italian housing project.

**LOCAL CURRENCY
COUNTERPART FUNDS**

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FIRST ANNUAL REVIEW
APRIL 3, 1948 - APRIL 2, 1949

APRIL 30, 1949

PREPARED BY:
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The aid given by the people of the United States through the Marshall Plan sparks the revival and recovery of the war-exhausted economies of Western Europe. However, the ultimate goal of a prosperous and peaceful Europe can be attained only by the European peoples themselves--through hard work, sacrifice, mutual help and self help.

One of the major weapons at their command in the struggle to regain economic independence is the counterpart fund. Armed with this weapon, the European nations are rebuilding roads and bridges, erecting new factories, irrigating barren lands, draining swamps, and combating inflation.

These counterpart funds come from the people of Western Europe, who pay with their own currency, at the going market price, for the food, machinery and raw materials purchased by their governments with dollars granted by the United States. It is their hard-earned money which goes back to their governments through the cash registers of the retailer, wholesaler and importer to form the counterpart funds. The governments, with ECA agreement, then put the funds to work in reviving and rebuilding their economies.

The counterpart funds make Marshall Plan dollars work twice for recovery--once through the goods and services purchased by the dollars, and once through the production and employment generated by the use of the local currencies. Through this "double action" must come the recovery so vital to a democratic world.

Paul J. Hoffmann

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FOREWORD

Under the Economic Cooperation Act of 1948, and pursuant to the provisions of the agreements entered into between the United States and certain European countries participating in the European Recovery Program, each participant receiving assistance in the form of grants has assumed an obligation to deposit in a Special Account amounts of its local currency commensurate with the amount of the basic dollar grants. In addition, participating countries deposit local currency in the Special Account to match the amount of drawing rights on other participating countries which they exercise under the Agreement for Intra-European Payments and Compensation of October 16, 1948. There is no requirement for the deposit of local currency against assistance rendered in the form of loans or conditional aid.

These local currency counterpart funds are divided into two portions: not less than 5% is allocated to the uses of the United States within the country, and the remaining 95% is to be utilized within the country as agreed between the government of the country and the Administrator.

The general purposes for which the 95% portion is to be used include the monetary and financial stabilization of the participating country, the stimulation of productive activity within the country, and the exploration for and development of new sources of wealth. In addition, expenditures of this portion may be made for other purposes consistent with the Economic Cooperation Act.

In general, proposals for the expenditure of the 95% portion of the counterpart deposits are first formulated by the participating government and discussed with the special ECA mission in the country. The recommendations of the mission are reviewed by the Office of the Special Representative and by ECA in Washington. The latter office formulates a final recommendation after discussion with other appropriate agencies of the U. S. Government, usually including the State Department, Treasury Department and the Commerce Department, and on policy matters requests the advice of the National Advisory Council on International Monetary and Financial Problems and the ECA Public Advisory Board.

With respect to broad programs of utilization extending over a considerable period of time, approval is usually given in principle only. As various segments of the program are finalized, they are presented with a request for approval of the actual withdrawal of

funds. Where broad programs covering a considerable period of time are approved in principle, the amount so approved will generally exceed the amount actually deposited to date. Future deposits will be made in amounts necessary to meet the withdrawals under the program.

The internal monetary and financial situation in a participating country is a basic factor in the determination of the purposes for which counterpart funds should be expended, or the extent to which they should be withheld from expenditure. Appropriate management of the local currency funds can help to establish the internal financial stability which is a prerequisite to the accomplishment of the aims of the ERP.

Subject to this basic factor, utilization of local currency counterpart funds is directed toward the stimulation of productive activity and the exploration for, and development of, new sources of wealth in order to achieve the maximum recovery in the participating country. In some countries the lack of private capital available through investment channels for increasing the productive capacity of industry and agriculture makes especially desirable the use of counterpart funds for that purpose.

Under the Economic Cooperation Act (PL 472, 80th Congress) ECA is also responsible for approving the utilization of the unencumbered portions of any deposits of local currencies made by participating countries pursuant to the provisions of the Foreign Relief Program of 1947 (PL 84, 80th Congress) and the provisions of the Foreign Aid Act of 1947 (PL 389, 80th Congress). The procedure used in approving releases of these funds is the same as that used for the release of funds deposited under the provisions of the Economic Cooperation Act.

It is the policy of ECA that the five percent share of counterpart deposits allotted to the uses of the U. S. Government shall be withdrawn promptly as it accumulates and placed in a separate account. These funds are to be used to pay the administrative and other operating expenses of ECA within the participating country and to purchase, or develop the production of, scarce materials. Insofar as it may be determined that the funds in this 5 percent portion are not required for these purposes, ECA will arrange to release the surplus to the U. S. Treasury; no such releases had been made up to April 30, 1949.

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APRIL 30, 1949



During the first year of the European Recovery Program the equivalent of more than \$1,800 million of counterpart funds has been authorized by ECA for use by Marshall Plan countries for internal expenditure. The equivalent of nearly one billion dollars in local currency counterpart was approved for expenditure to expand the productive capacities of the Marshall Plan countries. To aid in the establishment of economic stability, counterpart funds equivalent to over \$600 million have been spent for cancellation of the internal debt, as an anti-inflationary measure. The equivalent of about \$200 million of counterpart has been authorized for expenditure for other purposes; care of refugees, health and relief projects, housing and public buildings, the promotion of the tourist trade and the capitalization of lending institutions.

With the delivery of more and more Marshall Plan aid to the European governments, additional amounts of counterpart funds will be generated to further the reconstruction of a self-reliant democratic Europe.

The following pages summarize the ways in which local currency counterpart funds are being utilized in each of the countries in which there have been major releases. In Belgium, Denmark, the Netherlands, and Western Germany no releases, or only minor releases, as shown in the second portion of this report, had been made as of the end of the first year of ERP.

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ANNUAL REVIEW

GREECE

Greece, the only ERP country still at war, is a severe testing ground for the recovery program. It has known no peace for nine years. It was a poor country even before World War II, and suffered tremendous destruction and dislocation during that conflict. The end of World War II was the signal for the Greek guerrillas to loose their fierce and costly civil war in an effort to create chaos and take over the government. Into this setting came first the American Mission for Aid to Greece (AMAG) in 1947, to provide emergency military and economic aid. In the spring of 1948, the newly created Economic Cooperation Administration began to take over the economic program, carrying out the projects AMAG had begun, and proceeding, in cooperation with the Greek National Government, on a broad program to achieve maximum recovery in a country at war.

Tens of thousands of people were homeless, but housing is being built and emergency shelter provided. Farmers, driven from their land by guerrilla raids, had to leave large areas out of cultivation but they are returning to their land as rapidly as the guerillas are driven out. Even now the railroads can operate over less than half of the trackage. In some areas roads can be traveled, if at all, only in armed convoys.

The Greek budget is badly unbalanced owing to heavy military, refugee, and other extraordinary expenditures. Constant inflationary pressure has in turn limited the scope of reconstruction and developmental expenditures.

In view of this situation, the use of counterpart funds has been directed toward three goals: (1) avoidance of further inflation by withholding counterpart funds whenever their expenditure would be inconsistent with the stability of incomes and prices: (2) relief for the government budget from the burden of supporting refugees from the guerrilla-infested areas: and (3) rehabilitation and reconstruction of capital installations and equipment, whenever feasible, including the financing of capital equipment imports.

In the first year of the ECA program the withdrawal of 638.8 billion drachmae (equivalent of \$64 million) from the counterpart fund established under P.L. 472 helped to achieve a degree of economic recovery which a year ago seemed impossible. The funds withdrawn have been used for the following purposes:

	<i>Billions of Drachmae</i>	<i>Dollar Equivalent in Millions</i>
<u>Reconstruction projects:</u>		
Public housing and refugee shelters	165.0	\$16.5
U.S. Engineers projects (roads, ports, etc.)	140.2	14.0
Water supply	23.9	2.4
Agriculture	23.3	2.3
Other	70.4	7.1
	<u>422.8</u>	<u>42.3</u>
Refugee, health and welfare program of Greek Government	216.0	21.6
<u>Total withdrawals</u>	<u>638.8</u>	<u>63.9</u>

Counterpart funds have helped increase production through the rehabilitation of Greek railroads, the construction of highways, and the restoration of bridges and port facilities.

The agricultural program has involved the drilling of wells, installation of irrigation facilities, procurement of improved seeds, and the training of farmers in getting a higher yield per acre. Under way is a program for extending long-term credit to private industry and agriculture, with some loans already committed, and the machinery set up to extend this form of economic aid at an increasing pace in the coming months.

Irrigation, flood control, and reclamation are receiving emphasis in the programs launched with counterpart funds because of their importance in increasing the production of food, much of which is now imported. For example, a major program is under way to reclaim large areas of alkali land through rice growing. A doubling of rice yield per acre is sought through the use of improved rice seed and better growing methods. The goal

of 26,000 tons of rice using acreage that has been lying idle, if achieved, would eliminate the need to import rice and improve Greece's foreign exchange position.

Reforestation is essential in a country so denuded of trees that farmers burn their animal manure for fuel instead of using it to enrich their land. Tree nurseries have been established with the use of counterpart funds, and farmers are securing without cost the number of young trees they wish to plant on such parts of their land as are inadequate for farming.

Fishing, important in the Greek economy as a source of food and providing exportable items, is scheduled for development through counterpart fund aid. A hydrobiological institute with laboratories at Piraeus and Rhodes, and field stations at Salonika and Patras, is bringing modern science to the aid of Greek fishermen. A former United States minesweeper is being equipped as a floating laboratory. These technological aids are coupled with loans to fishermen, processors, dealers and distributors to enable them to improve and extend their operations.

Nearly 30 percent of the total counterpart funds withdrawn by the Greek government have been used for the establishment of refugee camps, and for the feeding and provision of medical and other care to the large number of persons who have been uprooted from their homes by the guerillas.

To meet the immediate needs of the thousands of homeless, 35,000 dwellings have been built or repaired, and more than 37,000 rooms were made available for refugee shelter.

In the field of public health, counterpart funds are being used effectively to fight malaria and tuberculosis as well as other diseases, in a continuation of programs started by the Rockefeller Foundation and UNRRA. Malaria has been reduced from 1,000,000 cases in 1944 to 50,000 cases a year now, with swamps and other mosquito breeding grounds being sprayed with DDT from airplanes operat-

ed by the Ministry of Hygiene. Work on a new 200 bed tuberculosis sanitarium was started in February, and in March a 400 bed sanitarium was dedicated at Salonika.

UNITED KINGDOM

The United Kingdom, with the approval of ECA, decided to apply counterpart funds almost exclusively to the retirement of short-term debt held by the Bank of England. The British Government has under way a huge program for the production of investment and export goods at the expense of production for immediate consumption, and considered that releases of counterpart for additional investment purposes would cause undue inflationary pressure. Attainment of internal financial stability, the keystone of the British recovery drive, requires the mopping up of large amounts of purchasing power in the public's hands. This problem of excess purchasing power is intensified by the very policies which the Act requires, and which are being vigorously pursued - policies of expanding exports and increasing the supply of capital equipment.

Accordingly, it was agreed that debt retirement was the most constructive use to which the bulk of counterpart funds could be put at this time in order to assist British economic recovery. Between April 1, 1948 and March 31, 1949, the Government short term debt to the Bank of England was reduced in the amount of £709 million, of which £107 million was provided from counterpart funds.

In addition to the releases for debt retirement, ECA has approved the use of £480,000 for technical assistance projects, transportation costs on relief supplies and packages, and for a small project for strategic material development. The chief item was £420,000 earmarked for the sterling costs of surveys designed to pave the way for increased production of strategic materials and other resources.

FRANCE

The most significant single fact about the use of the French counterpart funds during the first year of ERP is that, according to all available evidence, counterpart made it possible for the French Government to continue its program of essential investment and bring about monetary stabilization at the same time.

Since the liberation, the economy of France had been characterized by an inflationary trend attributable in substantial measure to heavy and urgent expenditures by the Government which were not fully met by non-inflationary receipts. In order to strike a balance between needed investment and financial stability, the French Government, in agreement with ECA, used counterpart funds both for investment purposes and, to a lesser extent, for effective reduction of the public debt.

One hundred and forty billion francs from the counterpart funds accruing under P.L. 472 (Foreign Assistance Act of 1948) and P.L. 389 (Foreign Aid Act) were released to the French Government for the following purposes:

	<i>Billions of Francs</i>	<i>Dollar Equivalent in Millions</i>
Reconstruction and modernization of productive facilities	105	457
Development of scarce materials	10	40
Retirement of debt	<u>25</u>	<u>100</u>
Total	140	597

The release of 25 billion francs in December 1948 not only resulted in a reduction of the French national debt by that amount, but also led to an agreement with the French Government to reduce the statutory limitation on Government borrowings from the Bank of France from 200 billion francs to 175 billion francs.

A total of 10 billion francs was earmarked for the exploration and development of scarce materials in the French Union, especially in overseas territories.

Of the 105 billion francs released for capital investment, a predominant share was allocated to the Monnet Plan, which forms the basis for the French long term program for economic recovery. The Monnet Plan calls for an ambitious investment program covering all major fields of economic activity--electric power production, reconstruction of the merchant marine, railroad repair and re-equipment, modernization of coal mines, private industrial investment, promotion of agricultural production, and development of strategic materials.

Perhaps the most dramatic feature of the French reconstruction program to which counterpart funds have been allocated is the series of dams that are being built on the major rivers to provide energy which will make possible a reduction of coal imports and increase the supply of energy for factories and homes. On the Rhine, Rhone, and Dordogne, as well as along the small, rapid rivers of the Pyrenees and Alps, men are at work building dams that rank among the engineering marvels of the modern world.

One of the dams being built with the help of counterpart funds is the Genissiat dam in the Rhone valley. This dam, the largest in Western Europe, is 300 feet wide. Over 2 billion francs of counterpart funds have been made available to finish work on Genissiat. The dam, already in service, will soon be completed, and will produce almost 2 billion kilowatt hours of electricity per year.

Another example of the use to which the French counterpart funds are put is the modernization of the coal mines. In the French mines the average age of the coal-mining machinery now in use has been estimated at 27 years, in comparison with an optimum limit of 15 years. The average of air compressors is about 21 years--more than double the optimum limit of 10 years. This is one reason why the average French miner produces only about one-fourth as much coal as an American miner.

This situation, however, is gradually improving. Replacement machinery is now being produced in quantity by

French firms, who are reimbursed by the Government from counterpart funds. Mine officials point out that new machinery not only speeds up production--one of the basic goals of the Marshall Plan--but also improves working conditions and drastically reduces accidents caused by obsolete and faulty equipment.

AUSTRIA

Counterpart fund policy in Austria has been directed toward the attainment of the following objectives:

To control the volume of monetary circulation, in order to prevent an inflationary increase of money.

To reduce the national debt, thus assisting the Austrian Government in its program of achieving greater financial and monetary stability.

To assist in the fuller exploitation of natural resources.

To assist in the reconstruction of war-damaged public utilities and basic industries, and the carrying out of public works.

During the first year of ECA operations, counterpart funds were utilized for the following purposes:

	<i>Millions of Schillings</i>	<i>Dollar Equivalent in Millions</i>
Debt retirement.	850	85.0
Reconstruction of railroads	219	21.9
Communication facilities .	51	5.1
Public buildings, roads, bridges	44	4.4
Agricultural projects. . .	21	2.1
Mining and other	3	0.3
	1,188	118.8

In order to assist the Austrian Government in its program of achieving and maintaining greater financial and monetary stability, 850 million schillings of counterpart funds were released for use in reducing the national debt. One indicator of the success of the Austrian Government's program for achieving greater monetary stability is the value of the Austrian schilling, which has steadily increased from about 48 to the dollar on the Swiss market in December, to the present value of about 25-30 to the dollar.

War and its aftermath largely eliminated savings available for investment in the Austrian economy. In view of this lack, ECA agreed to the withdrawal of 338 million schillings (\$34 million) for productive investments, as shown in the table above. ECA counterpart releases, which were closely coordinated with releases by the U. S. Army from local currency funds deposited under the Army civilian supply program, enabled Austria to finance these needed investments without a financial crisis.

The Austrian Federal railroads suffered more during the war years than any other branch of the nation's economy. Lack of materials for maintenance and improvements caused tremendous operational deficiencies, and damage to transport facilities by direct war action resulted in severe losses to both installations and rolling stock.

Almost two-thirds of the investment releases have been for the rebuilding of the rail system. Bridges, trestles, viaducts, and sidings which had been damaged or completely destroyed were repaired or rebuilt. Signal and safety installations were reconstructed and replaced. War damaged locomotives, freight and passenger cars, were repaired and returned to service.

Due to artillery and air bombing, many public buildings throughout Austria were destroyed or heavily damaged. Repairs and rebuilding include the Chancellery, the Federal Parliament and the Supreme Court, and the University of Vienna buildings.

NORWAY

One of the major obstacles to economic recovery in Norway has been the strong inflationary pressure created during the war. The Germans forced the Bank of Norway to make available 11 billion kroner to finance expenditures of the occupation forces. This action of the Germans pushed a large amount of money into circulation, and caused a rapid increase in bank deposits. At the end of 1945, bank deposits and notes in circulation amounted to approximately two-and-a-half times the prewar levels. A portion of the advance was repaid during the period of occupation by budgetary surpluses, and by floating internal loans. Nevertheless, by the end of the war, the so-called "Occupation Account" totaled 8 billion kroner.

The Norwegian government took steps immediately after the liberation to prevent the increased money supply from causing a drastic upward spiral of prices and wages. A rigid program of price controls and rationing has been maintained in order to repress inflation. Subsidies are also used extensively to keep prices from rising. Very high taxes - absorbing nearly one-third of the national income - are also levied, and for the past two years the government has had a substantial budgetary surplus.

The government has succeeded in its efforts, as shown by the fact that the cost of living index stood in March of this year at 158, (1938=100), practically unchanged from the level of 155 of April 1945.

In order to achieve a more reasonable balance between money supply and the flow of goods, and to help in the gradual return to a free economy, it has been necessary to eliminate part of the excess portion of the monetary supply. The bilateral agreement between Norway and the United States calls for "effective retirement of the national debt, especially the debt held by the Bank of Norway" as one of the ways to promote and maintain monetary and financial stability in Norway.

Accordingly, ECA has agreed to the use of 110 million kroner (\$22 million) to reduce the "Occupation Account" held by the Bank of Norway.

TRIESTE

The British-United States Zone of the Free Territory of Trieste, set up by the Italian Peace Treaty, has its main economic activity centered in shipbuilding, port services, and shipping.

At the close of the war the shipyards and the port were badly crippled. The shipping fleet had suffered great damage, falling from 755,000 tons prewar to about 180,000 tons. The number of seafaring and shore employees engaged in the industry dropped from 14,000 to only 3,000. The area, traditionally oriented and now virtually confined to shipping, needed assistance urgently. After its admission to the OEEC on October 15, 1948, planning was begun for the utilization of counterpart funds in the economic rehabilitation of Trieste.

The Allied Military Government has established a government lending agency, to which ECA has released 3.9 billion lire (\$6.8 million) of counterpart funds through April 2.

Loans to finance a shipbuilding program have accounted for 2.7 billion lire of total withdrawals. The program includes assistance in the construction of two liners of about 23,000 tons each, three motorships of 12,000 tons each, and one motorship of 9,000 tons. The fishing fleet will also be rehabilitated with the help of counterpart funds; it is contemplated that 38 vessels for use in nearby waters will be rebuilt, and 12 new vessels of over 20 tons each will be constructed for use in deep sea fishing.

Almost one quarter of the funds withdrawn in the first year of ECA activity have been used to reconstruct the shipbuilding yards, on which Trieste is dependent.

Apart from releases for shipbuilding and reconstruction of shipyards, 300 million lire have been used to restore a vegetable oil refinery, which was severely damaged during the war. This industry helps relieve the one-sidedness of the economy. The plant is now 95 percent restored.

ITALY

The general objectives in Italian recovery are restoration of industrial activity and formation of new capital. The low standards of living in Italy, as well as the slow recovery from the economic losses and setbacks of the war, are largely due to the present low level of capital per person. This is manifest in a need for greater industrialization, extensive agricultural development, and more adequate transportation facilities.

Under these conditions an investment program represents the most desirable use of counterpart funds. Soon after ECA began operations the Administrator approved the release of 53 billion lire from the counterpart funds which had accrued under Public Laws 84 and 389, for the reconstruction of rail facilities, agricultural rehabilitation, and ship reconditioning. The Italian Government subsequently submitted a 1948-49 program for the use of 250 billion lire of P.L. 472 counterpart funds, which has been approved in principle by ECA. The Italian Government meanwhile is continuing its efforts to maintain financial and monetary stability through such measures as the reorganization of the tax system, and a policy of rapidly reducing the budget deficit.

The 1948-49 program which ECA has approved in principle provides for the following expenditures:

	<i>Billions of Lire</i>	<i>Dollar Equivalents in Millions</i>
Industry and transportation	102	177
Agricultural projects	70	122
Public works	55	96
Merchant shipping	15	26
Promotion of tourist trade	8	14
	<u>250</u>	<u>435</u>

Withdrawal of funds under this program is being authorized only after submission of specific projects. By the end of March, 1949 the ECA Mission in Rome had approved individual projects accounting for almost half of the total program.

Industry and Transportation

About 70 billion lire have been programmed for the rehabilitation of the Italian State Railways. The Italian railway network has already made an astonishing recovery from the heavy damage caused by the war, but shortages still persist, particularly with regard to rolling stock. The program is designed primarily to effect improvements which will improve efficiency and reduce costs. About two-thirds of the 70 billion lire has been allocated to replacement and repair of rolling stock. Even with this investment, however, the prewar position of Italian cars and locomotives will not be completely restored.

ECA now has under consideration a proposal to assist in the expansion of Italian steel production through a loan for reconstruction and building of new facilities at various iron and steel installations. Also under consideration are plans to expand productive capacity in other industries with the help of counterpart funds.

Agricultural Projects

Italy, with a population largely dependent upon agriculture as a livelihood, possesses much land classed as "submarginal" which, with proper development, might profitably be used to produce foodstuffs. The agricultural program, providing for the expenditure of 70 billion lire, primarily involves land reclamation and irrigation, as well as a number of smaller projects such as pest control, development of an agricultural extension service, and the importation of hybrid seed corn in an effort to increase the size and quality of the grain yield. The work scheduled to be undertaken will ultimately benefit 2,500,000 acres through the construction of irrigation canals, roads, stream control devices, drains, pumping plants and windbreaks.

Other Uses

A large part of the 55 billion lire public works program will be devoted to the construction of housing projects in badly overcrowded areas. The program also

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includes health and sanitation projects, road and public building construction, and a vocational training program.

Counterpart funds are also programmed for use in reconstructing two large Italian vessels for the South American run, in order to facilitate the emigration of excess population. An oil dock and a dry dock -- the latter will be the largest in the Mediterranean basin to be completed -- are being constructed at the Port of Naples.

A total of 8 billion lire has been tentatively set aside for improvement of tourist facilities in Italy as

a means of obtaining increased dollar revenues from abroad. Most of the funds are to be lent through private banking facilities to individual owners and proprietors of hotels.

The Italian Government estimates that the overall investment program to be financed with counterpart funds, including those already approved and those in the course of approval, will afford direct employment for an average of 250,000 to 300,000 workers annually, and indirect employment for over 100,000 persons in complementary industries.

COUNTERPART FUNDS

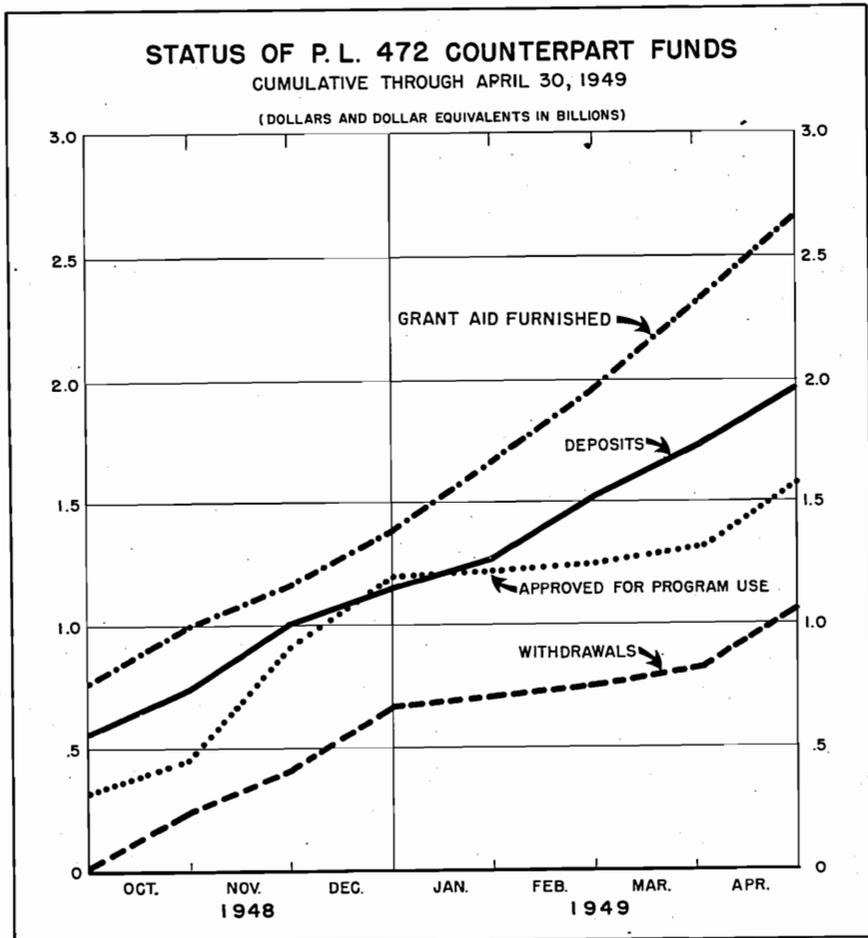
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STATUS AS OF

APRIL 30, 1949

COUNTERPART FUNDS - P.L. 472

The participating countries are required to deposit local currency in the special counterpart accounts in amounts equivalent to direct grant expenditures by ECA, plus drawing rights utilized under the Intra-European Payments Plan. The grant aid thus furnished has amounted to the equivalent of \$2.7 billion since the inception of ECA.



Due to the necessary time required for ECA to transmit formal requests for deposit to the participating governments, however, the notifications actually received by these governments through April 30 totaled only \$2,155 million, substantially less than the grant aid furnished.

Local currency deposit notifications based on ECA expenditures are prepared for each 10-day period. Before the notices can be sent out, extensive preparation is necessary. A schedule is printed for each country, giving full details on commodities and services paid for within the period. Total payments shown on the schedule are then adjusted for loans, conditional aid, and drawing rights utilized, to arrive at the net amount financed by ECA which requires a matching deposit of local currency. A statement of the amount required, supported by the printed schedule of paid transactions, is mailed to the ECA Mission, and then forwarded to the recipient Government, with the Mission's formal request for deposit. The amount thus requested by the ECA Mission is shown in the column "Deposits Requested" in the table opposite. The actual deposit usually follows the formal request within a few days.

Austria offers an example of the time involved between ECA expenditure and receipt by the participating government of requests to deposit counterpart funds. ECA grant expenditures for Austria through April 30 plus drawing rights utilized by Austria through March 31 totaled \$225.9 million. This is the amount of "Grant Aid Furnished" shown in the opposite table. The Austrian Government, however, had only received by April 30, notification for the deposit of the equivalent of \$183.3 million, covering ECA expenditures through March 20. Of this sum, the Austrian Government had deposited in schillings the equivalent of all but \$2.5 million.

Deposits

In April, deposits by the participants were the equivalent of \$232 million, as compared with \$216 million in March. To date, the equivalent of almost \$2 billion in local currencies has been placed in the special counterpart accounts to help finance European recovery.

Three countries, for which no counterpart has yet been released, had made deposits through April 30 as follows:

Belgium	-	131,482,500 francs
French Zone	-	82,000,000 Deutsche Marks
Netherlands	-	302,067,372 guilders

COUNTERPART FUNDS P.L. 472

**STATUS OF EUROPEAN LOCAL CURRENCY COUNTERPART ACCOUNTS
UNDER THE FOREIGN ASSISTANCE ACT OF 1948 - PUBLIC LAW 472**

AS OF APRIL 30, 1949

(Dollar equivalents of the local currency, in millions of dollars)

COUNTRIES RECEIVING GRANTS	GRANT AID FURNISHED	DEPOSITS REQUESTED	TOTAL AMOUNT DEPOSITED	95% OF DEPOSITS FOR USE BY RECIPIENT COUNTRIES				5% FOR USE BY U.S.			TOTAL BALANCES ON DEPOSIT
				95% OF DEPOSITS	APPROVED FOR PROGRAM USE	WITH-DRAWALS	BALANCES ON DEPOSIT	5% OF DEPOSITS	TRANSFERRED TO U.S. ACCOUNT	BALANCES ON DEPOSIT	
TOTAL	\$2,662.4	\$2,154.8	\$1,964.7	\$1,866.5	\$1,570.9	\$1,051.1	\$815.4	\$98.2	\$33.9	\$64.3	\$879.9
France ^a	815.5	677.5	634.2	602.5	478.4	478.4	124.1	31.7	4.1	27.6	151.7
United Kingdom . .	646.2	543.6	484.4	460.2	459.2	457.4	2.8	24.2	18.1	6.1	8.9
Italy	270.0	190.5	178.6	169.7	434.8	—	169.7	8.9	8.2	.7	170.4
Austria	225.9	183.3	180.8	171.7	12.5	12.5	159.2	9.1	1.2	7.9	167.1
Bizone ^b	214.6	158.8	136.2	129.4	.8	.8	128.6	6.8	.4	6.4	135.0
Netherlands	177.5	150.6	113.9	108.2	—	—	108.2	5.7	.3	5.4	113.6
Greece ^a	126.9	105.8	104.2	99.0	130.0	72.7	26.3	5.2	1.0	4.2	30.5
French Zone ^b	64.8	50.1	41.0	38.9	—	—	38.9	2.1	.1	2.0	40.9
Denmark	51.0	34.2	34.2	32.5	*	—	32.5	1.7	.2	1.5	34.0
Norway	58.4	49.5	46.3	44.0	42.3	22.2	21.8	2.3	.1	2.2	24.0
Trieste	8.6	7.9	7.9	7.5	12.9	7.1	.4	.4	.1	.3	.7
Belgium	3.0	3.0	3.0	2.9	—	—	2.9	.1	.1	—	2.9

NOTE: "Dollar equivalents" are computed at the actual rates which were used by the respective Governments in agreement with the Administrator in making commensurate deposits of local currency.

^aExclusive of P.L. 84 and P.L. 389 deposits.

^bExclusive of temporary deposits to match conditional aid.

*Less than \$50,000.

PROGRAM APPROVALS AND WITHDRAWALS

Approvals For Program Use

Highlighted by the release of 50 billion francs for a French program of industrial reconstruction and modernization, ECA approved the proposed use of the equivalent of \$257 million of counterpart funds in April. This total was almost twice as great as the amount approved during the first three months of the year, and brought total approvals to date to the equivalent of \$2,082 million.

The French releases (\$198 million equivalent) accounted for over 75 percent of the total amount approved in April. France has submitted a program for the proposed use of 238 billion francs for the March-December period of this year, with releases to be made in approximately equal monthly installments. The program contemplates the use of funds for the following purposes:

Investment in National Enterprises in France: (billions of francs)

Coal Industry	35
Electricity	72
Railways	15
	<u>122</u>

Private Enterprise in France:

Industrial reconstruction	50
Modernization & equipment in agriculture	23
Modernization & equipment in other industries	23
	<u>96</u>

Investments in Dependent Overseas

Territories and Saar	20
Total French Counterpart Program	<u>238</u>

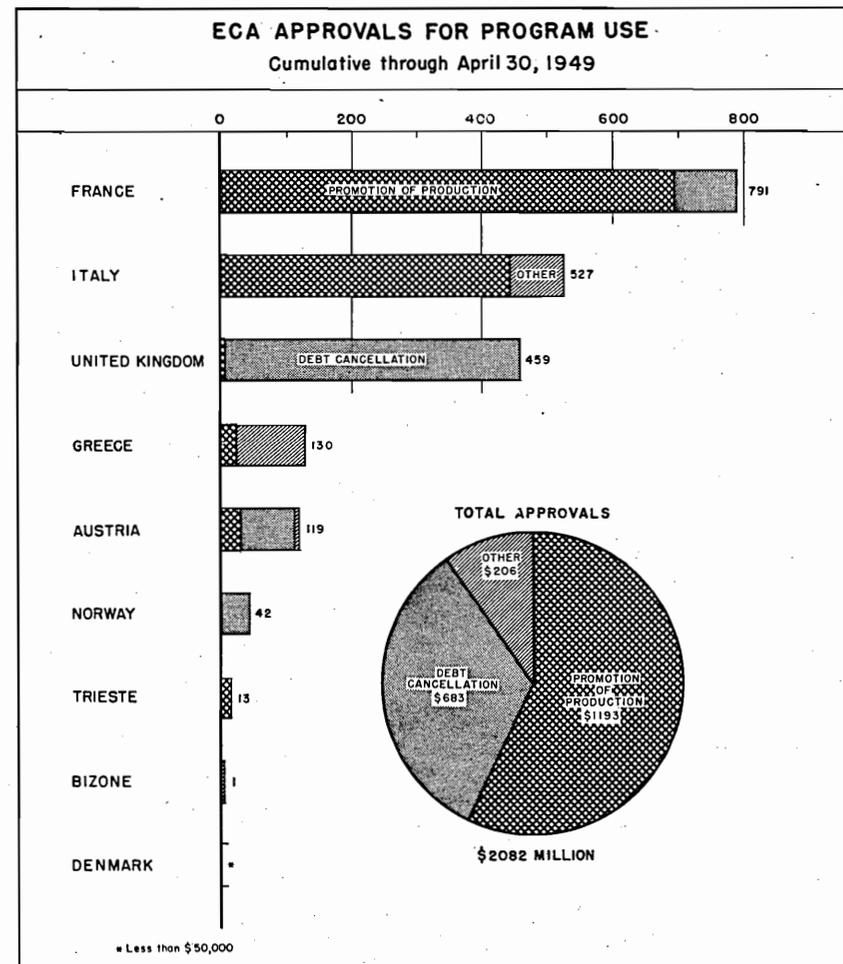
This program is still under consideration, and the April releases constitute tentative acceptance by ECA as a pattern for counterpart expenditure for April and May only. No approvals have been authorized for subsequent months.

Other approvals during the month consisted of \$24 million equivalent for debt retirement by the United Kingdom, \$20 million for reduction of the "Occupation Account" by Norway, and \$18 million for Greek reconstruction projects.

Withdrawals

Of the \$2,082 million equivalent which ECA approved in principle for program use, \$1,813 million had been authorized for withdrawal, and \$1,518 million was actually withdrawn as of April 30.

Withdrawals during April rose sharply to \$227 million equivalent for the month, as compared with a monthly average of only \$52 million equivalent during the first quarter of the year.



PROGRAM APPROVALS AND WITHDRAWALS

**ECA APPROVALS FOR USE OF COUNTERPART FUNDS
AND ACTUAL WITHDRAWALS**

AS OF APRIL 30, 1949

(Dollar equivalents of the local currency, in millions of dollars)

PURPOSE	TOTAL		PUBLIC LAW 472		PUBLIC LAWS 84 AND 389	
	APPROVED FOR PROGRAM USE	WITHDRAWALS	APPROVED FOR PROGRAM USE	WITHDRAWALS	APPROVED FOR PROGRAM USE	WITHDRAWALS
TOTAL	\$2,081.5	\$1,518.2	\$1,570.9	\$1,051.1	\$510.6	\$467.1
MONETARY AND FINANCIAL STABILIZATION	683.2	663.1	610.7	590.6	72.5	72.5
<i>Debt Cancellation</i>	683.2	663.1	610.7	590.6	72.5	72.5
PROMOTION OF PRODUCTION	1,192.5	801.0	760.5	410.8	432.0	390.2
Raw Materials Extraction	254.2	97.7	183.1	61.4	71.1	36.3
<i>Agriculture, incl. land reclamation and irrigation</i>	169.4	12.9	132.5	10.8	36.9	2.1
<i>Forestry</i> . . . . .	.6	.6	.5	.5	.1	.1
<i>Coal Mining</i>	84.1	84.1	50.1	50.1	34.0	34.0
<i>Other Mining and Quarrying</i> . . . . .	.1	.1	--	--	.1	.1
Manufacturing	24.7	24.7	3.3	3.3	21.4	21.4
<i>Primary Metals</i>	4.9	4.9	--	--	4.9	4.9
<i>Stone, Clay and Glass Products</i> . . . . .	.9	.9	--	--	.9	.9
<i>Fertilizer</i>	1.4	1.4	--	--	1.4	1.4
<i>Chemicals and Allied Products</i> . . . . .	.7	.7	--	--	.7	.7
<i>Petroleum and Coal Products</i>	10.5	10.5	2.8	2.8	7.7	7.7
<i>Machinery</i>	5.0	5.0	--	--	5.0	5.0
<i>Miscellaneous Manufactures</i>	1.3	1.3	.5	.5	.8	.8
Transportation, Communication and Utilities	599.0	426.8	265.4	100.2	333.6	326.6
<i>Railroads</i>	279.7	158.0	152.9	31.2	126.8	126.8
<i>Waterways and Harbors</i>	13.7	4.7	9.3	.3	4.4	4.4
<i>Merchant and Fishing Fleet</i>	63.6	29.3	33.9	6.6	29.7	22.7
<i>Roads and Misc. Transportation Facilities</i>	9.9	2.7	9.3	2.1	.6	.6
<i>Communication Facilities</i>	5.2	5.2	--	--	5.2	5.2
<i>Electric, Gas Light and Power Facilities</i>	224.5	224.5	57.6	57.6	166.9	166.9
<i>Water Systems</i>	2.4	2.4	2.4	2.4	--	--
Exploration and Development of New Sources of Wealth:						
<i>Strategic Materials</i>	39.6	39.5	39.6	39.5	--	--
<i>Technical Assistance</i>	1.9	.2	1.9	.2	--	--
<i>Undistributed Promotion of Production</i>	273.1	212.1	267.2	206.2	5.9	5.9
OTHER PURPOSES	205.8	54.1	199.7	49.7	6.1	4.4
Construction of Public Buildings & Housing Facilities	29.9	23.1	25.5	18.7	4.4	4.4
<i>Housing</i>	23.8	17.1	23.8	17.1	--	--
<i>Public Buildings</i>	6.1	6.0	1.7	1.6	4.4	4.4
Special Relief Projects	65.7	28.3	64.0	28.3	1.7	--
<i>Health and Sanitation</i>	14.5	1.4	14.5	1.4	--	--
<i>Care of Refugees</i>	46.6	24.0	46.6	24.0	--	--
<i>Miscellaneous Social Services</i>	3.7	2.0	2.0	2.0	1.7	--
<i>Transportation of Relief Packages</i> . . . . .	.9	.9	.9	.9	--	--
Tourism	14.2	.2	14.2	.2	--	--
Loan Capital (not elsewhere classified)	20.0	--	20.0	--	--	--
Undistributed Other Purposes	76.0	2.5	76.0	2.5 ^{1/}	--	--

NOTE: "Dollar equivalents" are computed at the actual rates which were used by the respective Governments in agreement with the Administrator in making commensurate deposits of local currency.

^{1/} Including temporary advance accounts in Greece of \$1.8 million in dollar equivalents (not reflected in approvals for program use).

STATUS OF 5 PERCENT FUNDS

The U.S. 5 percent portion of grant aid furnished amounted to \$133 million by April 30, of which the equivalent of \$98 million was included in deposits in the special counterpart accounts.

ECA has committed the equivalent of \$46 million of the funds available for its use, principally for strategic

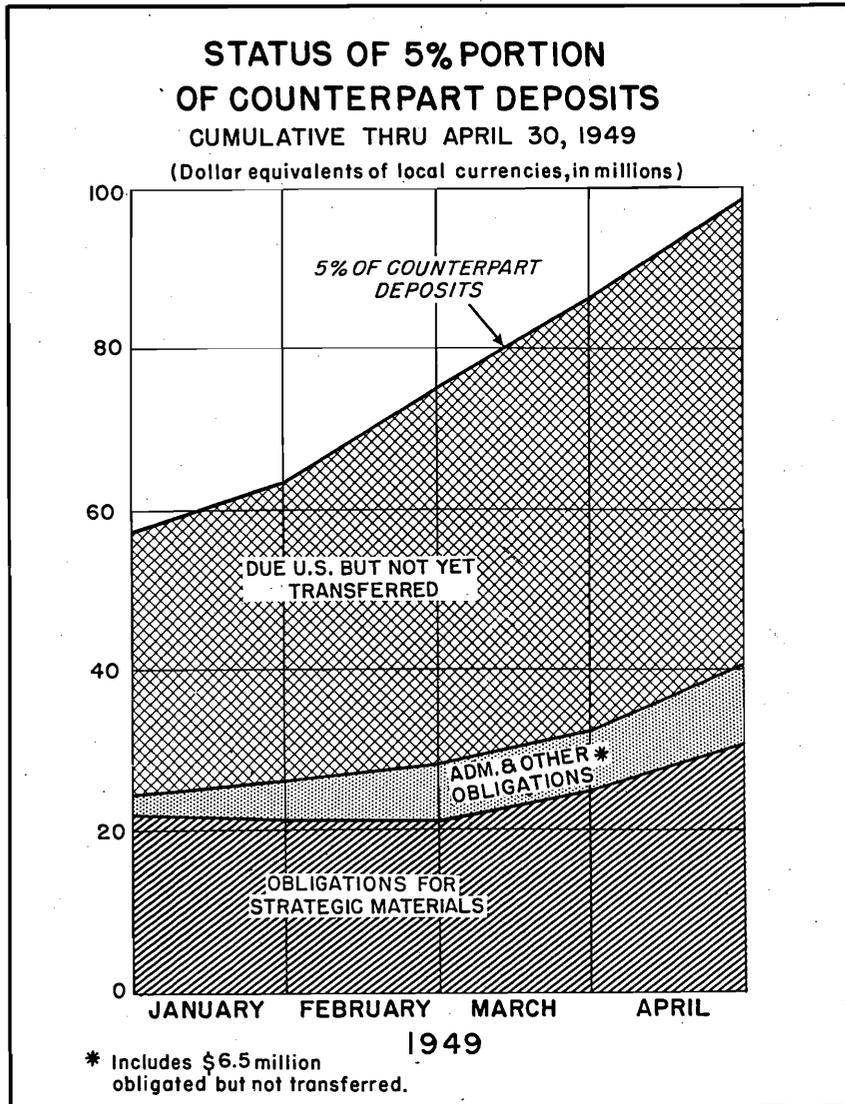
materials, but also including the equivalent of \$6 million for administrative expenses of ECA missions abroad. April obligations totaled the equivalent of \$13 million, of which almost 90 percent was committed for strategic materials.

It is anticipated that strategic materials will be purchased rapidly enough in some countries to utilize most of the 5 percent deposits. Commitments for the procurement of strategic materials have been largest in the case of the United Kingdom, where total obligations as of April 30 exceeded the 5 percent portion of actual deposits, but were still less than 5 percent of the grant aid furnished.

ECA has been able to defray well over half (56%) of the total administrative expenses of overseas missions from counterpart funds. The 915 alien European employees, who constituted half of the total ECA personnel abroad on April 30, are all paid from counterpart funds. The State Department has made available to ECA the facilities of its overseas offices, and has rendered many valuable administrative services. Most of these services have been compensated with counterpart funds on a contractual basis, allowing ECA to make a substantial saving in dollar expenditures and in personnel requirements.

A breakdown of the administrative expenses paid in local currencies through April 30 follows:

	<i>Dollar Equivalents in Thousands</i>
Personnel costs	\$2,236
Contractual services	1,924
Equipment	708
Travel	402
Communications	359
Rents and utilities	247
Supplies	137
Other	101
	\$6,114



STATUS OF 5 PERCENT FUNDS

STATUS OF U. S. PORTION (5%) OF EUROPEAN COUNTERPART DEPOSITS

UNDER THE FOREIGN ASSISTANCE ACT OF 1948 - PUBLIC LAW 472

AS OF APRIL 30, 1949

(Dollar equivalents of the local currency, in thousands of dollars)

COUNTRY MISSION	5% OF GRANT AID FURNISHED	5% OF TOTAL COUNTERPART DEPOSITS	TRANSFERRED TO U. S. ACCOUNTS	U. S. O B L I G A T I O N S				TOTAL U. S. EXPENSES
				TOTAL	ADMINIS-TRATION	STRATEGIC MATERIALS	OTHER	
TOTAL	\$133,121	\$98,236	\$33,916	\$45,950	\$6,114	\$36,178	\$3,658	\$34,177
France	40,775	31,710	4,145	5,952	3,058 ¹	2,805	89	3,285
United Kingdom	32,312	24,218	18,078	24,674	397	24,267	10	24,674
Italy	13,498	8,930	8,195	8,967	834	5,600	2,533	3,367
Austria	11,294	9,038	1,200	922	153	--	769	922
Bizone	10,732	6,810	385	170	44	--	126	170
Netherlands	8,876	5,693	254	3,627	120	3,506	1	121
Greece	6,344	5,211	1,000	1,268	1,156	--	112	1,268
French Zone	3,240	2,050	52	9	9	--	--	9
Denmark	2,553	1,712	188	135	134	--	1	135
Norway	2,919	2,316	130	105	91	--	14	105
Trieste	428	398	154	18	15	--	3	18
Belgium	150	150	135	103	103	--	--	103

NOTE: "Dollar equivalents" are computed at the actual rates which were used by the respective Governments in agreement with the Administrator in making commensurate deposits on local currency.

¹Includes \$2,303 thousand for expenses of Office of Special Representative.

COUNTRY SUMMARIES

STATUS OF FRENCH COUNTERPART FUNDS APRIL 30, 1949		
	LOCAL CURRENCY (billions of francs)	DOLLAR EQUIVALENT (Millions)
PUBLIC LAW 472^{1/}		
Deposits in Special Account	160.7	\$634.2
5% Reserved for United States	8.0	31.7
Balance of 95% for France	152.7	602.5
ECA Approvals for Program Use of 95%	121.2	478.4
Withdrawals	121.2	478.4
Purpose of Withdrawals:		
Debt Cancellation	25.0	98.7
<u>Promotion of Production</u>	<u>96.2</u>	<u>379.7</u>
Agriculture	2.0	7.9
Coal Mining	12.7	50.1
Petroleum and Coal Products .....	.7	2.8
Railroads	7.5	29.6
Electric, Gas Light and Power Facilities	14.6	57.6
Strategic Materials	10.0	39.5
Undistributed	48.7	192.2
PUBLIC LAW 389^{2/}		
ECA Approvals for Program Use	68.8	312.1
Withdrawals	68.8	312.1
Purpose of Withdrawals:		
<u>Promotion of Production</u>	<u>68.8</u>	<u>312.1</u>
Coal Mining	7.5	34.0
Primary Metals	1.1	4.9
Stone, Clay, and Glass Products .....	.2	.9
Fertilizer .....	.3	1.4
Chemicals and Allied Products .....	.1	.7
Petroleum and Coal Products	1.7	7.7
Misc. Machinery	1.1	5.0
Misc. Manufactures .....	.2	.8
Railroads	12.4	56.2
Waterways and Harbors	1.0	4.4
Merchant and Fishing Fleet	5.0	22.7
Roads & Misc. Transp. Facilities .....	.1	.6
Electric, Gas Light and Power Facilities	36.8	166.9
Undistributed	1.3	5.9

^{1/} Rate: 253.3 francs to U.S. dollar.

^{2/} Rate: 220.5 francs to U.S. dollar.

STATUS OF ITALIAN COUNTERPART FUNDS APRIL 30, 1949		
	LOCAL CURRENCY (billions of lire)	DOLLAR EQUIVALENT (Millions)
PUBLIC LAW 472		
Deposits in Special Account	102.7	\$178.6
5% Reserved for United States	5.1	8.9
Balance of 95% for Italy	97.6	169.7
ECA Approvals for Program Use of 95%	250.0	434.8
Withdrawals	0	0
Approved for Program Use but not yet Withdrawn		
<u>Promotion of Production</u>	<u>196.6</u>	<u>342.0</u>
Agriculture	70.0	121.7
Railroads	70.0	121.7
Waterways and Harbors	5.1	8.9
Merchant and Fishing Fleet	15.0	26.1
Roads and Misc. Transportation Facilities	4.1	7.2
Technical Assistance	2/	--
Undistributed	32.4	56.4
<u>Other Purposes</u>	<u>53.4</u>	<u>92.8</u>
Housing	3.8	6.7
Health and Sanitation	7.6	13.1
Tourism	8.0	13.9
Undistributed	34.0	59.1
PUBLIC LAWS 84 AND 389		
ECA Approvals for Program Use	53.0	92.2
Withdrawals	28.0	48.7
Purpose of Withdrawals:		
<u>Promotion of Production:</u>		
Railroads	28.0	48.7
To be Withdrawn	25.0	43.5
<u>Promotion of Production</u>	<u>24.0</u>	<u>41.8</u>
Agriculture	20.0	34.8
Merchant and Fishing Fleet	4.0	7.0
Other Purposes:		
Misc. Social Services	1.0	1.7

^{1/} Rate: 575 lire to U.S. dollar. ^{2/} Less than .05 billion lire.

NOTE: "Dollar equivalents" are computed at the actual rates which were used by respective Governments in agreement with the Administrator in making commensurate deposits of local currency.

COUNTRY SUMMARIES

STATUS OF GREEK COUNTERPART FUNDS APRIL 30, 1949		
	LOCAL CURRENCY	DOLLAR EQUIVALENT ^{1/}
PUBLIC LAW 472	(Billions of drachmae)	(Millions)
Deposits in Special Account	1,041.9	\$104.2
5% Reserved for United States	52.1	5.2
Balance of 95% for Greece	989.8	99.0
ECA Approvals for Program Use of 95%	1,300.0	130.0
Withdrawals - Total	726.9	72.7
Temporary Advances ^{2/}	18.2	1.8
For Country Use	708.7	70.9
Purpose of Withdrawals:		
Promotion of Production	239.4	23.9
Agriculture	28.8	2.9
Forestry	5.2	.5
Railroads	16.2	1.6
Waterways and Harbors	2.6	.3
Roads and Misc. Trans. Facilities	21.2	2.1
Water Systems	23.9	2.4
Technical Assistance	1.3	.1
Undistributed	140.2	14.0
Other Purposes	469.3	47.0
Housing	171.0	17.1
Public Buildings	15.6	1.6
Health and Sanitation	13.9	1.4
Care of Refugees	240.5	24.0
Misc. Social Services	19.6	2.0
Tourism	2.0	.2
Undistributed	6.7	.7
To be Withdrawn	591.3	59.1
Promotion of Production .....	.7	.1
Waterways and Harbors .....	.7	.1
Other Purposes	590.6	59.0
Public Buildings	1.1	.1
Care of Refugees	226.0	22.6
Tourism .....	.7	.1
Loan Capital (n.e.c.)	200.0	20.0
Undistributed	162.8	16.2

^{1/} Rate: 9998 drachmae to U.S. dollar.

^{2/} Advances to clearing accounts with other U.S. agencies and with Greek Government.

STATUS OF U.K. COUNTERPART FUNDS APRIL 30, 1949		
PUBLIC LAW 472	LOCAL CURRENCY (Thousands of pounds)	DOLLAR EQUIVALENT ¹ (Millions)
Deposits in Special Account	120,190	\$484.4
5% Reserved for United States	6,010	24.2
Balance of 95% for United Kingdom ..	114,180	460.2
ECA Approvals for Program Use of 95%	113,942	459.2
Withdrawals	113,504	457.4
Purpose of Withdrawals:		
Debt Cancellation	113,450	457.2
Promotion of Production	17	.1
Technical Assistance	17	.1
Other Purposes:		
Transportation of Relief Packages	37	.1
To be Withdrawn:		
Promotion of Production	438	1.8
Strategic Materials	18	.1
Technical Assistance	420	1.7

^{1/}Rate: \$4.03 per £ 1.

STATUS OF NORWEGIAN COUNTERPART FUNDS APRIL 30, 1949		
PUBLIC LAW 472	LOCAL CURRENCY (Millions of Kroner)	DOLLAR ^{1/} EQUIVALENT (Millions)
Deposits in Special Account	229.9	\$46.3
5% Reserved for United States	11.5	2.3
Balance of 95% for Norway	218.4	44.0
ECA Approvals for Program Use of 95% ..	210.0	42.3
Withdrawals	110.0	22.2
Purpose of Withdrawals:		
Debt Cancellation	110.0	22.2
To be Withdrawn		
Debt Cancellation	100.0	20.1

^{1/} Rate: 4.96278 Kroner to U.S. Dollar

NOTE: "Dollar equivalents" are computed at the actual rates which were used by the respective Governments in agreement with the Administrator in making commensurate deposits of local currency.

COUNTRY SUMMARIES

STATUS OF AUSTRIAN COUNTERPART FUNDS APRIL 30, 1949		
	LOCAL CURRENCY	DOLLAR 1/ EQUIVALENT
PUBLIC LAW 472		
	(Millions of schillings)	(Millions)
Deposits in Special Account ^{2/}	1,807.6	\$180.8
5% Reserved for United States.....	90.4	9.1
Balance of 95% for Austria.....	1,717.2	171.7
ECA Approvals for Program Use of 95%..	125.0	12.5
Withdrawals.....	125.0	12.5
Purpose of Withdrawals:		
Debt Cancellation	125.0	12.5
PUBLIC LAWS 84 AND 389		
ECA Approvals for Program Use.....	1,063.3	106.3
Withdrawals.....	1,063.3	106.3
Purpose of Withdrawals:		
Debt Cancellation	725.0	72.5
Promotion of Production.....	294.6	29.4
Agriculture.....	21.2	2.1
Forestry.....	1.3	.1
Misc. Mining and Quarrying.....	1.4	.1
Misc. Manufactures.....	.3	-
Railroads.....	218.9	21.9
Communication Facilities.....	51.5	5.2
Other Purposes: Public Buildings..	43.7	4.4
1/ Rate: 10 Schillings to U.S. dollar. 2/ 90-day certificates of indebtedness, gradually converted into currency from proceeds of sales.		

STATUS OF BIZONE COUNTERPART FUNDS APRIL 30, 1949		
	LOCAL CURRENCY	DOLLAR EQUIVALENT
PUBLIC LAW 472		
	(Millions of DM)	(Millions) 1
Deposits in Special Account ^{2/}	272.4	\$136.2
5% Reserved for United States	13.6	6.8
Balance of 95% for Bizone	258.8	129.4
ECA Approvals for Program Use of 95%	1.7	.8
Withdrawals	1.7	.8
Purpose of Withdrawals:		
Other Purposes:		
Transportation of Relief Packages	1.7	.8
1/ Temporary rate: 2 Deutsche Marks (DM) to one U.S. dollar. 2/ Total deposits were 341.2, including 68.8 conditional aid.		

STATUS OF TRIESTE COUNTERPART FUNDS APRIL 30, 1949		
	LOCAL CURRENCY	DOLLAR ^{1/} EQUIVALENT
PUBLIC LAW 472		
	(Billions of lire)	(Millions)
Deposits in Special Account	4.5	\$ 7.9
5% Reserved for United States .....	.2	7.5
Balance of 95% for Trieste	4.4	.4
ECA Approvals for Program Use of 95%.	7.4	12.9
Withdrawals	4.1	7.1
Purpose of Withdrawals:		
Promotion of Production	4.1	7.1
Misc. Manufactures .....	.3	.5
Merchant and Fishing Fleet	3.8	6.6
Undistributed (General Engineering Projects)	2/	-
To be Withdrawn:		
Promotion of Production	3.3	5.8
Merchant and Fishing Fleet .....	.7	1.2
Undistributed	2.6	4.6
1/ Rate: 575 lire to U. S. dollar. 2/ Less than 0.1 billion lire.		

STATUS OF DANISH COUNTERPART FUNDS APRIL 30, 1949		
	LOCAL CURRENCY	DOLLAR ^{1/} EQUIVALENT
PUBLIC LAW 472		
	(Millions of Kroner)	(Millions)
Deposits in Special Account	164.3	\$34.2
5% Reserved for United States	8.2	1.7
Balance of 95% for Denmark	156.1	32.5
ECA Approvals for Program Use of 95%	.1	*
Withdrawals	0	0
Purpose of Withdrawals:		
Promotion of Production		
Technical Assistance .....	.1	*
1/ Rate: 4.79901 Kroner to U.S. dollar. * Less than \$50,000.		

NOTE: "dollar equivalents" are computed at the actual rates which were used by the respective governments in agreement with the Administrator in making commensurate deposits of local currency.



FOR EUROPEAN RECOVERY

SUPPLIED BY THE

UNITED STATES OF AMERICA