National Advisory Council

ON

INTERNATIONAL MONETARY
AND FINANCIAL POLICIES

ANNUAL REPORT TO THE PRESIDENT
AND TO THE CONGRESS
JULY 1, 1966 - JUNE 30, 1967

REPORT OF ACTIVITIES OF THE NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL POLICIES

FOR THE PERIOD

July 1, 1966 - June 30, 1967

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REPORT OF ACTIVITIES OF THE NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL POLICIES

July 1, 1966 - June 30, 1967

I. ORGANIZATION OF THE COUNCIL

LEGAL BASIS

The National Advisory Council on International Monetary and Financial Policies was established by Executive Order 11269 (31 F. R. 2813), dated February 14, 1966, and effective January 1, 1966. This report is submitted pursuant to the Act of August 14, 1965, Public Law 89-126, § 1, (79 Stat. 519, 22 U. S. C. 286b).

MEMBERSHIP

The members of the Council, at the end of the period under review, were the following:

The Secretary of the Treasury, Henry H. Fowler, Chairman.
The Secretary of State, Dean Rusk.
The Secretary of Commerce, Alexander B. Trowbridge
The Chairman of the Board of Governors of the Federal Reserve System, William McChesney Martin, Jr.
The President and Chairman of the Board of Directors of the Export-Import Bank, Harold F. Linder.

By agreement, the following served as Alternates:

Winthrop Knowlton, Assistant Secretary of the Treasury for International Affairs
Anthony M. Solomon, Assistant Secretary of State for Economic Affairs
Lawrence A. McQuade, Assistant Secretary of Commerce for Domestic and International Business
Andrew F. Brimmer, member, Board of Governors of the Federal Reserve System
Walter C. Sauer, First Vice President and Vice Chairman of the Board of Directors of the Export-Import Bank

Charles R. Harley is the Secretary of the Council.

The U.S. representatives on the international financial institutions participate in the work of the Council:

U.S. Executive Director of the International Monetary Fund William B. Dale (John S. Hooker, Alternate).

U.S. Executive Director of the International Bank for Reconstruction and Development and of the International Development Association, and U.S. Director of the International Finance Corporation, Livingston T. Merchant (Emmett J. Rice, Alternate).

U.S. Executive Director of the Inter-American Development Bank, Assistant Secretary of the Treasury, True Davis (Reuben Sternfeld, Alternate).

U.S. Director of the Asian Development Bank, Bernard Zagorin (Herman Barger, Alternate).

By delegation of the Secretary's authority the Department of State is represented in the activities of the Council by the Bureau of Economic Affairs on monetary matters including the International Monetary Fund, and by the Administrator of the Agency for International Development on matters of development policy and loan transactions.

Representatives of the Department of Agriculture, the Bureau of the Budget and the Department of Defense participated in the work of the Council on a regular basis, and representatives of other interested agencies took part on issues of interest to them. This participation by representatives of interested non-member agencies continues a practice which has been followed during the entire period of the Council's existence.

During the period under review, the National Advisory Council placed continuing and increased emphasis on implementing the balance of payments policy which it had adopted the preceding year immediately after the Council was reorganized under Executive Order 11260. This policy called the attention of the constituent agencies to the policies and programs recommended by the Cabinet

Committee on the Balance of Payments and directed all of the agencies of the Government to give special consideration to the balance of payments impact of transactions proposed by them. The Council and the Secretary of the Treasury have fully taken into account these considerations in their actions on the proposals of Government agencies and of the international institutions, respectively, with regard to particular loan and credit transactions, the issuance of securities in our markets by the international lending agencies, and proposals for the subscription by the United States of new resources for their operations.

II. INTERNATIONAL MONETARY AFFAIRS

1. INTERNATIONAL MONETARY NEGOTIATIONS

During the past year there has been great progress in the negotiation of a plan to strengthen the international monetary system through the deliberate creation of a new asset to supplement existing forms of monetary reserves. In July 1965, Secretary Fowler, with the approval of President Johnson, had announced the willingness of the United States to participate in discussions with other countries looking toward the creation of additional reserves. The Group of Ten in September 1965 further advanced these discussions, as noted in the preceding Report of the Council, and the Executive Directors of the International Monetary Fund continued their work.

In July 1966, the meeting of the Finance Ministers and Central Bank Governors of the Group of Ten, in which Secretary Fowler and Chairman Martin of the Federal Reserve represented the United States, agreed that the existing sources of reserves would be unlikely to provide an adequate basis for world trade and payments in the longer run. They reached agreement on a number of basic principles for the deliberate creation of additional reserve assets to meet this contingency and recommended that their Deputies participate in joint meetings with the Executive Directors of the International Monetary Fund. Broad support for this suggestion was expressed in statements by Governors of the International Monetary Fund at the Annual Meeting of the Board in September 1966.

Four joint meetings were held, in November 1966, and in January, April and June 1967. Through the joint meetings, supplemented by discussions and studies undertaken separately within the Fund and among the Ten, progress was made in the negotiation of an outline of a specific plan for the establishment of a new facility in the International Monetary Fund. By the close of the final joint meeting, agreement had been achieved on most elements of the plan, but there were some important questions which had not been resolved.

The Outline Plan envisaged the creation of a new form of special drawing rights in the Fund, transferable among participants in exchange for convertible currency, and to be allocated to participating members at intervals in accordance with decisions to be taken for specific future periods. All Fund members could participate in the Plan. Decisions to create the new "Special Drawing Rights" would be taken by the Board of Governors of the Fund on the basis of recommendations by the Managing Director.

Procedures for taking decisions and certain aspects bearing on the holding and use of the new asset were not resolved in the joint meetings. In order to resolve these issues the draft outline was referred to the Ministers and Governors of the Group of Ten, who, in a meeting in July and another in August 1967, reached agreement on all elements of the Outline Plan. This Plan was subsequently approved by the Executive Directors and referred to the Board of Governors at the Annual Meeting in September 1967.

The Board of Governors approved the Outline Plan and requested the Executive Directors to formulate precise provisions for putting the plan into effect, including necessary modifications of the Fund Articles of Agreement. The National Advisory Council will submit a Special Report to the Congress when this work is completed.

2. INTERNATIONAL MONETARY FUND

The purposes and functions of the International Monetary Fund, as set forth in its Articles of Agreement, have been described in detail in previous Reports of the National Advisory Council. One of its basic objectives is the promotion of exchange and monetary stability through the provision, under adequate safeguards, of medium-term financial assistance to member countries in temporary balance-of-payments difficulties. Such countries are thereby given the opportunity to correct these difficulties without resorting to restrictive measures. This financial assistance, or use of the Fund's resources, is related to the member's quota and takes the form of a purchase or "drawing" of other members' currencies from the Fund in exchange for the member's own currency. As an alternative to immediate drawings, members have been able since 1952 to enter into stand-by arrangements which provide assurance to member countries that, under appropriate conditions, they may have access to the Fund's resources within a specific period and up to a stipulated amount.

A new drawing facility was introduced in 1963, designed in particular for primary producing countries, to compensate for temporary shortfalls in export earnings largely attributable to circumstances beyond a member's control. This facility was liberalized in 1966, and compensatory drawings outstanding henceforth do not affect a member's ability to make ordinary drawings under the Fund's tranche policies. Compensatory drawings outstanding may amount to a maximum of 50 percent of quota but, except in special cases, the amount of such drawings outstanding may not increase by more than 25 percent of quota in any 12-month period. These drawings must be repaid under the rules that apply to ordinary drawings, i.e., within an outside limit of 3 to 5 years, but the Fund recommends that members also repay compensatory drawings in amounts proportionate to a subsequent excess of exports over the medium-term trend value.

1966 ANNUAL MEETINGS

The 1966 Annual Meetings of the Boards of Governors of the International Monetary Fund and the World Bank and its affiliates - the International Development Association and the International Finance Corporation - were held in September in Washington, D.C.

The U.S. delegation was headed by Secretary of the Treasury Henry H. Fowler, U.S. Governor of the Fund and Bank, and included members of Congressional committees responsible for legislation relating to these institutions, and other officials of the Government concerned with international financial matters. The Alternate Governor was George W. Ball, Under Secretary of State. Serving as Temporary Alternate Governors were: Joseph W. Barr, Under Secretary of the Treasury, Frederick L. Deming, Under Secretary of the Treasury for Monetary Affairs, Winthrop Knowlton, Assistant Secretary of the Treasury for International Affairs, Livingston T. Merchant, U.S. Executive Director of the World Bank, and William B. Dale, U.S. Executive Director of the Fund.

In presenting the Annual Report of the Executive Directors to the Board of Governors of the Fund, the Managing Director of the Fund, Pierre-Paul Schweitzer, reviewed important achievements of the Fund during the past two decades of its existence and discussed some of the more urgent and immediate problems that lie ahead. After reviewing production, balance-of-payments developments, movements of interest rates and prices in major countries and areas, he noted the "significant advances in understanding and agreement" reached on the international liquidity problem and the creation of additional reserves. He favored a plan whereby all members of the Fund would participate in any distribution of such reserves, say in proportion to Fund quotas, and stressed the desirability, "without undue delay," of ready agreement on the concrete arrangements for effecting the needed improvement in the international monetary mechanism.

Of major importance at the Annual Meeting was the Board of Governors' discussion of the economic and technical issues involved in the general question of international liquidity and reserve creation. The Governors were in general agreement that the growth of world reserves should be closely related to the needs of the world economy rather than to the need for balance-of-payments assistance on the part of particular countries; that decisions to create additional reserves should take into account the probable effects on the respective interests of all countries; and that the initial distribution of such reserves among countries receiving them should be dependent upon some objective measure of the economic size of these countries, as, for example, Fund quotas. There was also virtual agreement among the Governors that all Fund members should have the privilege of participating in the distribution of the new reserves, and that such newly-created reserves should be held or used only by monetary authorities for transfers among such authorities.

Proposals put forward by the Managing Director -- one involving an extension of quasi-automatic drawing rights of the gold tranche type in the Fund, and the other involving the issuance of reserve units by an affiliate of the Fund -- were, he said, based on the principle that "reserve creation is the concern of all member countries and provide that all should participate, with due safeguards, both in the distribution of newly-created reserves and in the decisions which lead to their creation, and such creation should take place either through the Fund or through an affiliate of the Fund."

At the discussion of the Fund's Annual Report, Secretary Fowler emphasized the importance of an expanded flow of aid and capital to the developing countries and called for a strengthening of the balance-of-payments adjustment process through the appropriate use of fiscal and monetary policy instruments and through the cooperation of both deficit and surplus countries. He stated that the United States was moving toward equilibrium in its external payments as fast as the unusual and temporary foreign exchange costs of the fighting in Viet Nam would permit and that it would be unrealistic to expect that U.S. deficits would continue to supply reserves in the future on the same scale as in the past. He emphasized the need for provision of adequate monetary reserves to support financial transactions in a world of expanding production and trade, and hoped "that a specific plan for deliberate reserve creation" would become the subject of action by the Fund Governors not later than the next Annual Meetings.

In his concluding remarks at the Annual Meeting, the Managing Director called attention to the stress which so many Governors placed on the need for improvements in the international monetary system and the general acceptance of the central role to be played by the Fund in carrying out such improvements. He noted that there was a clear desire to set about this work promptly, and indicated that arrangements were being discussed for informal meetings between the Executive Directors of the Fund and the Deputies of the Group of Ten which he felt would be useful in identifying common ground for action.

MEMBERSHIP AND RESOURCES

Three countries -- Guyana, Indonesia, and Singapore -- were admitted to Fund membership during the fiscal period under review, with quotas of $15 million, $207 million, and $30 million, respectively. Indonesia, a member since 1954, withdrew from membership in August 1965 and rejoined the Fund in February 1967. Quota increases for 29 member countries during the period amounted to the equivalent of $530.5 million, almost all of which were in accordance with the 1966 general and special increases in members' quotas. As of June 30, 1967, the membership of the Fund included 106 countries, with aggregate quotas of approximately $21 billion. (see appendix table D-1 .)

FUND CURRENCY TRANSACTIONS

During the fiscal period under review, Fund currency sales (member drawings) -- mainly in currencies other than U.S. dollars -- amounted to the equivalent of $1,118 million, somewhat below the $1,424 million of Fund currency sales in the preceding fiscal year (see table 1). The currencies of Brazil, Malaysia, Norway, South Africa, and Venezuela were used for the first time in drawings by other members, and the Fund made its first borrowing outside the General Arrangements to Borrow (GAB) in the equivalent of $250 million in Italian lire.

U.S. use of the Fund's resources

With drawings of $460 million equivalent, including the equivalent of $250 million of Italian lire which the Fund borrowed from Italy, the United States accounted for over 40 percent of total drawings ($1,118 million) during fiscal 1967. The United States used the lire to purchase $250 million of dollars held by Italy, which had for some time been experiencing a large balance-of-payments surplus. The drawing of lire was the second U.S. drawing from the Fund which was not designed to facilitate repurchases by other members of the Fund; the first such transaction -- in the equivalent of $300 million -- occured in July 1965. The United States also drew the equivalent of $180 million in Canadian dollars and $30 million in Deutsche Mark for resale against dollars to other members for use in repayment to the Fund. Through the end of the period under review, total U.S. drawings from the Fund amounted to the equivalent of $1,640 million. However, as the result of sales of U.S. dollars by the Fund to other countries,

Table 1.--International Monetary Fund currency sales, July 1, 1966 to June 30, 1967, by country

(In millions of U.S. dollars)

Country	Currency Sales		
	TOTAL	U.S. Dollars	Other Currencies
TOTAL, ALL COUNTRIES.....	1,118.5	139.5	978.9
United States.....	460.0	-	460.0 1/
Spain.....	166.0	25.0	141.0
Finland.....	70.0	-	70.0
Colombia.....	50.4	-	50.4
Turkey.....	40.5	-	40.5
Iraq.....	40.0	10.0	30.0
Ghana.....	37.2	4.0	33.2
Ceylon.....	37.0	7.5	29.5
Yugoslavia.....	35.0	9.4	25.6
Chile.....	30.0	5.0	25.0
New Zealand.....	29.2	-	29.2
Sudan.....	24.5	-	24.5
El Salvador.....	20.0	20.0	-
Argentina.....	17.5	17.5	-
Afghanistan.....	8.0	6.0	2.0
Dominican Rep.....	6.6	6.6	-
Sierra Leone.....	5.5	-	5.5
Burundi.....	5.0	-	5.0
Ecuador.....	5.0	5.0	-
Tunisia.....	5.0	1.0	4.0
Uruguay.....	5.0	5.0	-
Costa Rica.....	4.8	4.8	-
Liberia.....	4.8	4.8	-
Haiti.....	3.9	3.9	-
Guatemala.....	3.0	3.0	-
Rwanda.....	2.0	-	2.0
Somalia.....	1.5	-	1.5
Guinea.....	1.0	1.0	-

Note: Detail will not necessarily add to totals due to rounding.
1/ Including the equivalent of $250 million in Italian lire.
Source: International Monetary Fund.

Table 2--International Monetary Fund currency sales, through June 30, 1967, by calendar years

(In millions of U.S. dollars)

Period	TOTAL	U.S. dollars	Deutsche Mark	French francs	Italian lire	Canadian dollars	Other
TOTAL	13,383.8	5,104.8	2,203.5	1,337.0	1,102.7	974.2	2,661.
1967-1st half	473.2	53.8	55.0	47.5	37.5	25.0	254.
1966	1,448.2	158.8	239.5	77.0	311.8	459.8	201.
1965	2,433.5	282.2	418.1	376.8	473.8	290.5	591.
1964	1,949.8	281.9	718.1	356.8	31.3	99.0	462.
1963	333.2	193.7	37.5	20.0	28.0	-	54.
1962	583.8	109.5	115.6	97.0	5.0	-	256.
1961	2,478.5	822.0	503.6	344.5	215.2	85.0	508.
1960	279.8	148.5	40.2	5.0	-	-	86.
1959	179.8	138.5	7.0	12.5	-	-	21.
1958	337.9	252.2	64.5	-	-	-	21.
1957	977.1	977.1	-	-	-	-	-
1947-1956	1,908.9	1,686.5	4.4	-	-	15.0	203.

Note: Detail will not necessarily add to totals due to rounding.

1/ Consisting of 16 currencies: Argentine pesos, Australian dollars, Austrian schillings, Belgian francs, Brazilian cruzeiros, Danish kroner, Japanese yen, Malaysian dollars, Mexican pesos, Netherlands guilders, Norwegian kroner, Pounds sterling, South African rand, Spanish pesetas, Swedish kronor, and Venezuelan bolivares.

Source: International Monetary Fund.

as well as other transactions in U.S. dollars, outstanding drawings of the United States on June 30, 1967 amounted to $851.4 million, an increase of $321 million over the amount outstanding a year earlier. The U.S. quota in the Fund is $5,160 million, of which $1,290 million was paid in gold.

Other currency sales

Total Fund drawings by 27 other member countries during fiscal 1967 amounted to the equivalent of $658.5 million, about one-half of which was represented by transactions with four countries -- Spain ($166 million), Finland ($70 million), Colombia ($50.4 million), and Turkey ($40.5 million). The remaining drawings ranged in amount from $1 million by Guinea to $40 million by Iraq. Drawings by Guinea, Iraq, and Sierra Leone constituted the first use of the Fund's resources by these countries.

The compensatory financing facility, introduced in 1963 to assist primary producing countries which experience temporary shortfalls in their export earnings through circumstances largely beyond their control, was liberalized in September 1966. Through June 30, 1967, compensatory financing drawings aggregating $179 million had been made by 8 member countries -- Brazil, Ceylon, Colombia, the Dominican Republic, Ghana, New Zealand, Sudan, and the United Arab Republic.

As indicated in table 2 , total Fund drawings since the beginning of operations through June 30, 1967 rose to the equivalent of $13.4 billion, an increase of almost $10 billion since June 30, 1960. The equivalent of over $8.3 billion, or over 60 percent of the total, was drawn in currencies other than U.S. dollars. This represents a very significant increase over the approximately $481 million in non-dollar Fund drawings through June 1960, and reflects the Fund's policy of providing for drawings the currencies of countries in surplus balance-of-payments positions.

Currency repurchases

In the fiscal period under review, 31 member countries repurchased the equivalent of $760 million of their currencies from the Fund (see table 3). The United Kingdom repurchased the sterling equivalent of $405 million in eight currencies which the

Table 3.-- International Monetary Fund currency repurchases, July 1, 1966 to June 30, 1967, by country

Country	Amount (In millions of dollars)
TOTAL	759.6 1/
Afghanistan	2.2
Argentina	57.0
Bolivia	2.5
Brazil	23.0
Burundi	3.2
Ceylon	7.5
Chile	37.1
Colombia	35.5
Costa Rica	5.0
Cyprus	1.2
Ecuador	.2
Ghana	6.0
Guatemala	0.4
Haiti	3.1
Honduras	5.3
India	57.5
Indonesia	6.3
Ireland	1.3
Liberia	4.9
Nicaragua	5.6
Pakistan	1.9
Philippines	7.3
Somalia	1.8
Sudan	4.9
Syria	4.2
Tunisia	0.6
Turkey	28.5
United Arab Republic	16.0
United Kingdom	405.0
Uruguay	8.0
Yugoslavia	11.5

Note: Detail will not necessary add to total due to rounding.

1/ Total includes settlement of payments totalling $5 million by Cuba.

Source: International Monetary Fund.

Table 4.--International Monetary Fund currency repurchases, by currency of repurchase, calendar years, through June 30, 1967

(In millions of U.S. dollars)

Period	Currency Repurchases						
	TOTAL	U.S. dollars	Deutsche mark	Canadian dollars	French francs	Other currencies 1/	Gold
TOTAL.....	7,061.7	3,572.5	945.7	591.1	409.8	667.0	875.5
1967-1st half.....	547.2	-	221.1	21.1	119.3	179.8	5.9
1966.....	480.4	0.5	14.7	412.2	23.1	18.3	11.4
1965.....	379.6	-	121.9	107.1	19.0	92.4	39.3
1964.....	513.4	4.8	264.6	-	125.2	99.0	19.8
1963.....	299.2	206.6	2.9	-	8.0	33.2	48.5
1962.....	1,332.2	719.2	235.4	50.3	85.0	175.0	67.2
1961.....	762.2	521.3	85.0	0.4	30.0	69.6	55.9
1960.....	712.1	580.4	-	-	-	-	131.7
1959.....	595.8	442.1	-	-	-	-	153.8
1958.....	347.7	271.0	-	0.1	-	-	76.8
1957.....	73.0	12.2	-	-	-	-	60.8
1947-1956.....	1,018.9	814.5	-	-	-	-	204.5

Note: Detail will not necessarily add to totals due to rounding.
1/ Consisting of Australian dollars, Austrian schillings, Belgian francs, Italian lire, Japanese yen, Netherlands guilders, pounds sterling, and Swedish kronor.

Source: International Monetary Fund.

Fund had originally borrowed under the General Arrangements to Borrow (GAB) at the time the United Kingdom drew the equivalent of $1 billion in December 1964. The Fund thereupon repaid the $405 million borrowing from the GAB countries. The remaining $355 million in repurchases were in relatively small amounts, with the exception of India ($57.5 million), Argentina ($57 million), Chile ($37.1 million), and Colombia ($35.5 million).

Total repurchases in U.S. dollars, other convertible currencies, and gold from the inception of the Fund through June 1967, amounted to the equivalent of $7.1 billion (see table 4). As in the case of currency sales (drawings), there has been an increasing use of non-dollar currencies since 1961. The ratio of repurchases involving the use of U.S. dollars to total repurchases declined from approximately 68 percent through June 1962 to 50 percent through June 1967. The cumulative total of Deutsche marks, Canadian dollars, French francs, and Netherlands guilders used for repurchases amounted to the equivalent of over $2 billion.

Drawings outstanding on June 30, 1967 amounted to approximately $4.7 billion, as compared to $4 billion on June 30, 1965, and $1.1 billion on June 30, 1960.

Stand-by arrangements

Stand-by arrangements, which normally run for a period of one year, constitute an important element of Fund operations. They are intended to assure member countries, as an outcome of advance consultation and agreement, that drawings may be made up to an agreed amount provided that certain conditions (usually relating to financial policy) are observed. Most drawings are made against stand-by arrangements, which many members regard as providing a secondary line of reserves available in the event of temporary balance-of-payments difficulties.

In the current fiscal period, the Fund entered into such arrangements with 24 member countries in a total equivalent to $663 million. Among the larger arrangements (which accounted for over one-half of the total) were those with Argentina ($125 million), Finland ($93.3 million), Colombia ($60 million), the Philippines ($55 million), and Morocco ($50 million). The aggregate amount of stand-by arrangements outstanding amounted to $663 million on June 30, 1967. Approximately $453 million of this amount remained available to members at the end of the period under review.

Table 5.--International Monetary Fund stand-by arrangements - Amounts available under agreements in effect on June 30, 1967

Country	Date of -		Amounts (In millions of U.S. dollars)		
	Inception	Expiration	Agreed	Drawn	Available (end of period)
TOTAL, ALL COUNTRIES	-	-	663.2	210.1	453.1
Afghanistan	Aug. 1966	Aug. 1967	8.0	8.0	-
Argentina	May, 1967	April, 1968	125.0	-	125.0
Bolivia	Dec. 1966	Dec. 1967	18.0	-	18.0
Brazil	Feb. 1967	Feb. 1968	30.0	-	30.0
Burunda	Mar. 1967	Mar. 1968	6.0	5.0	1.0
Colombia	Apr. 1967	Apr. 1968	60.0	22.5	37.5
Ecuador	July 1966	July 1967	13.0	5.0	8.0
Finland	Mar. 1967	Mar. 1968	93.8	70.0	23.8
Ghana	May 1967	May 1968	25.0	5.0	20.0
Guatemala	Apr. 1967	Mar. 1968	13.4	3.0	10.4
Guyana	Feb. 1967	Feb. 1968	7.5	-	7.5
Haiti	Oct. 1966	Sept. 1967	4.0	1.5	2.5
Korea	Mar. 1967	Mar. 1968	18.0	-	18.0
Liberia	June 1967	May 1968	4.0	-	4.4
Morocco	Sept. 1966	Sept. 1967	50.0	-	50.0
Paraguay	Sept. 1966	Aug. 1967	7.5	-	7.5
Philippines.....	Jan. 1967	Jan. 1968	55.0	-	55.0
Rwanda	Apr. 1967	Apr. 1968	2.0	1.0	1.0
Sierra Leone.....	Nov. 1966	Oct. 1967	7.5	5.5	2.0
Somalia.....	Jan. 1967	Jan. 1968	5.0	1.5	3.5
Sudan.....	Sept. 1966	Sept. 1967	28.5	24.5	4.0
Tunisia.....	Dec. 1966	Dec. 1967	9.6	3.6	6.0
Turkey.....	Feb. 1967	Dec. 1967	27.0	19.0	8.0
Yugoslavia.....	Jan. 1967	Dec. 1967	45.0	35.0	10.0

Source: International Monetary Fund

FUND CONSULTATIONS, EXCHANGE RESTRICTIONS, AND PAR VALUES

Under the transitional arrangements of Article XIV of the Fund Agreement, a member country is authorized, for balance-of-payments purposes, to maintain and adapt to new circumstances those restrictions on payments and transfers for current international transactions which were in effect at the time the country became a member of the Fund. However, as soon as conditions warrant, these countries are required to adopt measures which "will facilitate international payments and the maintenance of exchange stability." They are also required to consult with the Fund annually with respect to the further retention of such exchange restrictions.

The consultations with Article XIV countries are designed to assist in the solution of difficult financial and economic problems and to facilitate the gradual liberalization of restrictive exchange practices. Since 1962, the Fund has also had voluntary consultations with members accepting Article VIII obligations. Annual consultations between the United States and the Fund have been held since that year. Representatives of the Council of Economic advisers and other government officials join with representatives of the member agencies of the National Advisory Council in these discussions.

In the period under review, four countries -- Bolivia, Denmark, Guyana, and Norway -- notified the Fund of their formal acceptance of the obligations of currency convertibility under Article VIII, Sections 2, 3, and 4, of the Fund Agreement, thereby increasing the number of Article VIII countries to 31. 1/

Member countries assuming Article VIII status agree to avoid imposing restrictions on payments for current international transactions or engaging in multiple exchange rates or discriminatory currency practices, without prior Fund approval. The currencies of countries which have accepted the obligations of Article VIII are eligible for use in members' repayments to the Fund to the extent that the Fund's holdings of these currencies would not be increased above 75 percent of the member's quota. In 1966, Article VIII countries were the source of over 75 percent of world exports.

1/ Australia, Austria, Belgium, Bolivia, Canada, Costa Rica, Denmark, the Dominican Republic, El Salvador, France, the Federal Republic of Germany, Guatemala, Guyana, Haiti, Honduras, Ireland, Italy, Jamaica, Japan, Kuwait, Luxembourg, Mexico, the Netherlands, Nicaragua, Norway, Panama, Peru, Saudi Arabia, Sweden, the United Kingdom, and the United States.

As indicated in the Eighteenth Annual Report on Exchange Restrictions, issued by the Fund in May 1967, developments during 1966 reflected continued progress in the liberalization of restrictions on current account. In most cases this relaxation applied to trade, although in a number of countries restrictions on payments for invisibles were also relaxed to some extent. In the area of bilateral payments arrangements there was some progress in reducing discrimination associated with such arrangements, and the number of agreements which were terminated exceeded the number of new agreements concluded. Exchange systems involving multiple currency practices or fluctuating rates continued in a number of countries, although in a few important cases complex exchange systems were simplified.

In agreement with the Fund, initial par values were established in the current period for the Tanzania shilling, the Uganda shilling, and the Kenya shilling at 7.14286 shillings per U.S. dollar 1/, for the Guyana dollar at 1.71429 Guyana dollars per U.S. dollar, and for the Singapore dollar at 3.06122 Singapore dollars per U.S. dollar. The Fund in February 1967 also concurred in a proposal of the Government of Ghana for the replacement of the cedi, Ghana's existing currency unit, with a new unit to be designated the "new cedi". The new unit circulates concurrently with the old cedi, which is being withdrawn from circulation, at the rate of NC 1 equals C 1.20. The agreed par value for the "new cedi" was NC 0.714286 per U.S. dollar. (Effective July 8, 1967, the par value was changed to NC 1.02041 per U.S. dollar). In June 1967, the Government of the Democratic Republic of the Congo announced the introduction of a new monetary unit -- the Zaire -- to replace the present Congo Franc at the rate of 1 Zaire equals CF 1000. An exchange rate of 1 Zaire equals 2 U.S. dollars was established in agreement with the Fund.

TECHNICAL ASSISTANCE AND TRAINING PROGRAMS

In addition to its annual consultations with member countries, the Fund has continued over the years to provide technical assistance and advice to member countries on matters associated with their trade and payments, fiscal affairs, and central banking.

1/ The new currencies will replace, at par, the East Africa shilling issued by the East African Currency Board.

The Fund's Fiscal Affairs Department and Central Banking Service, organized in 1964, have responded to many requests from member countries for assistance in their respective fields. In the three years since its inception, the Fiscal Affairs Department has made 17 assignments from its panel of experts for assistance on problems of public finance to countries in Africa, Asia, the Middle East, and Latin America. During the Fund's fiscal year ended April 30, 1967, 42 experts carried out assignments in 25 countries under the auspices of the Central Banking Service.

Technical aid has for some time been provided to member countries through the IMF Institute. Its principal task is the preparation and presentation of regular courses on financial analysis and policy to assist qualified staff representatives of member countries to increase their ability to assist in the formulation of appropriate monetary, fiscal, and balance-of-payments policies. Particular attention is given to the problems of the developing countries.

FINANCE

In the Fund fiscal year ended April 30, 1967, the net income of the Fund amounted to $50.4 million, somewhat larger than the $44.5 million of net income in the preceding period and approximately twice the net income for the year ended April 30, 1962. This amount was transferred provisionally to the General Reserve pending action by the Board of Governors. The General Reserve was thereby increased to the equivalent of $236.8 million.

In 1958, 1959, and 1960, the Fund sold a total of $300 million in gold to the United States in order to acquire income-earning U.S. Treasury bills and short-term notes. Under the terms of these sales, the same quantity of gold can be reacquired by the Fund upon termination of the investment. The income from these invested funds during the Fund's fiscal year amounted to $41 million and was credited to the Special Reserve, which totalled $223.1 million on April 30, 1967. Total reserves of the Fund increased by $91.4 million in fiscal 1967, from $368.5 million to $459.9 million.

CONCLUSIONS AND RECOMMENDATIONS

The National Advisory Council is of the opinion that the International Monetary Fund has operated within the framework of its Articles of Agreement in promoting international monetary cooperation, in facilitating the expansion and balanced growth of world trade, and in assisting its members to overcome temporary balance-of-payments disturbances.

Through its regular discussions with member countries -- those still resorting to the transitional arrangements under Article XIV, as well as those which have already accepted the obligations of Article VIII of the Fund Agreement -- the Fund has helped its members to liberalize restrictive exchange practices, to strengthen their internal and external positions, and to work toward mutually advantageous financial and monetary policies. During the Fund's current fiscal period, consultations were completed with 45 Article XIV countries and with 18 countries which have accepted the obligations of Article VIII. The Fund's Annual Reports on Exchange Restrictions clearly indicate the progress made by member countries toward the establishment and maintenance of a sound international payments system.

The past year has witnessed an intensification of activity in various phases of the Fund's operations, including a rise in the level of outstanding drawings, an increase in quotas in accordance with recommendations accepted by the members in 1966, liberalization of the policy governing drawings under the Fund's compensatory financing facility, and a further expansion of the technical services provided to member countries.

The Executive Directors of the Fund and the Deputies of the Group of Ten, working independently and through four informal joint sessions, prepared the basis for a plan establishing a special facility in the Fund to meet the world's growing needs for monetary reserves.

The Council does not recommend any amendment of the Articles of Agreement at this time. It calls attention, however, to the fact that proposals arising from the current negotiations for strengthening the international monetary system through the establishment of a new facility in the Fund will require modification of the Fund's Articles for their implementation. The Council, at an appropriate time, will submit a Special Report on these

proposed modifications, and will state its recommendations with respect to any amendments of the Fund's Articles which may be necessary to implement such proposals.

III. MULTILATERAL FINANCING OF ECONOMIC DEVELOPMENT

1. INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)

In entering its 21st year of operations, the International Bank has continued to devote its resources to the economic development of its less-developed member countries through loans for projects of high priority, through the provision of technical assistance to increase the ability of member countries to make effective use of their own and outside capital, and through measures to encourage and expand the flow of private investment to these countries. In addition to the normal financing of infrastructure (chiefly transportation and electric power projects), the Bank and the International Development Association have continued to provide increasing amounts of financing in support of education and agriculture.

1966 ANNUAL BANK GROUP MEETING

Discussions at the Annual Meeting of the World Bank and its affiliates -- the International Development Association and the International Finance Corporation -- were largely concerned with the importance of maintaining an adequate flow of resources to the developing world. In his address to the Governors, George D. Woods, President of the Bank, noted that the most important single accomplishment of the development effort since World War II was the increased ability of the less-developed countries, through new skills, attitudes, and institutions, to achieve further development and to use increasing amounts of capital effectively and productively. In view of the low per capita annual income of most of the population in the Bank's membership, the Bank and its affiliates face an urgent need for additional funds. Although most of the funds needed for their own development will continue to come from the developing countries themselves, substantial additional resources will be required by the Bank Group to maintain or expand the volume of their operations.

Mr. Woods stated that the Bank ordinarily raises over half of its resources through borrowing in world markets. He was hopeful that, with the easing of tight money conditions in European countries, efforts to secure additional funds would meet with greater success. He observed that the IDA, in view of its liberal lending terms, is primarily dependent for new funds upon its member countries and upon transfers from the Bank. With uncommitted resources down to approximately $110 million, a substantial replenishment of IDA resources would be required to permit the Association to continue to undertake new commitments to the developing countries on less burdensome terms than those of the Bank. Discussions with IDA Part I countries to provide additional resources are currently in progress.

With respect to the IFC, which had utilized almost all of its uncommitted funds, Mr. Woods noted that the Bank in October 1966 approved a loan in the equivalent of $100 million to the IFC under authority of the amended Articles

Table 6.--International Bank loan commitments, by area, country, terms and purpose, July 1, 1966 to June 30, 1967

Area, Country and Borrower	Amount (In mils. of $ or equiv.)	Int. rate (Percent)	Maturity (Years)	Purpose
TOTAL.....	876.8	-	-	-
Total, Asia & Middle East	347.4	-	-	-
Japan.....	100.0	6-5/8	15	Roads
Malaysia.....	37.0 1/	6	20	Power
Malaysia.....	10.0 1/	6	25	Irrigation
India.....	30.0 1/	6	18	Steel project
Iran.....	25.0	4/	17	Industry
Philippines.....	25.0	4/	17	Industry
Philippines.....	12.0 1/	6	20	Power
Pakistan.....	21.5 1/	6	20	Power
Pakistan.....	13.5 1/	6	25	Railways
Iraq.....	23.0	6	20	Roads
Singapore.....	15.0 1/	6	25	Port improvements
Singapore.....	10.0 1/	6	20	Power
China.....	14.4 1/	6	15	Fishing vessels
Thailand.....	6.0	6	30	Education
Thailand.....	5.0 1/	6	15	Power
Total, West Hemisphere..	282.3	-	-	-
Brazil.....	61.6 1/	6	20	Power
Brazil.....	39.0 1/	6	25	Power
Chile.....	60.0 1/	6	30	Power
Colombia.....	16.0 1/	6	20	Communications
Colombia.....	9.0	6	25	Agriculture
Venezuela.....	15.0 1/	6	20	Power
Guatemala.....	15.0 1/	6	25	Power
Trinidad & Tobago.....	8.6 1/	6	25	Roads
Trinidad & Tobago.....	5.0 1/	6	23	Agriculture
Honduras.....	8.6 1/	6	20	Roads
Honduras.....	4.8 1/	6	25	Port improvement
Jamaica.....	11.2 1/	6	15	Communication
Jamaica.....	9.5 1/	6	20	Education
Peru.....	10.0 1/	6	20	Power
Nicaragua.....	5.0 1/	6	20	Power
Ecuador.....	4.0 1/	6	18	Agriculture
TOTAL, AFRICA.....	106.3	-	-	-
Congo (Brazzaville)...	30.0 3/	6	17-1/2	Potash project
South Africa.....	20.0	6-1/4	10	Power
Zambia.....	17.5	6	20	Roads
E. African Com. Service Auth.....	13.0	6	25	Communications
Tunisia.....	12.0 1/2/	6	18	Agriculture
Cameroon.....	7.0 2/	6	30	Agriculture
Senegal.....	4.0	6	15	Port improvement
Swaziland.....	2.8 1/	6	20	Power

Table 6.--International Bank loan commitments, by area, country, terms and purpose, July 1, 1966 to June 30, 1967-- Continued

Area, Country and Borrower	Amount (In mils. of $ or equiv.)	Int. rate (Percent)	Maturity (Years)	Purpose
TOTAL, EUROPE.....	40.8	-	-	-
Iceland.....	18.0 1/	6	25	Power
Turkey.....	10.0 2/	4/	15	Industry
Yugoslavia.....	10.0 1/	6	20	Roads
Cyprus.....	2.8 1/	6	15	Power
International Finance Corporation.....	100.0	5/	15	Additional funds for relending

1/ Loans in which there was private participation without the Bank's guaranty.
2/ Combined IBRD/IDA financing totalling $25 million. The amount stated represents the Bank's portion.
3/ Combined IBRD/European Investment Bank financing totalling $39 million. The amount stated represents the Bank portion.
4/ Interest will be applied to each portion of loan at the Bank's standard rate for similar loans when such portion is committed for a specific project.
5/ The interest rate on each portion of loan will be at the Bank's standard rate at the time such portion is withdrawn or at the time of approval by IFC of corresponding sub-loans.

Source: International Bank.

of Agreement of the two institutions. Under the terms of the amendments, the IFC may borrow up to four times its unimpaired subscribed capital and surplus, or approximately $400 million at present, for use in its lending operations.

Under Secretary of State George W. Ball, Alternate Governor of the Bank for the United States, also emphasized the need for increasing the level of financial assistance to the developing countries. He noted that such assistance from public sources as a proportion of the income of the industrialized countries had continued to decline for the fifth consecutive year. He also stressed the important relationship between technology and development planning in promoting economic growth, and called for initiatives to reduce population growth and for increased emphasis on food and agricultural development.

Membership and Subscriptions

During the fiscal year under review, Singapore and Guyana became members of the Bank with capital subscriptions of $32 million and $16 million, respectively, and eight member countries -- Canada, Greece, Iraq, Liberia, Morocco, Nicaragua, Syrian Arab Republic, and Venezuela -- increased their subscriptions to the Bank's capital. In addition, Indonesia, which originally joined the Bank in April 1954 and withdrew from membership in August 1965, was readmitted in April 1967 with a capital subscription of $220 million. As of June 30, 1967, the subscribed capital of the Bank amounted to $22,849.8 million, and the Bank's membership had increased to 106 (see appendix table D-1).

LENDING OPERATIONS

Loans and disbursements

In fiscal 1967, the Bank authorized 47 loans in the equivalent of $877 million, including a $100 million line of credit to the International Finance Corporation (IFC) (see table 6). Loan commitments in the preceding fiscal year were $829 million.

Power and transportation loans ($542 million) accounted for over 60 percent of the total, reflecting the importance of adequate power supplies and modern transportation facilities in stimulating more rapid economic growth in the developing countries. Of total commitments during the period, 10 countries in Asia and the Middle East received about 40 percent ($347 million), including a loan of $100 million to Japan to assist in the construction of the 333 mile Tokyo-Kobe Expressway. Loans totalling $282 million (32 percent) to 11 countries in the Western Hemisphere included approximately $160 million for the expansion of electric power facilities in Brazil and Chile. Loans to countries in Africa and Europe amounted to $106 million and $41 million, respectively.

Table 7.-- Summary of currencies repayable on loans disbursed by the IBRD, through June 30, 1967

(In millions of U.S. dollars)

Period	Currencies repayable on IBRD loan disbursements							
	TOTAL	U.S. dollars	Deutsche mark	Pounds sterling	Swiss francs	Canadian dollars	Netherlands guilders	Other 1/
TOTAL.....	8,049.0	5,255.9	728.7	392.8	358.3	230.2	199.6	883.5
1967-1st half	376.3	241.6	6.4	21.4	11.0	19.8	3.3	72.8
1966.....	781.8	482.5	59.0	32.1	12.7	60.6	5.2	129.7
1965.....	603.7	327.7	130.1	28.2	31.3	16.3	9.3	60.8
1964.....	559.2	422.4	66.0	6.0	4.7	0.2	16.5	43.4
1963.....	591.8	469.1	30.4	0.7	16.1	0.2	17.3	58.0
1962.....	575.6	410.4	37.6	1.8	32.5	7.4	19.3	66.6
1961.....	459.2	146.3	140.8	2.1	41.4	4.8	52.5	71.3
1960.....	510.2	211.1	87.4	57.7	45.8	9.7	17.4	81.1
1959.....	503.4	241.0	73.5	69.2	24.4	1.2	9.1	85.0
1947-1958....	3,087.8	2,303.8	97.5	173.6	138.4	110.0	49.7	214.8

1/ Consisting of the currencies of 32 countries

Source: International Bank.

The Bank was successful in obtaining private participation, without its guarantee, in 30 of the 47 loans authorized during the current period. Disbursements on loans amounted to $790 million, an increase of $122 million over the preceding fiscal period.

Since May 1947, when the Bank made its first loan, 508 loans, totalling $10.4 billion, 1/ have been authorized for specific productive purposes in 82 countries and territories. Two geographic areas, Asia and the Middle East, and the Western Hemisphere, received approximately 62 percent of total loan commitments. Financing for electric power and for transportation accounted for approximately two-thirds of total commitments. As a result of cancellations, exchange adjustments, repayments, and sales of loans, the portion of signed loans held by the Bank on June 30, 1967 was reduced to $7.1 billion.

Cumulative disbursements through the end of the period under review increased to$8,049 million, or approximately 77 percent of total net commitments. As indicated in table 7, about 35 percent of total disbursements were made in currencies other than U.S. dollars, mainly Deutsche mark, pounds sterling, Swiss francs, Canadian dollars, and Netherlands guilders. A total of 37 non-dollar currencies were used in loan disbursements.

Repayments

Principal repayments to the Bank ($188 million) and to purchasers of loans ($158 million) continued to increase during fiscal 1967 as a result of the greater volume of loans outstanding. Total principal repayments through June 30, 1967, at $2,560 million, consisted of $1,263 million repaid to the Bank and $1,297 million to purchasers of borrowers' obligations sold by the Bank.

Sales of participations and portfolio assets

Sales of loan maturities continued to decline during the fiscal period reflecting in part the upward movement of interest rates on competing securities. The Bank, in recognition of the U.S. balance of payments problem, has as a matter of policy not offered in the U.S. market the obligations of countries subject to the U.S. interest equalization tax on purchases of certain foreign securities by U.S. residents. As shown in table 8, the Bank in fiscal 1967 sold or agreed to sell portions of its loans amounting to $69 million (of which $49.9 million was sold outside the United States), as against $82 million in the preceding year and a

1/ Net of cancellations, refundings, and terminations, but including loans or participations sold to others.

Table 8.--Participations in and portfolio sales of International Bank loans, through June 30, 1967

(In millions of U.S. dollars)

Fiscal Years	TOTAL	Inside United States	Outside United States
TOTAL	2,035.2	666.3 1/	1,368.9 1/
1967	68.6	18.7	49.9
1966	81.9	19.4	62.4
1965	106.2	55.2	51.0
1964	173.3	39.8	133.5
1963	273.3	122.8	150.5
1962	318.8	94.8	234.0
1961	202.1	34.1	168.0
1960	242.6	94.6	148.0
1959	148.4	27.0	121.4
1958	87.0	39.3	47.7
1957	57.1	14.9	42.2
1956	72.2	23.0	49.1
1955	99.2	48.3	50.9
1954	33.8	11.9	21.9
1953	14.6	1.5	13.1
1952	23.4	5.9	17.5
Prior to 1952	33.0	28.7	4.3

Note: Detail will not necessarily add to totals due to rounding.

1/Totals reflect $13.4 million of securities originally sold inside the United States, but subsequently sold outside the U.S.

Source: International Bank

record amount of $319 million in fiscal 1962. The cumulative amount of such sales through June 1967 was $2,035.2 million, over two-thirds of which were sold outside the United States. All sales (with the exception of $69 million sold in the early years of the Bank's existence) were made without the Bank's guarantee. As of June 30, 1967, the Bank's contingent liability on the guaranteed portion of its sales was almost completely eliminated.

FUNDED DEBT

The Bank's outstanding funded debt increased by approximately $269 million during the 1967 fiscal year to the equivalent of $3,075.2 million. The total covers 67 issues including bond issues denominated in U.S. dollars, Belgian francs, Canadian dollars, Deutsche mark, Italian lire, Netherlands guilders, pounds sterling, and Swiss francs (see table 9). The currency composition of the outstanding debt remained relatively unchanged during the current period, as it has during the past several years.

Increases in the funded debt occured through the public sale of Can. $20 million (US $18.5 million) of Canadian dollar bonds, $250 million of U.S. dollar bonds, of which $159.9 million were sold under delayed delivery arrangements, Swiss francs 60 million (U.S. $14 million) of Swiss franc bonds, and the issuance of $100.8 million of bonds under delayed delivery agreements; as well as the private placement outside the United States of $100 million of U.S. dollar bonds, and Swiss franc notes of 33.3 million (U.S. $7.7 million). Decreases resulted from purchase fund and sinking fund transactions of $54.1 million and the retirement of a 33.3 million Swiss franc issue (U.S. $7.7 million). In addition, securities equivalent to $164 million were refunded through operations which resulted in increasing the Deutsche mark portion from $20 million to $32 million equivalent, and reducing the dollar component by a corresponding $12 million.

The cost of Bank borrowings in the investment markets continued to rise during the first half of the current fiscal year. As a result, the average cost on all Bank issues offered during fiscal 1967 was 5.54 percent compared with 5.08 percent in fiscal 1966.

To facilitate the sale of the Bank's bonds, the National Bank Laws (12 USC 24(7)) and the Bretton Woods Agreements Act were amended in 1949 by Public Law 81-242 (63 Stat. 298-299). Section 1 of that Law has the effect of permitting member banks of the Federal Reserve System to underwrite and deal in securities issued by the Bank, and to invest in

Table 9.-- IBRD borrowings, cumulative through June 30, 1967, by currency of issue

(Amounts expressed in millions of dollars)

Currency of Issue	Number of Issues	Original Amount	Outstanding Amount	Outstanding Issues
TOTAL	105	5,699.3	3,075.2	67
U.S. dollars	57	4,553.3	2,308.2	31
Belgian francs	1	10.0	10.0	1
Canadian dollars	6	111.0	76.0	4
Deutsche Mark	14	606.7	393.6	10
Italian lire	1	24.0	24.0	1
Netherlands guilders	4	47.0	32.9	4
Pounds sterling	3	56.0	42.6	3
Swiss francs	19	291.3	187.9	13

Source: International Bank.

such securities for their own account to the extent of 10 percent of their unimpaired capital and surplus. Section 2 of the Law exempts securities issued or guaranteed by the Bank from provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934.

International Bank bonds are currently legal investments for commercial banks in all states, for savings banks in 28 states, for life insurance companies in 49 states, for other insurance companies in 45 states, for trust funds in 48 states, and for all of these institutions in the District of Colombia. In addition, in 37 states, the Bank's securities are eligible for investment by state retirement funds and, in many of these states, by other public funds as well.

Since passage of the relevant legislation, commercial banks have participated in the underwriting of issues of the Bank's bonds in the United States and have purchased the Bank's securities for their own account and for the account of others. Together with insurance companies and other institutions having large funds to invest, they have constituted a significant market for the obligations of the Bank. The Council concludes that the provisions of Section 15 of the Bretton Woods Agreements Act, and of paragraph 7 of 12 USC 24 of the National Bank Laws have facilitated the issue of Bank securities and should be continued in effect.

As noted above, the Bank over the past decade has continued its efforts, through public sale or private placement, to strengthen the international demand for its debt obligations. Although most of the Bank's outstanding debt is payable in U.S. dollars, it is estimated that 58.3 percent of the total amount outstanding on June 30, 1967, and 44.4 percent of its U.S. dollar obligations were held by investors outside the United States, compared to 47 percent and 33 percent, respectively, as of June 30, 1957. The Council commends and supports the continuing efforts of the Bank to seek additional markets outside the United States for the sale of its securities.

To reduce any adverse effect on the U.S. balance of payments of security issues in our markets, the Bank has invested the proceeds in longer term Treasury obligations to be held until funds are needed for disbursement on loans.

FUNDS AVAILABLE FOR LOAN DISBURSEMENTS

As of June 30, 1967, the total subscribed capital of the Bank was $22,850 million, of which the equivalent of $2,285 million was paid in partly in gold or U.S. dollars and partly in national currencies. However, only a portion of paid-in capital subscriptions - $1,855 million - is available for use in the Bank's operations. This includes the U.S. portion (presently $635 million) which has been available for lending since the Bank's inception. Ninety percent of the $22,850 million, or $20,565 million,

Table 10.-- Sources of IBRD funds for loan disbursements, as of June 30, 1962 and June 30, 1967

	June 30 1962	June 30 1967	Net change
Total lendable capital subscriptions.....	1,655.5	1,854.7	+199.2
In gold or U.S. dollars.....	204.8	266.3 1/	+61.5
In members' currencies.....	1,450.7	1,588.4	+137.7
Other sources.....	4,878.5	7,499.8	+1,621.3
Net income (adjusted for transfers to IDA)....	475.7	892.2	+416.5
Outstanding debt (incl. delayed deliveries)..	2,528.3	3,309.3	+781.0
Principal repayments.....	542.5	1,263.1	+720.6
Loans sold or agreed to be sold.....	1,332.0	2,035.2 3/	+703.2
Gross total of available funds.....	6,534.0	9,354.5	+2,820.5
Less loan disbursements 2/.....	4,800.6	8,027.0	+3,226.4
Balance available for loan disbursements.....	1,733.4	1,327.5	-405.9

Note: The undisbursed balance of all loans on June 30, 1967, was $2,393.2 million.

1/ Of this total, $37.8 million represents the amount of national currencies converted by some members to be used and re-used as U.S. dollars.

2/ Net of exchange adjustments.

3/ Of this amount, $1,297.2 million has been repaid by purchasers of loans.

Source: International Bank.

is subject to call only if required to meet obligations of the Bank as a result of its borrowings. This arrangement, by providing a substantial backing for its bond and note issues, has greatly facilitated the Bank's ability to raise funds in the capital markets of the world. On June 30, 1967, outstanding borrowings of the Bank amounted to the equivalent of $3,075 million ($3,309 million including delayed deliveries), denominated mostly in U.S. dollars but also to the extent of $767 million in Canadian dollars and six European currencies. As indicated earlier in this Report, well over one-half of the Bank's outstanding debt is held by public or private investors outside the United States.

In addition to the paid-in portion of capital subscriptions available for lending and sales of Bank obligations, other sources of funds include: net income from operations, principal repayments, and sales of portions of Bank loans (see table 10). On June 30, 1967, the gross total of available funds amounted to $9,354 million. However, after deducting cumulative loan disbursements of $8,027 million - most of which came from sources other than capital subscriptions - the balance available for disbursements at the end of June 1967 was $1,327 million, a decrease of approximately $406 million since June 30, 1962.

FISCAL RESULTS

As the result, in part, of the higher yields obtainable on the Bank's temporary investments as well as an increase in loans held by the Bank, net income of the Bank in fiscal 1967 rose sharply to approximately $170 million, from $144 million in the preceding fiscal year, and $137 million in fiscal 1965. Of the net income for fiscal 1967 ($169.6 million), the Executive Directors in July 1967 allocated $159.6 million to the Supplemental Reserve against losses on loans and guarantees, and recommended that the remaining $10 million be transferred as a grant to the IDA. The total amount recommended for transfer by the Bank to IDA was thereby increased to $210 million. Previous recommended transfers included $50 million from fiscal 1964 net income, $75 million from fiscal 1965 net income, and $75 million from fiscal 1966 net income. In recommending a smaller transfer to IDA from 1967 net income, the President of the Bank referred to the continuing problem of finding finance for the operations of the Bank in a period when disbursements are running at a high rate and large borrowings are required. He expressed the hope that the Bank would be able to borrow substantial amounts in European capital markets in the Bank's forthcoming fiscal year.

As of June 30, 1967, the Special Reserve, which consists of commissions set aside for use only for meeting liabilities of the Bank on its borrowings and guarantees, amounted to $290.4 million. The Supplemental Reserve ($892 million) 1/ and the Special Reserve together amounted to $1,183 million, or approximately 17 percent of the Bank's loan commitments outstanding.

1/ Including $160 million of net income transferred to the Supplemental Reserve.

TECHNICAL ASSISTANCE AND ADVISORY SERVICES

The Bank's program of technical assistance and advisory services, in support of its primary function of providing financial assistance, expanded in scope and importance during the current period. Its main purpose is to accelerate economic growth through the most effective use of available capital.

Through its special relationship with the Food and Agriculture Organization (FAO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Bank assists its members to identify and prepare projects in the fields of agriculture and education. Through its expert missions, the Bank provides assistance to member countries in formulating development programs and in adopting policies conducive to economic growth. The Bank, during the period under review, also agreed to act as Executing Agency for 11 preinvestment studies financed by the U.N. Development Programme (UNDP) -- more than in any previous year.

The Bank's Economic Development Institute (EDI), established in 1955 as a staff college for senior government officials of developing countries, increased the number of its courses on development problems offered during the year. The EDI has also extended assistance to regional and national training courses sponsored by other agencies.

A new and expanded system of debt reporting, established and operated by the Bank and the Organization for Economic Cooperation and Development (OECD) was instituted on January 1, 1967.

COORDINATION OF EXTERNAL AID

As indicated in earlier Reports of the Council the Bank, since 1958, has taken steps to coordinate development assistance from several sources to a particular country by means of consortia of interested governments and institutions, through the medium of less formal consultative groups, and through other means, in order to assure the optimum use of such aid by the recipient countries. The essential objective of this coordinating process is to accelerate economic growth through effective international cooperation. The earliest consortia of capital exporting governments were organized in 1958 and 1960, to provide aid to India and Pakistan, respectively. The India consortium has pledged over $6 billion for India's Third Five Year Plan and the first year of its Fourth Plan. The Pakistan consortium pledged approximately $2.5 billion for the last four years of that country's Second Plan and the first two years of its Third. The Bank is also a member of consortia on Greece and Turkey, administered by the Organization for Economic Cooperation and Development (OECD).

In the current period, consultative groups under the chairmanship of the World Bank were established for Korea, Morocco, and Peru, and meetings were convened by the Bank to discuss the economic position and prospects for Brazil and Ceylon. The Bank had previously organized such groups of interested aid-giving governments and international financial agencies to coordinate the assistance provided to 6 member countries -- Colombia, Malaysia, Nigeria, Sudan, Thailand, and Tunisia -- and is a participant in a consultative group for Ecuador, organized by the Inter-American Development Bank. In agreeing to organize a consultative group for any country, the Bank assumes the responsibility for making periodic economic reports on the country's economic potential, its problems and its performance. Nineteen aid-giving countries are presently associated with one or more of the Bank-organized coordinating groups. The IMF, the UNDP and other international organizations usually participate in the proceedings of these groups.

SETTLEMENT OF INVESTMENT DISPUTES

The Convention on the Settlement of Investment Disputes between States and Nationals of other States, which was submitted by the World Bank to its member governments in March 1965, became effective on October 14, 1966. 1/ The Convention, which is open for signature to all member governments of the Bank, establishes an International Center as an autonomous body for the settlement of disputes between states and nationals of other states arising directly from investments, and provides the basic rules for the conduct of conciliation and arbitration proceedings and the recognition of arbitral awards.

The Center will provide facilities to which contracting states and foreign investors which are nationals of other contracting states may have access on a voluntary basis for the settlement of investment disputes between them in accordance with the rules of the Convention. The Center itself will not act as conciliator or arbitrator but will maintain Panels of qualified persons from which the conciliators and arbitrators can be selected. Although recourse to conciliation or arbitration under the auspices of the Center is entirely voluntary, agreement to use the facilities of the Center requires that the parties concerned give due consideration to the recommendations of a conciliator and comply with an arbitral award. It is expected that the Center will serve as a useful instrument to facilitate the flow of international capital to the developing countries.

1/ See Annual Report of the Council for fiscal 1966 (H. Doc. No. 92, 1st Sess.) p. 20.

CONCLUSIONS AND RECOMMENDATIONS

It is the view of the National Advisory Council that the International Bank, as the center of the World Bank Group of international lending and investing institutions has adhered to its basic purpose of facilitating the economic growth of its member countries.

Through the provision of long-term financial assistance for projects of high economic priority, and through the availability of a wide range of technical assistance and advisory services which help to ensure that the proposed projects are well conceived and will serve a useful economic function, the Bank over the past two decades has contributed substantially to economic advance in the less-developed areas of the world. Its policies and operations are designed, among other important objectives, to promote private foreign investment and the long-range balanced growth of international trade.

The Bank's funds available for disbursements have been obtained from the usable portion of members' subscriptions ($1.9 billion), from its own borrowings ($3.3 billion), from earnings, sales of portions of its loans, and from repayments. Of a total of $7.5 billion of available funds obtained from sources other than members' paid-in capital released for lending, over 70 percent, or $5.3 billion, has been obtained as a result of the successful efforts of the Bank to mobilize private and public funds both in the United States and abroad for purposes of economic development. Loan commitments of the Bank have ranged between $800 million and $1 billion annually during the past four years, with annual disbursements increasing from $559 million to $790 million during the same 4-year period. Nevertheless, the efforts of the developing countries - which themselves provide the bulk of the funds for their own development - have continued to be affected by a shortage of outside capital on appropriate terms.

A significant innovation, initiated by the Bank in September 1964, and designed to facilitate the settlement of investment disputes between States and foreign investors, became effective in October 1966. It is expected that adherence to the Convention, which is open to all members of the Bank, will stimulate a larger flow of international private capital to those countries desirous of attracting additional funds for development.

The activities of the International Bank and the International Monetary Fund have supplemented each other through continued cooperation toward the attainment of common objectives, and the Council considers that a satisfactory degree of coordination is being maintained between the two institutions. The Council at this time does not recommend any changes in the legislation relating to the Bank nor amendment of its Articles of Agreement.

2. INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)

As indicated in previous Reports of the Council, the IDA, an affiliate of the World Bank, was established in 1960 for the purpose of accelerating the flow of development capital to a substantial number of emerging countries which, because of rising external debt service or other circumstances, find themselves unable to finance urgent development needs on the basis of conventional loans. For these countries a greater flow of long-term capital on less-burdensome terms is clearly indicated in order to avoid serious balance of payments difficulties and possible interruption of development activity.

IDA development credits are extended on terms of 50 years, without interest, and are repayable in convertible foreign exchange. After a 10-year grace period, 1 percent of the principal amount is repayable annually for 10 years, and 3 percent is repayable annually over the remaining 30 years. A service charge of 3/4 of 1 percent per annum payable on amounts withdrawn and outstanding is made to meet IDA's administrative costs.

In appraising proposed projects, in negotiating credits, and in its requirements relating to procurement, disbursements, and progress of construction, the IDA follows principles similar to those of the World Bank. In the event the borrowing government relends the proceeds of an IDA credit for investment in a revenue-producing project, it is required to do so on terms of interest and repayment customary in the particular country.

MEMBERSHIP, SUBSCRIPTIONS AND SUPPLEMENTARY RESOURCES

Membership in the Association is open to all members of the World Bank. In September 1966, Guyana became the 97th member of the IDA with a subscription of $310,000. Included in the Association's membership are 18 Part I, or industrially advanced countries and 79 Part II, or developing countries. At the end of the period under review, action was pending on applications for membership in IDA from Gambia, Guinea, Indonesia, Lesotho, Malta, Trinidad and Tobago, Uruguay, and Venezuela.

In view of its concessional loan terms, the IDA is almost wholly dependent for its loanable funds upon its Part I member countries, and upon transfers by way of grants from the net earnings of the World Bank. As indicated in appendix table D-2, the contributions of the 18 Part I countries, whose subscriptions and subsequent contributions to the IDA were made on a fully convertible basis, amounted to the equivalent of $1.5 billion as of June 30, 1967. Of the original contributions of the 79 Part II countries, 10 percent, or approximately $25 million has been

Table 11.-IDA funds available for lending, 1960-1967

(Amounts in millions of U.S. dollar equivalents)

Source of funds		Amount
TOTAL CONVERTIBLE CURRENCY RESOURCES		1,781
Subscriptions		794
Part I countries (100 percent).....	751	
Part II countries (10 percent).....	25	
Part II countries (Releases in convertible form)	18	
Supplementary contributions		773
Part I countries (Agreed contributions to first replenishment).....	745	
Sweden (Six special supplementary contributions in addition to replenishment).....	28	
World Bank transfers.....		200
Cumulative net income.....		14
TOTAL COMMITMENTS.....		1,694
UNCOMMITTED BALANCE		87

Source: International Development Association.

paid in convertible currencies, with the remaining 90 percent in national currencies which can be used for loans only with the consent of the particular country concerned. As of June 30, 1967, 8 Part II countries - Iceland, Ireland, Israel, Jordan, Mexico, Panama, Spain and Yugoslavia - had released a total of $18 million from their 90 percent subscriptions.

An additional source of loanable funds was the transfer as a grant by the World Bank of $200 million from its net earnings, as approved by the Board of Governors for the fiscal years 1964, 1965, and 1966. The Executive Directors also recommended a transfer of $10 million from the Bank's net income in fiscal year 1967.

At the end of the current fiscal year, the cumulative total of loanable funds available to the IDA amounted to $1,781 million, including $14 million of IDA net income. Of the total, $1,694 million had already been committed, leaving a balance of $87 million for future commitments.

The IDA is authorized to accept supplementary contributions and is required regularly to review the adequacy of its resources. The first replenishment of IDA funds, amounting to approximately $750 million, was agreed to in 1964. Additional voluntary supplemental contributions, totaling over $28 million, were subsequently made available by Sweden. However, in view of its limited uncommitted resources, the President of IDA in July 1966 proposed a second replenishment of its funds, and the various aspects of the problem have been under active consideration by the governments of the principal industrialized countries.

President Johnson has indicated willingness on the part of the United States, subject to Congressional approval, to participate with other countries in providing additional resources to IDA. In March 1967 Secretary Fowler was authorized to support an IDA replenishment at a substantially increased level, provided consideration was given to the balance-of-payments problems of deficit donor countries in deciding how IDA's new resources would be made available.

IDA DEVELOPMENT CREDITS AND DISBURSEMENTS

The IDA in fiscal 1967 approved 20 development credits totaling $353 million in 13 member countries, an increase of approximately $70 million over credit authorizations in the preceding fiscal period. In addition to industrial imports, these credits assisted in financing transportation, education and agricultural projects. The amounts shown in table 12 were supplemented by additional financing provided by Sweden for Pakistan and by the IBRD for Tunisia, Cameroon, and Turkey. The Swedish loan ($1.75 million) is for a term of 20 years, with interest at 2 percent per annum. The IDA also authorized its first credit intended exclusively for engineering services in connection with a transportation project in Pakistan. The amount approved was $1 million.

Table 12. IDA development credits, by area, country, and purpose, July 1, 1966 to June 30, 1967

Member Country	Principal Amount (In mils. of $)	Purpose
TOTAL, ALL AREAS	353.5	-
TOTAL, ASIA	245.8	-
India	150.0	Industrial imports
"	65.0	"
Pakistan	25.0	"
"	1.8 1/	Water supply, sewerage
"	1.0	Project preparation
Jordan	3.0	Agriculture
TOTAL, AFRICA	90.8	-
Tunisia	13.0	Education
"	6.0 2/	Agriculture
Kenya	7.0 3/	Education
"	5.3	Agricultural roads
"	3.6	Agriculture
Cameroon	11.0 4/	Plantation program
Uganda	10.0	Education
Malagasy Republic	10.0	Roads
Mali	9.1	Railways
Senegal	9.0	"
Malawi	6.3	Education
"	0.5	Project preparation
EUROPE, Turkey	15.0 5/	Industry
LATIN AMERICA: Bolivia	2.0	Agriculture

Note: Detail will not necessarily add to totals due to rounding.

1/ Swedish/IDA financing totalling $3.5 million. The Swedish loan ($1.75 million) has maturity of 20 years, with an interest rate of 2 percent per annum. The stated amoun represents the IDA portion.

2/ Joint IBRD/IDA financing totalling $18 million. The stated amount represents the I portion.

3/ The first Bank Group financing for education in Kenya.

4/ Joint IBRD/IDA financing totalling $18 million. The stated amount represents the IDA portion.

5/ Joint IBRD/IDA financing totalling $25 million. The stated amount represents the IDA portion.

Source: International Development Association

Table 13. IDA development credits and disbursements, by area and country, through June 30, 1967

Area and Country	Number of Credits	In millions of dollars	
		Principal Commitments 1/	Disbursemen
Total, All Areas.....	109	1,694.2	1,023.7
Total, Asia and Middle East.....	55	1,269.2	847.6
Afghanistan.....	1	3.5	*
China.....	4	13.1	13.1
India.....	21	889.2	662.5
Jordan.....	4	10.0	6.0
Korea.....	1	14.0	14.0
Pakistan.....	23	331.0	151.8
Syria.....	1	8.5	0.4
Total, Africa.....	32	235.8	58.2
Botswana.....	1	3.6	2.8
Burundi.....	1	1.1	*
Cameroon.....	1	11.0	-
Ethiopia.....	2	20.7	10.5
Kenya.....	6	26.2	5.5
Lesotho.....	1	4.1	1.3
Malagasy Republic.....	1	10.0	-
Malawi.....	2	6.8	0.3
Mali.....	1	9.1	0.9
Mauritania.....	1	6.7	0.3
Morocco.....	1	11.0	-
Niger.....	1	1.5	0.2
Nigeria.....	2	35.5	6.3
Senegal.....	1	9.0	0.9
Somalia.....	1	6.2	-
Sudan.....	1	13.0	11.1
Swaziland.....	1	2.8	2.8
Tanzania.....	3	23.6	9.9
Tunisia.....	3	23.9	5.4
Uganda.....	1	10.0	-

Continued on following page.

Table 13.- IDA development credits and disbursements, by area and country, through June 30, 1967 -- Continued

Area and Country	Number of Credits	In millions of dollars	
		Principal Commitments 1/	Disbursements
Total, Western Hemisphere.....	15	108.7	73.3
Bolivia.....	3	17.0	12.9
Chile.....	1	19.0	12.9
Colombia.....	1	19.5	17.1
Costa Rica.....	1	4.6	3.5
Ecuador.....	1	8.0	0.1
El Salvador.....	1	8.0	6.3
Haiti.....	1	0.3	0.3
Honduras.....	2	12.1	8.7
Nicaragua.....	1	3.0	3.0
Paraguay.....	3	17.1	8.5
Europe: Turkey.....	7	80.6	44.3

Note: Detail will not necessarily add to totals because of rounding.
* Less than $50,000.
1/ Net of cancellations.

Source: International Development Association.

Table 14.-- Purposes of IDA development credits, as of June 30, 1967

Purpose	Amount (In millions of dollars)
TOTAL	1,694.2
Transportation	567.7
Industry	501.3
Agriculture and Forestry	283.4
Education	113.5
Electric power	108.2
Telecommunications	74.8
Water Supply	43.8
Project Preparation	1.5

Source: International Development Association.

Since May 1961, when the IDA extended its first credit, a total of 109 development credits aggregating $1.7 billion have been authorized in 38 member countries (see table 13). Of the total amount committed through June 1967, which represented an increase of over $600 million in the past two fiscal years, approximately three-fourths had been extended to countries in Asia and the Middle East, with the remainder to countries in Africa, the Western Hemisphere, and to Turkey. As indicated in table 14, the purposes of IDA development credits were generally similar to those of loans by the World Bank. For both the Bank and the IDA, financing of transportation projects represented approximately one-third of total commitments.

CONCLUSIONS AND RECOMMENDATIONS

It is the view of the National Advisory Council that the International Development Association, in providing long-term assistance to its members on easier repayment terms than those required by the IBRD, has performed an important function in supplementing the development efforts of these countries and in making it possible for them to continue their programs of economic development.

During the past six years, the IDA has extended development credits totaling approximately $1.7 billion on concessionary terms for high priority projects in 38 countries. Although over $1 billion of this amount has helped to finance the expansion of transportation and industrial facilities, increasing assistance has also been allocated to the agricultural sector to assist these countries in stimulating economic growth through increased agricultural productivity. Over the past three years, funds for agricultural development authorized by IDA more than doubled. There was also a marked expansion in the provision of assistance for education projects which increased from approximately $23 million to $113 million over the same period. Loan disbursements bear a satisfactory relation to the level of commitments and, on June 30, 1967, totaled approximately $1 billion.

The IDA has joined with the International Bank in financing worthwhile projects and, as a multilateral institution, has continued its efforts to mobilize additional development capital on liberal repayment terms from other advanced countries. The Swiss Government has recently taken steps to authorize a loan to the IDA in the Swiss franc equivalent of $12.1 million on the same favorable terms that the IDA extends to its borrowers. When completed, this would be the first borrowing by the IDA.

As indicated earlier in this Report, at the close of the fiscal period under review, the resources available for lending by IDA were almost completely committed or earmarked for specific projects. The United States has emphasized the importance of multilateral assistance to the developing countries, and has expressed its willingness to cooperate with other developed countries in providing additional long-term funds for IDA. Upon completion of international negotiations now in progress under the leadership of the International Bank, the Council expects to submit recommendations concerning U.S. participation in replenishment of IDA's resources.

The Council has no recommendations to make at this time regarding other aspects of U.S. participation in the International Development Association.

3. INTERNATIONAL FINANCE CORPORATION (IFC)

The International Finance Corporation, the Bank's lending and investment affiliate, is interested exclusively in the private sector. Its purpose is to further economic growth through the expansion of productive private enterprise in its member countries. Unlike the World Bank, the IFC makes loans to private borrowers without Government guarantee, it invests in share capital, and it underwrites offerings or placements of securities issued by new or growing industries. The operations of the World Bank, the International Development Association, and the International Finance Corporation, each with its own financial assets, are closely integrated.

MEMBERSHIP, SUBSCRIPTIONS, AND ADDITIONAL RESOURCES

Two countries - Portugal and Guyana - joined the International Finance Corporation during the current fiscal year, with subscriptions of $443,000 and $89,000, respectively, thereby increasing the total membership of the Corporation to 83 countries. Applications for membership were also received from Indonesia, Mauritania, and Viet-Nam. As indicated in appendix table D-1, the Corporation's paid-in share capital on June 30, 1967 totalled $99,929,000.

Under the amendments to the Articles of Agreement of the IFC and the World Bank that became effective December 1965, the Bank in October 1966 approved a $100 million line of credit to the Corporation. This represents the first tranche of possible borrowings from the Bank of up to approximately $400 million. Since the credit is earmarked for the Corporation's lending operations, the IFC will be in a position eventually to use its entire share capital and reserve (totalling $134.6 million) for making equity investments. With its own available resources almost entirely committed, the Corporation will be able not only to continue but also to expand and diversify its operations, as well as to increase the maximum size of its individual commitments from the previous level of $6 million to approximately $20 million. As of the end of the fiscal period, no drawings had been made under the Bank loan.

PRINCIPAL ACTIVITIES

In fiscal 1967, the IFC not only increased the volume of its operations to a record $49.1 million, but also raised the average size and expanded the purposes of its investments. For the first time, all commitments during the period involved an equity participation, usually in conjunction with a long-term loan. Disbursements of $25.4 million were also higher than in any previous fiscal period.

Considerable priority was given to projects to expand the production of fertilizer in the developing countries, a reflection of the importance given to raising food production in these countries. Financing was authorized for three new fertilizer plants in Brazil, India, and Senegal, involving a total of approximately $26 million in IFC financing. In accordance with its general policies, IFC support for these projects was based on the assurance of experienced management, a substantial equity interest of the sponsors, and provision for local investor participation. Other commitments during the period included an investment of $12 million in a shareholder-owned utility in the Philippines; a $2.9 million investment to promote the growth of tourism in Kenya - both of which represented new fields of activity by the IFC; approximately $1.8 million for the expansion of textile manufacturing facilities in Colombia and Nigeria, and $5.2 million to help finance a $25 million integrated pulp and paper mill in Pakistan.

The Corporation continued to work in partnership with private investors from both developed and developing countries. These investors, for the most part, provided not only additional finance but also technical experience and competence in their respective fields. The capital cost of projects undertaken in fiscal 1967 by the IFC is estimated at approximately $330 million. This would indicate that on the basis of IFC's financing during the period, other investors, on the average, provided more than $6 for every $1 committed by IFC. Excluding investments in development finance companies, the Corporation since 1956 has taken part in financing projects with an estimated capital cost of $1 billion.

During the current period, the Corporation continued to function as the appraisal and supervisory arm of the Bank and IDA with respect to manufacturing and mining projects and for

Table 15.-IFC commitments 1/ and disbursements, by area and country, through June 30, 1967

Area and Country	Number of commitments	In thousands of U.S. dollars			
		TOTAL	Operational investments	Standby and underwriting commitments	Disbursements
Total.....	138	209,884	184,959	24,624	139,933
Total, West Hemisphere.....	74	103,256	86,928	16,328	73,457
Argentina.....	5	7,965	7,965	-	7,965
Brazil.....	9	31,737	31,737	-	15,417
Chile.....	9	10,291	10,291	-	10,291
Colombia.....	18	14,638	14,286	352	13,254
Costa Rica.....	2	590	279	311	503
Ecuador.....	1	1,963	1,963	-	1,963
El Salvador.....	1	140	140	-	140
Guatemala.....	1	200	200	-	200
Honduras.....	2	377	377	-	377
Jamaica.....	1	224	224	-	224
Mexico.....	12	21,345	6,195	15,150	9,117
Peru.....	8	8,918 2/	8,918 2/	-	8,918
Venezuela.....	5	5,168	4,653	515	5,083
Asia & Middle East..	26	58,250	53,401	4,849	26,529
India.....	11	20,568	20,568	-	7,164
Iran.....	1	300	300	-	300
Malaysia.....	2	2,867	2,377	490	2,377
Pakistan.....	8	17,663	17,663	-	11,790
Philippines.....	2	16,359	12,000	4,359	4,405
Thailand.....	2	493	493	-	493
Total, Africa.....	17	30,063	26,775	3,288	22,635
Ethiopia.....	2	4,416	2,708	1,708	3,641
Ivory Coast.....	1	204	204	-	204
Kenya.....	1	2,924	2,924	-	140
Liberia.....	1	250	-	250	249
Morocco.....	2	2,884	2,884	-	2,784
Nigeria.....	3	2,931	1,601	1,330	2,479
Senegal.....	1	3,460	3,460	-	1,055
Sudan.....	1	689	689	-	689
Tanzania.....	2	4,731	4,731	-	4,216
Tunisia.....	2	4,064	4,064	-	4,064
Uganda.....	1	3,510	3,510	-	3,114

Table 15. IFC commitments 1/ and disbursements, by area and country, through June 30, 1967 -- continued

Area and Country	Number of commitments	In thousands of U.S. dollars			
		TOTAL	Operational investments	Standby and underwriting commitments	Disbursements
Total, Europe.....	18	17,039	16,880	159	16,386
Finland.....	4	3,148	2,989	159	2,990
Greece.....	5	6,345	6,345	-	6,345
Italy.....	1	960	960	-	960
Spain.....	5	3,963	3,963	-	3,850
Turkey.....	3	2,623	2,623	-	2,241
Australia.....	3	975	975	-	975

Note: Detail will not necessarily add to totals due to rounding.

1/ Net of cancellations, terminations, and write-offs.

2/ $300,000 was written off.

Source: International Finance Corporation.

Table 16.-Purposes of IFC investments, standby and underwriting commitments, as of June 30, 1967

Purpose	Amount (In mils. of $)
Gross Commitments	221.4
Development Finance Companies	19.2
Industry	202.2
Manufacturing	
Iron and steel basic industries	36.0
Chemicals and chemical products (incl. fertilizer)	41.2
Paper and paper products	32.5
Non-metallic mineral products (incl. cement)	22.1
Machinery and transport equipment	18.6
Textile industries	15.3
Food industries	10.5
Non-ferrous metal basic industries	4.3
Miscellaneous	4.1
Electric power	12.0
Tourism	2.9
Agriculture	1.6
Storage and warehousing	1.0

Note: Detail will not necessarily add to total due to rounding.

Source: International Finance Corporation.

has performed a valuable service in financing private enterprise in association with private investors and management; in stimulating the development of local capital markets; and in mobilizing private capital both in the United States and abroad for investment in the less-developed areas. Its loan and investment activities, and its disbursements have advanced to record levels.

This increased scale of operations has been reflected in turn in the substantial amounts of capital provided by private investors. The additional funds for lending provided by the International Bank will enable the Corporation to expand and diversify its operations and to make a more effective contribution to economic development by encouraging to a greater degree the growth of productive private enterprise in its member countries.

The Council does not recommend any changes in the Articles of Agreement of the Corporation at this time.

4. INTER-AMERICAN DEVELOPMENT BANK (IDB)

The purposes and functions of the Inter-American Development Bank have been described in some detail in previous Reports of the Council. The following material is intended to summarize recent developments in the Bank's operations.

In order to carry out its basic objective of promoting the investment of public and private capital for economic development purposes in Latin America, the Bank operates through two separate "windows" or sources of funds - the Ordinary Capital Resources and the Fund for Special Operations (FSO). The Bank also administers the resources of the Social Progress Trust Fund (SPTF) on behalf of the United States. The resources of the Trust Fund ($525 million) are nearly exhausted, and no loans have been made since 1965.

Ordinary Capital Resources are used to make loans for development projects on normal banking terms comparable to those of other international financial institutions. They are repayable in the currency or currencies in which they are made. Amortization periods range from 7 to 20 years, including grace periods. For projects involving economic infrastructure, maturities may extend up to 25 years. Interest rates reflect the cost to the Bank of its borrowing operations in world financial markets. At the end of the period under review, the standard interest rate was 6-1/2 percent.

The Fund for Special Operations is designed to make loans in circumstances where conventional lending terms are not appropriate. FSO loans are made on the basis of longer maturities and lower interest rates than those which apply to loans from the Ordinary Capital Resources. Maturities of FSO loans may range up to 30 years and FSO loans are generally repayable in the currency of the borrower.

In July 1966, the Bank established the Preinvestment Fund for Latin American Integration with initial resources of $15 million from the Fund for Special Operations to finance the preparation of feasibility studies of multinational projects designed to stimulate economic integration in Latin America. In September 1966, the United States assigned the equivalent of $1.5 million from the resources of the Social Progress Trust Fund to the new Preinvestment Fund.

EIGHTH ANNUAL IDB MEETING

Secretary of the Treasury Fowler was Chairman of the Eighth Annual Meeting of the Board of Governors of the Inter-American Development Bank, held in Washington, D.C. in April 1967. The U.S. delegation also included William S. Gaud, Administrator of AID, (Alternate

U.S. Governor), Joseph W. Barr, Under Secretary of the Treasury, and Winthrop Knowlton, Assistant Secretary of the Treasury for International Affairs (Temporary Alternate U.S. Governors), Congressional advisors, and ranking officials of the NAC agencies. Vice President Hubert H. Humphrey addressed the closing session. The major item for discussion at the meeting was a proposal to increase the Bank's resources in order to maintain and expand its support for Latin American economic and social development.

In his inaugural address, Secretary Fowler, as Chairman of the Board of Governors, reviewed the considerable progress achieved in the Latin American countries under the Alliance for Progress, as well as the contribution of the Bank in facilitating increased flows of external assistance, in mobilizing domestic resources, and in planning and helping to implement necessary reforms. The Secretary also underlined the special significance of the Annual Meeting in view of the recent Presidential Conference at Punta del Este, Uruguay, which culminated in the Declaration of the Presidents of the Americas and which established priorities under the Alliance for Progress in the areas of agriculture, education, health and multinational projects to meet vital needs of the Latin American people. He pointed out that the Conference had strongly endorsed increased emphasis during the next decade on economic integration and development in support of a viable Latin American Common Market, and that, as the regional agency with primary responsibility for the financing of Latin American development, the Bank would give careful consideration to the principles set forth in the Declaration.

The Alternate Governor for the United States, William S. Gaud, noted that the proposed increase in the Bank's resources under consideration at the Meeting, would enable the Bank significantly to expand its contribution to Latin American development. He stressed the importance of private enterprise in the development effort and called for efficient use of available resources in promoting economic and social development. He favored both continued studies and financing of specific projects in areas essential to effective economic and physical integration in Latin America.

In recognition of the importance of agriculture in the development effort, the Bank arranged two round-table discussions during the meeting on "Latin American Agricultural Development in the Next Decade." Papers presented by distinguished panelists summarized the main problems relating to agriculture in Latin America and indicated the need for appropriate institutional reforms and policy changes to meet these problems.

Table 17 Membership, subscriptions, and contribution quotas in the IDB, as of June 30, 1967

(Expressed in millions of U.S. dollars)

Country	Ordinary Capital Resources			Contributions: Fund for Special Operations
	Total	Paid-in	Callable	
Grand total.....	2,150.0	475.0	1,675.0	1,119.5
Argentina.....	224.5	51.6	172.9	48.9
Bolivia.....	18.0	4.1	13.9	3.9
Brazil.....	224.5	51.6	172.9	48.9
Chile.....	61.6	14.2	47.5	13.4
Colombia.....	61.6	14.2	47.4	13.4
Costa Rica.....	9.0	2.1	6.9	2.0
Dominican Republic.....	12.0	2.7	9.3	2.6
Ecuador.....	12.0	2.7	9.3	2.6
El Salvador.....	9.0	2.1	6.9	2.0
Guatemala.....	12.0	2.8	9.3	2.6
Haiti.....	9.0	2.1	6.9	2.0
Honduras.....	9.0	2.1	6.9	2.0
Mexico.....	144.3	33.1	111.1	31.4
Nicaragua.....	9.0	2.1	6.9	2.0
Panama.....	9.0	2.1	6.9	2.0
Paraguay.....	9.0	2.1	6.9	2.0
Peru.....	30.1	6.9	23.2	6.5
United States.....	761.8	150.0	611.8	900.0
Uruguay.....	24.1	5.5	18.5	5.2
Venezuela.....	120.3	27.6	92.6	26.2
Unassigned.....	380.2 1/	93.4	286.8	-

Note: Detail will not necessarily add to totals due to rounding.

1/ Includes funds to provide for subscriptions of new members as well as increases in the subscriptions of present members.

Source: Inter-American Development Bank.

At the closing session, Vice President Hubert H. Humphrey underscored the role of the Bank during the decade ahead in implementing the mandates of the Punta del Este Conference -- the establishment of a regional common market and the economic integration of Latin America. He announced the support of the United States for the proposal to increase the resources of the Fund for Special Operations. The Vice President also stressed the continuing need "to modernize agriculture, to expand food production and to reform antiquated and unjust rural social patterns."

Among other actions, the Board of Governors approved resolutions recommending an increase in the authorized resources of the Ordinary Capital and Fund for Special Operations; and recommending consideration of new measures to obtain additional financial resources for Latin American development from capital exporting countries of Western Europe and other areas. As a result of the Governors'resolution, the IDB Executive Board in October agreed to a plan to limit eligibility for procurement under IDB loans to members, less developed non-members, and developed non-member countries which afford the Bank adequate access to their capital markets. The plan, which is designed to stimulate an increase in flows of lending resources to the Bank from non-member countries will take effect January 1, 1968.

The Board of Governors also approved the admission of Trinidad and Tobago to membership in the Bank -- the first new member since the Bank was established in 1959. Trinidad and Tobago formally became a member on July 10, 1967 with a subscription of $9,010,000 to the Bank's Ordinary Capital Resources and a contribution of $1,962,000 to the Fund for Special Operations.

The Board of Governors considered a report by the Executive Board on the Proposed Increase of the Bank's Resources which noted that in recognition of the U.S. balance-of-payments problem, the Bank would attempt to hold the financing of local costs with dollars to a minimum: on the average, the percentage of dollars used to finance local costs will not exceed the level which prevailed in 1966, except in the high priority areas of agriculture and education.

SUBSCRIPTIONS AND CONTRIBUTION QUOTAS

As indicated in table 17, the total authorized capital of the Bank as of June 30, 1967, amounted to $2,150 million, of which $380 million is available for subscription by future members of the Bank and for increased subscription by present members. The total authorized capital includes "callable" capital of $1,675 million, and "paid in" capital of $475 million.

Table 18. Inter-American Development Bank loan commitments, total through June 30, 1967, and by country, terms and purpose, July 1, 1966 to June 30, 1967

Country	Amount (In mils of $ or equiv.)	Interest rate (Percent)	Maturity (Years)	Purpose
Total, through June 30, 1967	1,587.2 1/	-	-	-
Ordinary Capital 2/				
Total, July 1, 1966 - June 30, 1967	158.7	-	-	-
Argentina	7.0	6.0	20	Water, Sewerage, Etc.
"	20.6	6.5	16	Electric power
Brazil	20.4	6.0	18	Electric power
"	10.8	6.5	3/	Export credits
"	6.0	6.5	16	Industry
"	34.0	6.5	20	Electric power
Chile	13.5	6.5	15	Industry
Colombia	12.2	6.5	10	Agriculture
Ecuador	2.5	6.5	15	Industry
Guatemala	3.2	6.0	18	Industry & Agriculture
Mexico	13.1	6.5	20	Agriculture
Nicaragua	1.9	6.0	15	Agriculture
Panama	1.5	6.0	20	Agriculture
Peru	2.1	6.5	20	Agriculture
Venezuela	10.0	6.5	18	Water & Sewerage
Fund for Special Operations 4/				
Total, July 1, 1966 - June 30, 1967	295.9	-	-	-
Argentina	49.3	-	-	-
"	4.3	3.25	15	Preinvestment
"	12.2	2.25	30	Housing
"	22.2	3.25	25	Agriculture
"	10.5	2.25	25	Agriculture
"	0.1	2.25	10	Preinvestment
Bolivia	2.1	3.25	16	Preinvestment
"	10.8	3.25	15	Industry & Mining
Brazil	64.5	-	-	—
"	20.0	2.25	30	Housing
"	9.1	3.25	18	Electric power
"	14.4	2.25	25	Water & Sewerage
"	12.0	3.25	20	Water & Sewerage
"	6.0	3.25	16	Industry
"	3.0	2.25	25	Education
Chile	11.0	2.25	15	Agriculture
"	1.0	2.25	25	Education
"	6.5	3.25	25	Industry
Colombia	5.3	2.25	19	Education
	7.7	2.25	20	Education

Table 18. Inter-American Development Bank loan commitments, total through June 30, 1967, and by country, terms and purpose, July 1, 1966 to June 30, 1967 -- Continued

Country	Amount (In mils of $ or equiv.)	Interest rate (Percent)	Maturity (Years)	Purpose
Total, July 1, 1966-June 30, 1967 -- Continued	Fund for Special Operations			4/ -- Continued.
Costa Rica.....	0.4	3.25	7	Agriculture
"	1.4	2.25	20	Education
Dominican Republic.....	2.9	2.25	25	Water & Sewerage
Ecuador.....	12.0	2.25	23	Water & Sewerage
".....	2.5	3.25	15	Industry
Guatemala.....	2.0	2.25	18	Industry & Agriculture
"	0.8	3.25	18	Industry & Agriculture
"	1.3	2.25	30	Water & Sewerage
"	9.0	3.25	25	Transportation
Haiti	1.3	2.25	30	Education
Honduras	4.3	3.25	20	Industry & Agriculture
"	2.7	2.25	20	Agriculture
"	2.3	2.25	30	Housing
Mexico	29.1	-	-	-
"	11.1	4.00	25	Agriculture
"	5.0	4.00	16	Preinvestment
"	13.0	3.00	25	Agriculture
Nicaragua.....	5.1	2.25	20	Agriculture
Panama.....	2.0	3.25	20	Agriculture
".....	3.5	2.25	20	Transportation
".....	3.4	2.25	27	Water & Sewerage
Paraguay.....	6.0	2.25	25	Agriculture
".....	0.2	3.25	7	Preinvestment
Peru	25.2	-	-	-
".....	3.1	3.25	15	Preinvestment
".....	1.8	2.25	25	Education
".....	0.8	3.25	20	Agriculture
".....	16.4	2.25	25	Water & Sewerage
"	3.1	2.25	25	Water & Sewerage
Uruguay.....	1.5	3.25	16	Preinvestment
Venezuela.....	7.2	4.00	18	Water & Sewerage
CABEX.....	11.5	3.25	30	Transportation

Note: Detail will not necessarily add to totals due to rounding.
1/ Less cancellations.
2/ The interest rate on OC loans includes a 1 percent commission and, with certain exceptions, these loans also carry a commitment fee of 1 percent on undisbursed balances. Service charge when European currencies are used.
3/ Repayable as specified in credit documents issued by obligor.
4/ In addition to the interest rate shown, FSO loans carry a commitment fee on the undisbursed balance and, in certain cases, a service charge.

Source: Inter-American Development Bank.

In contrast to the early period of the Bank's ordinary operations, when its resources available for lending were limited to amounts actually paid in, the lending capacity of the Bank's Ordinary Capital presently depends in large measure upon the "callable" capital which secures borrowings by the Bank in the capital markets of the world.

The increased volume of lending by the Fund for Special Operations in fiscal 1967 reflected to a large extent the additional contributions by the Bank's members as a result of the increase of $900 million (U.S. share $750 million) approved in 1965. The final $300 million tranche of the 1965 increase was paid in December 1966. Cumulative contributions to the FSO as of June 30, 1967, amounted to $1,119.5 million of which $934.7 million was contributed in U.S. dollars, and the equivalent of $184.7 million in the currencies of the Latin American member countries of the Bank (see table 17).

At the time of the 1965 increase in the resources of the FSO, the Board of Governors expanded the scope of its activities to include not only social development loans previously financed through the Social Progress Trust Fund, but also loans relating to preinvestment studies and project preparation, rural community development, urban development, and support for technical and vocational education.

IDB OPERATIONS

The Inter-American Development Bank in fiscal 1967 authorized the equivalent of approximately $445 million from the resources of its two lending "windows" - the Ordinary Capital ($159 million) and the Fund for Special Operations ($296 million). This was a substantial increase over the $387 million authorized in the preceding fiscal period.

Ordinary Capital - As indicated in table 18, about one-half of all loans approved from the Ordinary Capital Resources ($75 million) will assist in financing the expansion of electric generating capacity in Argentina and Brazil, with the remaining loans allocated for priority projects in agriculture, industry, and water and sewerage facilities.

Fund for Special Operations - Loans authorized from the resources of the FSO during the current period reached a record $296 million, covering 48 loans in 18 member countries, and 1 regional loan. About 60 percent of the total ($168 million) was authorized for a variety of projects in four countries - Brazil ($64.5 million), Argentina ($49.3 million), Mexico ($29.1 million) and Peru ($25.2 million). FSO loans approved in fiscal 1967 ranged in amount from $100,000 to $22.2 million, and will help to finance

Table 19 Summary of IDB loan commitments,[1/] by source of funds, through June 30, 1967

(In millions of U.S. dollars or equivalents)

Country	From IDB Resources		Ordinary Capital		Fund for Special Operations		Social Progress Trust Fund	
	No. of loans	Amount	No. of loans	Amount	No. of loans	Amount	No. of loans	Amount
TOTAL.....	288	1,587.2	144	831.1	144	756.1	117	501.2
Argentina.....	34	220.6	21	139.3	13	81.4	4	43.5
Bolivia.....	13	44.3	-	-	13	44.3	6	14.6
Brazil.....	43	392.3	26	229.6	17	162.7	10	62.1
Chile.....	27	163.0	14	81.6	13	81.4	14	35.4
Colombia.....	24	116.6	16	81.7	8	34.9	9	49.9
Costa Rica.....	11	24.6	5	13.1	6	11.5	6	12.6
Dominican Republic	4	14.2	1	6.0	3	8.2	5	10.3
Ecuador.....	8	31.3	3	9.3	5	22.0	9	27.8
El Salvador.....	5	7.2	4	7.0	1	0.2	6	22.0
Guatemala.....	10	25.0	5	11.6	5	13.3	4	14.3
Haiti.....	3	7.1	-	-	3	7.1	-	-
Honduras.....	11	32.4	2	0.5	9	31.9	5	7.6
Mexico.....	22	202.0	15	125.4	7	76.7	8	35.5
Nicaragua.....	11	37.2	6	15.1	5	22.1	4	13.1
Panama.....	9	24.3	1	1.5	8	22.8	3	12.9
Paraguay.....	12	32.9	2	2.7	10	30.1	3	7.8
Peru.....	19	91.6	11	30.9	8	60.7	10	45.2
Uruguay.....	9	28.3	5	22.0	4	6.3	2	10.5
Venezuela.....	8	53.6	6	43.7	2	9.9	8	73.0
CABEI.....	4	28.7	-	-	4	28.7	1	2.9
Regional (ADELA)..	1	10.0	1	10.0	-	-	-	-

Note: Detail will not necessarily add to totals due to rounding.

1/ Less cancellations, and exclusive of loans in the equivalent of $15.6 million in Canadian dollars.

Source: Inter-American Development Bank.

Table 20.--Summary of IDB loan disbursements, by source of funds, through June 30, 1967

(In millions of U.S. dollars or equivalents)

	From IDB Resources		Ordinary Capital		Fund for Special Operations		Social Progress Trust Fund	
	No. of loans	Amount	No. of loans	Amount	No. of loans	Amount	No. of loans	Amount
TOTAL.....	210	586.0	121	429.6	89	156.4	116	329.6
Argentina.....	23	84.9	17	83.1	6	1.8	3	11.9
Bolivia.....	10	23.7	-	-	10	23.7	6	7.6
Brazil.....	30	137.4	20	97.3	10	40.0	10	47.2
Chile.....	22	75.0	12	60.4	10	14.6	12	26.1
Colombia.....	20	49.3	15	43.5	5	5.8	9	37.5
Costa Rica.....	9	11.2	5	9.9	4	1.3	6	6.6
Dominican Republic	3	2.2	1	1.6	2	0.6	4	5.4
Ecuador.....	5	8.5	2	2.1	3	6.4	9	19.7
El Salvador.....	4	4.1	3	4.0	1	0.2	6	16.8
Guatemala.....	5	7.4	4	7.2	1	0.2	4	7.9
Haiti.....	2	2.1	-	-	2	2.1	-	-
Honduras.....	9	11.0	2	0.5	7	10.5	5	5.8
Mexico.....	18	61.1	14	53.5	4	7.6	9	20.2
Nicaragua.....	7	10.5	4	6.1	3	4.4	4	9.0
Panama.....	7	5.4	1	0.1	6	5.3	3	11.2
Paraguay.....	8	16.7	2	2.7	6	13.9	3	3.0
Peru.....	12	22.5	9	20.4	3	2.1	12	32.0
Uruguay.....	6	10.4	4	10.2	2	0.2	2	3.1
Venezuela.....	6	27.9	5	25.3	1	2.6	8	57.4
Regional (ADELA).	1	1.7	1	1.7	-	-	-	-
CABEI.....	3	13.0	-	-	3	13.0	1	1.1

Note: Detail may not necessarily add to totals due to rounding.

Source: Inter-American Development Bank.

projects in the fields of agriculture, industry, water and sewerage facilities, housing, electric power, education and transportation.

Combined Bank Operations - As indicated in table 19, cumulative loan commitments by the Bank - including those from the Social Progress Trust Fund - through June 1967, increased by over $445 million in fiscal 1967 to $2,088 million. Approximately 45 percent of the total went to three member countries - Brazil ($454 million), Argentina ($264 million), and Mexico ($237 million). The estimated cost of the projects financed greatly exceeded the amount of funds committed. Disbursements of $916 million amounted to approximately 45 percent of total net commitments, compared to about 40 percent through June 1966 (see table 20).

In terms of purpose, as indicated in table 21, agriculture with total loans of $486 million was given special emphasis in the distribution of Bank loans as a means of strengthening the contribution of that sector to Latin American general development. At the same time, the Bank continued its support for other development sectors. Among other important purposes, industry and mining received $426 million, water supply and sewerage, $375 million, housing, $276 million, electric power, $210 million, and transportation, $179 million. **(Total includes $6 million in Canadian dollars.)**

PROPOSED INCREASE IN FSO RESOURCES

In order to permit the Bank to maintain an appropriate rate of expansion in view of its responsibilities under the Alliance for Progress and in view of recently augmented responsibilities in the fields of agriculture and Latin-American economic integration, the Board of Governors of the Bank at its Eighth Annual Meeting in April 1967 recommended that the member countries approve increases of $1.2 billion in the Bank's Fund for Special Operations (FSO), and of $1 billion in its Ordinary Callable Capital. The U.S. share of these proposed increases would be $900 million and $411.8 million, respectively.

Since an increase in the Bank's Callable Capital is not expected to be needed until early in 1969, legislative approval was sought in 1967 only with respect to the increase of $1.2 billion in the resources of the Fund for Special Operations. The National Advisory Council, in a Special Report 1/ in April 1967, emphasized the importance of the proposed increase in furthering the objectives of both the United States and its Latin-American partners, and strongly recommended the prompt adoption

1/ H. Doc. No. 117, 90th Cong., 1st Sess.

Table 21.--Distribution of IDB loan commitments, by source of funds and purpose, as of June 30, 1967

(Amounts in millions of dollars)

Purpose	Total		Ordinary Capital		Fund for Special Operations		Special Progress Trust Fund		Other Resources	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
TOTAL.....	414	2,104.0	144	831.1	144	756.1	117	501.2	9	15.6
Agriculture.....	85	485.5	25	184.1	32	212.1	28	89.3	-	-
Industry and Mining.....	92	426.0	71	330.5	20	94.0	-	-	1	1.5
Water Supply and Sewerage...	67	375.4	14	57.0	21	157.4	32	161.0	-	-
Housing.....	39	276.3	-	-	6	58.2	33	218.1	-	-
Electric Power.....	22	210.4	17	177.9	5	32.5	-	-	-	-
Transportation.....	18	179.4	6	50.9	10	122.0	-	-	2	6.5
Education.....	39	75.0	-	-	18	38.9	20	32.1	1	4.0
Preinvestment.....	44	47.7	3	2.4	32	41.0	4	0.7	5	3.6
Export Financing.....	8	28.3	8	28.3	-	-	-	-	-	-

Source: Inter-American Development Bank.

of legislation authorizing the U.S. Governor of the Inter-American Development Bank - the Secretary of the Treasury - to vote in favor of the Proposed Resolution on the Increase of the Resources of the Fund for Special Operations. (The increase in the U.S. contribution to the FSO was authorized by the Congress on September 22, 1967).

The proposed increase would be contributed by the member countries in three equal, annual installments of $400 million each, the first of which would be due December 31, 1967, or such later date as the Board of Executive Directors may determine. As indicated in table 22 , the resources of the FSO would thereby be increased from the equivalent of $1,119.5 million to the equivalent of $2,319.5 million.

It is anticipated that the U.S. contribution to the FSO will have only a minor impact on the U.S. balance of payments. It will be available only for expenditure on imports from the United States or other member countries or for expenditure in the borrowing countries. The portion of the U.S. contribution utilized to finance expenditure in the borrower's country will be used for procurement of U.S. goods and services under special letter of credit procedures similar to those applied in the U.S. bilateral assistance program.

Loan authorizations by the FSO have increased significantly during the past several years. Commitments in all currencies increased from the equivalent of $66 million in fiscal 1965, to $270 million in fiscal 1966, and to $296 million in fiscal 1967. As of the end of the period under review, cumulative loan authorizations (net of cancellations) of the FSO totaled the equivalent of $756 million, of which the U.S. dollar portion was $610 million. Uncommitted resources available for lending on June 30, 1967 amounted to $332 million in dollars and $48 million in Latin-American currencies. It is estimated that the proposed increase in resources would enable the FSO to sustain an adequate level of activity through the 3-year period beginning in early 1968.

EXTERNAL SOURCES OF FUNDS

The Bank's significant contribution to Latin-American economic and social progress has been made possible not only through the resources contributed by its own members, but in great measure through its continuing efforts since 1961 to borrow long-term funds in the capital markets of the world. The funded debt of the Bank increased by approximately $69 million in fiscal 1967.

In August 1966, the Bank sold a bond issue of 50 million freely convertible Swiss francs ($11.4 million equivalent) in Switzerland. The 5-3/4 percent, 15-year issue was dated September 15, 1966 to mature in 1981.

Table 22.--Proposed increases in the resources of the Fund for Special Operations

(In thousands of U.S. dollars or equivalents)

Country	Total Contributions after Increase	Proposed Increase	Contributions paid, as of June 30, 1967
TOTAL	2,319,474	1,200,000	1,119, 474
Argentina.....	115,677	66,804	48,873
Bolivia.....	9,288	5,364	3,924
Brazil.....	115,677	66,804	48,873
Chile.....	31,761	18,342	13,419
Colombia.....	31,740	18,330	13,410
Costa Rica.....	4,644	2,682	1,962
Dominican Rep.	6,192	3,576	2,616
Ecuador.....	6,192	3,576	2,616
El Salvador.....	4,644	2,682	1,962
Guatemala.....	6,192	3,576	2,616
Haiti.....	4,644	2,682	1,962
Honduras.....	4,644	2,682	1,962
Mexico.....	74,367	42,948	31,419
Nicaragua.....	4,644	2,682	1,962
Panama.....	4,644	2,682	1,962
Paraguay.....	4,644	2,682	1,962
Peru.....	15,492	8,946	6,546
United States.....	1,800,000	900,000	900,000
Uruguay.....	12,405	7,164	5,241
Venezuela.....	61,983	35,796	26,187

Source: Inter-American Development Bank

In January 1967, the Bank sold $50 million of 5.2 percent, 25-year bonds in the United States. The bonds were offered through a nation-wide syndicate of 103 investment and commercial banks. The proceeds will be included in the Ordinary Capital Resources of the Bank.

In April 1967, the Bank sold a second issue of short-term dollar bonds amounting to $30 million to central banks and other official agencies in 14 Latin-American countries: $16 million of the issue was in the form of 1-year bonds bearing interest of 5 percent; and $14 million was in the form of 2-year bonds with a 5-1/8 percent interest rate. This transaction increased the Bank's funded debt by only $5 million, however, since $25 million of 1-year bonds, placed in Latin America in 1966 as a part of the first short-term issue of $65 million, matured in April.

The Bank in the current period also utilized the equivalent of $2.6 million in convertible Japanese yen under the June 1966 agreement with the Export-Import Bank of Japan for a 15-year loan to the Bank in the amount of $10 million in convertible yen.

Including the borrowings noted above, the Bank's outstanding funded debt on June 30, 1967 amounted to $442.9 million, consisting of $70 million of short-term dollar bonds and $372.9 million of long-term obligations due in U.S. dollars, Italian lire, Deutsche mark, pounds sterling, Swiss francs, and Japanese yen. It may be noted that the $442.9 million outstanding represents an amount in excess of the $381.6 million in capital paid in by the Bank's member countries.

The Bank also administers some $66 million in funds provided to the Bank for Latin American development by the Governments of Canada, the United Kingdom, Sweden, and Germany, and by the Inter-Governmental Committee for European Migration. It has also entered into cooperative arrangements in the equivalent of $23.9 million with the Governments of Canada and the Netherlands to finance projects in Latin America on a parallel or an independent basis. The Council commends the Bank for its increasing emphasis on obtaining resources from non-member countries to assist in financing development projects in Latin America.

Through June 1967, the cumulative total of participations in the Bank's loans amounted to $33 million.

CONCLUSIONS AND RECOMMENDATIONS

It is the view of the National Advisory Council that the Inter-American Development Bank has continued to function as an effective instrument for accelerating economic and social development in its member countries, both individually and collectively.

It has utilized its own capital, funds raised by it in financial markets, and other available resources, to finance projects which will contribute effectively to economic growth, and it has cooperated with its member countries to orient their development policies toward a better utilization of their resources. Total loans have exceeded $2 billion, and disbursements on loans have increased to $916 million, or over 45 percent of net commitments.

The Bank's loans have been authorized for projects in which the borrower has invested or expects to invest a relatively substantial amount of his own funds and which are intended to make an effective contribution to economic and social development. In its evaluation of proposed projects, the Bank has carefully considered the effect of the project on the economy and its possible impact on the country's balance of payments by replacing imports or expanding exports. The Bank has emphasized the importance of introducing new technology as a method for raising productivity in its member countries.

As indicated earlier in the Report, the resources of the Socia Progress Trust Fund have been largely exhausted. In March 1965, th Board of Governors directed the Bank to include in future operations of the FSO financing for social development purposes, including fields previously financed by the Social Progress Trust Fund, thus in effect combining under one fund the activities former carried out under two funds. Additional responsibilities were delegated to the FSO under the Declaration of the Presidents issued in April 1967 1/. In terms of resources, however, it is anticipate that at the present level of lending the funds available to the FSO will be almost completely committed early in 1968.

The Council has been aware of the need for additional funds for the FSO. In its Special Report issued in April 1967, the Council, after a careful study, concluded that the proposal to increase the resources of the FSO by $1.2 billion was vital to the continued operation of this important arm of the Bank and to the long-range objectives of the United States and the Bank's member countries. The Council has no other recommendations to make in this area at the present time.

Under amendments to the National Bank Laws and the Bretton Woods Agreements Act in 1959, member banks of the Federal Reserve System were permitted to underwrite and to deal in the Bank's bonds. The Bank has also continued to seek amendments to state laws to make its securities eligible for purchase by institutional investors. The Council concludes that the aforementioned amendments have facilitated the financial operations of the Bank and require no change in their applicable provisions.

1/ See p. 53.

5. Asian Development Bank (ADB)

During the period under review the Asian Development Bank formally came into existence and opened its doors for business. On August 22, 1966, upon ratification by the United States and fourteen other countries, the Bank's Articles of Agreement entered into force. 1/ The Inaugural Meeting of the Board of Governors of the Bank, held in Tokyo, Japan, November 24-26, 1966, was attended by Secretary of the Treasury Fowler and AID Administrator William S. Gaud, United States Governor and Alternate Governor, respectively, and Presidential Advisor Eugene R. Black. At that meeting the Governors elected Takeshi Watanabe of Japan the Bank's first President, increased the Bank's authorized capital from $1 billion to $1.1 billion, and elected the Bank's first Board of Directors. On December 19, 1966, the Board of Directors held its first formal meeting at the Bank's headquarters in Manila, Philippines, and declared the Bank open for business.

Membership

The Bank now has a membership of thirty-one countries, nineteen of which are regional countries, and twelve of which, including the United States, are developed non-regional countries. Membership in the Asian Development Bank is open to members and associate members of the United Nations Economic Commission for Asia and the Far East (ECAFE) and to other regional countries and non-regional developed countries which are members of the United Nations or of any of its specialized agencies. Countries eligible for membership may be admitted to membership, under terms and conditions determined by the Bank, upon the affirmative vote of two-thirds of the Governors, representing not less than three-fourths of the total voting power of the members.

Each member country is represented on the Board of Governors by one Governor and one Alternate Governor. Secretary of the Treasury Henry H. Fowler and AID Administrator William S. Gaud are the United States' Governor and Alternate Governor, respectively. The Board of Directors consists of ten members, seven of whom are elected by the Governors representing regional member countries, and three of whom are elected by the Governors representing non-regional member countries. The United States, Japan, Australia and India each is represented by a Director and Alternate Director. Each of the other six Directors represents a group of member countries. At the Inaugural Meeting of the Board of Governors, Mr. Bernard Zagorin, who had been nominated by the President and confirmed by the Senate, was elected United States Director by the vote of the United States Governor; the United States Alternate Director is Mr. Herman Barger.

1/ The United States deposited its instrument of ratification at the United Nations on August 16, 1966.

Authorized capital and subscriptions

Of the Bank's $1.1 billion authorized capital, $965 million has been subscribed by the present membership; $615 million by the regional members, including $200 million by Japan, and $350 million by the non-regional members, including $200 million by the United States. One-half of each member country's subscription is paid-in capital, payable in five equal annual installments, the first was paid within thirty days of entry into force of the Agreement or upon deposit of instrument of ratification, whichever came later. The remaining half is callable capital to provide backing for future borrowings of the Bank. Of the amounts paid in, 50 percent is payable in convertible currencies and 50 percent in the currency of the member. The developing country members may restrict the use of the portion paid in their own currency to payments for goods and services produced and intended for use in their own territory.

On March 16, 1966, the President signed the Asian Development Bank Act (Public Law 89-369) authorizing United States membership in the Bank and the appropriation of $200 million as the United States capital subscription to the Bank. The first of the United States' five $20 million installments of paid-in capital was paid in August 1966. 1/ Each United States payment consists of $10 million in cash and $10 million in the form of a non-interest-bearing letter of credit which may be drawn in future years when required by the Bank's disbursement operations. The $100 million of United States callable capital was fully subscribed (no cash payment being required) concurrent with the first payment on paid-in capital.

Special Funds

In addition to its ordinary operations in development financing on terms similar to those of the IBRD, the Asian Development Bank's Articles of Agreement permit the establishment of Special Funds through (1) the setting aside of up to 10 percent of its paid-in capital, and (2) the acceptance for administration by the Bank of Special Funds. Such Special Funds would be used to finance high priority development projects

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1/ The second installment was paid in August 1967 and the remaining three installments are due in August of 1968, 1969, and 1970.

on terms which would be easier than those which would apply to the Bank's ordinary loans. 1/

By Executive Order 11334 of March 7, 1967, the National Advisory Council and the Secretary of the Treasury perform the same functions with respect to the Asian Development Bank as they do with regard to the International Bank and other international financial institutions (see appendix E).

1/ On September 26, 1967, the President proposed that the Congress authorize the appropriation of up to $200 million to be provided over a four-year period for a United States contribution to multilateral Special Funds of the Asian Development Bank for financing regional programs in such areas as agriculture, transportation and communications, Mekong development, and other priority areas. The United States contribution would comprise less than one-half of the total contributions of all contributing countries and would be used for the purchase of United States goods and services. (See Special Report of the National Advisory Council on U.S. Participation in Proposed Special Funds of the Asian Development Bank - 90 Cong., 1st sess., H. Doc. No. 166.) Bills incorporating these proposals are now pending before the appropriate Senate and House committees. The Japanese Government has announced its intention to contribute $100 million to Special Funds of the Bank, principally for agricultural development.

IV. EXPORT-IMPORT BANK OF WASHINGTON

LOAN, GUARANTY, AND INSURANCE OPERATIONS

Summary

During fiscal year 1967, new authorizations of loans, guaranties, and insurance by the Export-Import Bank totalled $3,607.3 million, of which $2,652.1 million were accounted for by direct credits to foreign borrowers ($2,620.5 million) and U. S. exporters($31.6 million). In addition, under a new program instituted in the course of the fiscal year, the Bank authorized $71.5 million of "discount" loans to commercial banks against their holdings of eligible export obligations. Of the authorizations of direct credits to foreign borrowers and U. S. exporters, $972.8 million financed the purchase of defense articles and services by the governments of friendly foreign countries of which $619.7 million was accounted for by loans to three developed countries; Australia, New Zealand, and the United Kingdom. The balance of the $972.8 million, or $353.1 million, was accounted for by obligations acquired by Eximbank from, and guaranteed by, the Defense Department arising from sales negotiated by that Department with countries to which the Bank is not prepared to lend directly for military purposes without such a guaranty.

Assistance authorized at the request of U. S. exporters continued to be facilitated mainly through the Bank's guaranty and insurance programs which have largely replaced direct exporter credits. During the fiscal year the Bank issued 713 medium-term comprehensive and political risk guaranties totalling $193 million and 19 new and renewed war-risk and expropriation policies on consigned exports of cotton amounting to $0.5 million. In addition, the Foreign Credit Insurance Association (FCIA) authorized 2,307 new and renewed export credit insurance policies with a face value of $690.2 million.

Direct credits authorized by the Bank from its inception in February 1934 through June 30, 1967, totalled $19.5 billion, including assistance originally authorized as guaranties but subsequently transferred to loans. Cumulative disbursements totalled $12 billion, of which $7.2 billion has been repaid. Net credits authorized by the Bank in the post-war period,

Table 23.-- Export-Import Bank Credits, by area, country, terms, and purpose, July 1, 1966 to June 30, 1967.

(Dollars in millions)

Area, country, and borrower	Amount authorized	Interest Rate (percent)	Maturity - authorization date to last installment (years) 16./	Purpose
Total; all areas.	2723.6	. . . . .	. . . . .	
Total, Africa	16.7	. . . . .	. . . . .	
Ghana.	2.9	. . . . .	. . . . .	
Volta Aluminum Co. Ltd.	2./ 1.8	5 3/4	22	Aluminum smelter
Do.	2./ 1.1	5 3/4	23	Do
Tunisia: Firestone Tunisie, S.A. . .	0.7	6	6	Tire plant
Zambia	13.1	. . . . .	. . . . .	
Government of the Republic of Zambia.	2.5	6	6	Turboprop aircraft
Do.	5.0	6	6	Do
Do.	5.6	6	12	Diesel locomotives
Total, Asia	481.7	. . . . .	. . . . .	

Table 23.-- Export-Import Bank Credits, by area, country, terms, and purpose, July 1, 1966 to June 30, 1967. (Cont.)

(Dollars in millions)

Area, country, and borrower	Amount authorized	Interest Rate (percent)	Maturity-authorization date to last installment (years)	Purpose
China	20.1	.....	.....	
China Air Lines	4.9	6	8	Commercial jet aircraft
Republic of China	2.6	6	8	Broadcasting station
Taiwan Power Company	7.7	6	11	Gas turbine generator
Bank of Communications and the Central Trust of China	5.0	6	8	Relending
India	14.8	.....	.....	
Indian Aluminum Company Ltd.	2.0	6	13	Bauxite mining and aluminum production
Government of India	12.8	6	13	Diesel locomotive components
Iran	104.7	.....	.....	
Government of Iran	60.0	6	13	Petrochemical Plant
Do.	8.8	6	9	Commercial jet aircraft
Do.	3.8	6	7	Spare parts & freight cars for Iranian State Railways.
Do.	10.0	6	9	Pipe plant equipment
Do.	9.0	5 1/2	19	Electric power generating unit
Do.	13.1	6	11	Petrochemical Plant
Israel	12.9	.....	.....	

Table 23.-- Export-Import Bank Credits, by area, country, terms, and purpose, July 1, 1966 to June 30, 1967. (Cont.)

(Dollars in millions)

Area, country, and borrower	Amount authorized	Interest Rate (percent)	Maturity-authorization date to last installment (years)	Purpose
El Al Israel Airlines, Ltd. . . .	5.6	6	10	Commercial jet aircraft
American Israeli Paper Mills, Ltd.	1.3	5 1/2	10	Paper-making equipment
Industrial Development Bank of Israel	6.0	6	15./	Equipment and services for use in medium-size industrial enterprises.
Japan.	183.3	. . . . .	. . . . .	
Kansai Electric Power Company . .	33.3	6	20	Nuclear power plant
Tosho Printing Co., Ltd.	3.0	6	8	Printing plant
Bank of Tokyo, Ltd.	75.0	5.15	1	Raw cotton
Tokyo Electric Power Company, Inc.	44.6	6	21	Nuclear power plant
Nippon Petrochemicals Co., Ltd. .	2.5	6	8	Polyethylene plant
Japan Airlines Co., Ltd.	7.3	6	9	Commercial jet aircraft
Do	17.6	6	9	Do
Korea.	4.6	. . . . .	. . . . .	
Korean Air Lines.	4.1	5 1/2	8	Commercial jet aircraft
Signetics Co., Ltd.	0.5	6	8	Production of electronic circuits for computers and defense equipment.

Table 23.-- Export-Import Bank Credits, by area, country, terms, and purpose, July 1, 1966 to June 30, 1967. (Cont.)

(Dollars in millions)

Area, country, and borrower	Amount authorized	Interest Rate (percent)	Maturity-authorization date to last installment (years)	Purpose
Kuwait: Kuwait National Petroleum Co.	50.0	6	7	Construction of oil refinery
Lebanon: Middle East Airlines - Air Liban S.A.L.	26.3	6	9	Commercial jet aircraft
Malaysia: Malaysia-Singapore Airlines Ltd.	42.1	6	11	Do
Pakistan	10.0	. . . . .	. . . . .	
Pakistan International Airlines .	7.5	6	8	Commercial jet aircraft
Industrial Development Bank of Pakistan	2.5	5 1/2	6./	Equipment & services to develop and expand medium-scale industry.
Thailand: Kingdom of Thailand . . .	4.5	6	10	Satellite ground station
Turkey: Turk Hava Yollari	8.3	6	7./	Commercial jet aircraft

Table 23.--Export-Import Bank Credits, by area, country, terms, and purpose, July 1, 1966 to June 30, 1967. (Cont.)

(Dollars in millions)

Area, country, and borrower	Amount authorized	Interest Rate (percent)	Maturity-authorization date to last installment (years)	Purpose
Total, Canada.	32.0	. . . . .	. . . . .	
Canada: Canadian Pacific Railway Company	32.0	6	3	Commercial jet aircraft
Total, Europe.	953.9	. . . . .	. . . . .	
Austria: Creditanstalt-Bankverein, Oesterreichische Laenderbank A.G. and Oesterreichisches Credit-Institut A.G.	1.0	6	1	Raw cotton
Belgium: Societe Anonyme Belge d'Exploitation de la Navigation Aerienne (Sabena)	1./ 2.2	6	7	Commercial jet aircraft
Finland: Aero O/Y Finnair	21.1	6	11	Do
France: Union de Transports Aeriens	7.2	6	9	Do

Table 23.-- Export-Import Bank Credits, by area, country, terms, and purpose, July 1, 1966 to June 30, 1967. (Cont.)

(Dollars in millions)

Area, country, and borrower	Amount authorized	Interest Rate (percent)	Maturity-authorization date to last installment (years)	Purpose
Germany	14.2	. . . . .	. . . . .	
Kernkraftwerk Obrigheim, GmbH. .	9.0	6	8	Enriched uranium fuel
Kernkraftwerk Lingen, GmbH . . .	5.2	6	8	Do
Iceland: Kisilidjan H.F.	0.9	6	13	Production of diatomite products
Ireland: Aerlinte Eireann Teoronta	22.2	6	13	Commercial jet aircraft
Italy	161.4	. . . . .	. . . . .	
Istituto Mobiliare Italiano. . .	38.8	6	11	Commercial jet aircraft
Do.	122.6	5 1/2	8./	Do
Norway: Interessentskapet Helibuss	1.4	5 1/2	6	Helicopters
Portugal.	10.1	. . . . .	. . . . .	

Table 23.- Export-Import Bank Credits, by area, country, terms, and purpose, July 1, 1966 to June 30, 1967. (Cont.)

(Dollars in millions)

Area, country, and borrower	Amount authorized	Interest Rate (percent)	Maturity-authorization date to last installment (years)	Purpose
Government of Portugal	2./ 1.8	5 3/4	20	Tagus River Bridge
Do.	2./ 1.8	5 3/4	21	Do
Transporters Aereos Portugueses, S.A.R.L.	6.5	6	10	Commercial jet aircraft
Spain	175.3	.....	.....	
Iberia, Lineas Aereas de Espana, S.A.	64.2	13./	8	Commercial jet aircraft
Compania Telefonica Nacional de Espana.	6.9	6	9	Satellite ground stations
Empresa Nacional Siderurgica, S.A.	60.0	6	16	Steel mill equipment
Centrales Nucleares del Norte, S.A.	44.2	6	14./	Nuclear power plant
Sweden	17.6	.....	.....	
Transair Sweden A.B.	8.6	6	8	Commercial jet aircraft
Oskarshamnsverkets Kraftgrupp AB	9.0	6	10	Enriched uranium fuel

Table 23.--Export-Import Bank Credits, by area, country, terms, and purpose, July 1, 1966 to June 30, 1967. (Cont.)

(Dollars in millions)

Area, country, and borrower	Amount authorized	Interest Rate (percent)	Maturity-authorization date to last installment (years)	Purpose
Sweden, Denmark, and Norway:				
Scandanavian Airlines System . .	31.6	6	9./	Commercial jet aircraft
United Kingdom.	487.8	. . . . .	. . . . .	
Government of the United Kingdom	175.0	4 3/4	9	Military equipment and services
Britannia Airways Ltd.	9.3	5 1/2	10	Commercial jet aircraft
Government of the United Kingdom	260.0	4 3/4	9	Military equipment and services
British Eagle International Airlines, Ltd.	4.6	6	9	Commercial jet aircraft
British Overseas Airways Corporation	38.9	6	12	Do
Total, Latin America.	517.4	. . . . .	. . . . .	
Antigua	6.0	. . . . .	. . . . .	
Government of Antigua.	1.5	6	10	Harbor development
Do.	4.5	6	10	Do
Argentina: Hilanderia Algodonera Villa de Voto, S. A.	1.5	6	8	Cotton spinning mill

Table 23.-- Export-Import Bank Credits, by area, country, terms, and purpose, July 1, 1966 to June 30, 1967. (Cont.)

(Dollars in millions)

Area, country, and borrower	Amount authorized	Interest Rate (percent)	Maturity-authorization date to last installment (years)	Purpose
Bahamas	23.0	. . . . .	. . . . .	
Owens-Illinois, Inc.	10.0	6	10	Sugar cane growing and processing
Government of the Bahamas. . . .	9.0	6	18	Harbor development
Do	4.0	6	16	Telecommunications equipment
Brazil.	32.5	. . . . .	. . . . .	
Serrana S.A. de Mineracao. . . .	1.6	6	8	Phosphate mining & processing
Union Carbide do Brasil, S.A. .	20.6	6	8	Petrochemical production
Cia. Brasileira de Estireno. . .	1.3	5 1/2	9	Styrene Monomer plant expansion
Willys Overland do Brasil. . . .	1./ 0.8	6	7	Expansion, and modernization of foundry and plant.
Paraense Transportes Aereos, S.A.	8.3	6	11	Turboprop aircraft
Chile	266.8	. . . . .	. . . . .	
Compania Minera Andina, S.A. . .	35.4	6	21	Copper deposit development
Cia. de Acero del Pacifico, S.A.	25.0	6	15	Steel mill expansion
Linea Aerea Nacional-Chile . . .	23.1	6	9	Commercial jet aircraft
Manufacturas de Cobre, S.A. . .	12.0	6	13	Expansion of wire & cable facilities
Sociedad Minera El Teniente, S.A.	110.0	6	21	Expansion of copper production capacity

Table 23.--Export-Import Bank Credits, by area, country, terms, and purpose, July 1, 1966 to June 30, 1967. (Cont.)

(Dollars in millions)

Area, country, and borrower	Amount authorized	Interest Rate (percent)	Maturity-authorization date to last installment (years)	Purpose
Bosques e Industrias Madereras S.A.	2./ 0.1	5 1/2	7	Timber reserve development & sawmill construction
Andes Copper Mining Company. . .	7.7	6	9	Expansion of copper mining and refining
Chile Exploration Company. . . .	30.0	6	9	Do
Compania Minera Exotica S.A. . .	21.0	6	11	Do
Cia. de Productos de Acero, S.A.	2.5	6	10	Pipe line plant expansion
Colombia: Aerovias Nacionales de Colombia, S.A.	25.5	6	9	Commercial jet aircraft
Guatemala	6.5	. . . . .	. . . . .	
Republic of Guatemala.	4.2	6	11	Highways & farm equipment
Do.	1./ 1.3	6	14	Highway equipment
Do.	1./ 1.0	6	16	Do
Jamaica: Development Finance Corporation.	3.0	6	5./	Relending to private enterprise

Table 23.-- Export-Import Bank Credits, by area, country, terms, and purpose, July 1, 1966 to June 30, 1967. (Cont.)

(Dollars in millions)

Area, country, and borrower	Amount authorized	Interest Rate (percent)	Maturity-authorization date to last installment (years)	Purpose
Mexico.	113.7	. . . . .	. . . . .	
Nacional Financiera, S.A. . .	3.5	6	11	Construction of mint
Compania Mexicana de Aviacion, S.A.	4.0	6	11	Commercial jet aircraft
Spicer Perfect Circle, S.A. .	2.8	6	6	Expansion of auto parts manufacturing
Aceros Nacionales, S.A. . . .	5.1	6	11	Expansion of wire products manufacturing facilities
Fertilizantes Fosfatados Mexicanos, S.A. de C.V. . .	19.0	6	10	Fertilizer production
Comision Federal de Electricidad	3.8	6	17	Desalting plant
Productos Corning de Mexico, S.A. de C.V.	0.8	5 1/2	6	T.V. bulb manufacturing facilities
Nacional Financiera, S.A. . .	10.0	6	13	Railroad rehabilitation program
Hules Mexicanos, S.A.	1.3	6	7	Synthetic Rubber Plant
Aeronaves de Mexico, S.A. . .	2.1	5 1/2	9	Flight simulator & related equipment and services
Do	56.5	5 1/2	17./	Commercial jet aircraft
Nacional Financiera, S.A. . .	3.0	6	16	Air navigation equipment
Do	1.8	6	6	Dredge for harbors and canals
Peru: Corporacion Peruana de Aeropuertos y Aviacion Commercial	5.7	6	13	Airport construction and operation

Table 23.--Export-Import Bank Credits, by area, country, terms, and purpose, July 1, 1966 to June 30, 1967. (Cont.)

(Dollars in millions)

Area, country, and borrower	Amount authorized	Interest Rate (percent)	Maturity-authorization date to last installment (years)	Purpose
Venezuela	33.2	. . . . .	. . . . .	
C.A. La Electricidad de Caracas	5.0	6	10	Gas turbine generator
Venezolana Internacional de Aviacion, S.A.	18.8	6	2./	Commercial jet aircraft
Aerovias Venezolanas, S.A. . .	6.4	5 1/2	9	Do
Siderurgica Venezolana, S.A. .	2.0	6	7	Plant expansion, construction of cast iron foundry and automobile wheel plant
C.A. Venezolana de Desarrollo.	1.0	6	5./	Relending
Total, Oceania	297.2	. . . . .	. . . . .	
Australia	272.2	. . . . .	. . . . .	
Commonwealth of Australia on behalf of Qantas Empire Airways, Ltd.	72.8	6	8	Commercial jet aircraft
Commonwealth of Australia. . .	35.0	5 1/2	7	Military equipment and services
Do	110.0	4 3/4	9	Do
Do	14.7	5 1/2	7	Do
Do	13.0	5 1/2	8	Commercial jet aircraft
Ansett Transport Industries Pty., Ltd.	26.7	6	8	Do

Table 23.--Export-Import Bank Credits, by area, country, terms, and purpose, July 1, 1966 to June 30, 1967. (Cont.)

(Dollars in millions)

Area, country, and borrower	Amount authorized	Interest Rate (percent)	Maturity-authorization date to last installment (years)	Purpose
New Zealand: Government of New Zealand.	25.0	5 1/2	6	Military equipment and services
Discount Loans	71.5	10./	11./	Current Export Loans to commercial banks against export obligations
Miscellaneous: Purchases of obligations guaranteed by U. S. Department of Defense. .	353.1	3./	4./	Military equipment and services

FOOTNOTES

1./ Increase

2./ Interest Capitalized

3./ $18.1 million of the obligations bear 4 7/8% interest and $335.0 million bear 5 1/2% interest.

4./ Various

5./ 10 semi-annual installments beginning 2 years from date of notes.

6./ 14 semi-annual installments beginning 2 years from date of notes.

7./ 2 schedules of 8 5/6 and 9 5/6 years each.

8./ 14 semi-annual installments; beginning date not yet established.

9./ 28 quarterly installments beginning 3 months after date of note.

10./ Interest varied between 5.00 and 7.06%.

11./ Maturity varied between 6 months and one year.

12./ 14 semi-annual installments commencing approximately 6 months after delivery of each aircraft.

13./ 50% of each advance under the credit carries interest at 5 1/2% and 50% at 6%.

14./ $6.5 million representing the fuel portion of Eximbank's credit has a maturity of 7 1/2 years. $37.7 million represents the plant portion of the credit and has a maturity of 17 1/2 years.

15./ 16 semi-annual installments beginning approximately 2 years after the date of the obligations arising from the credit.

16./ Rounded to nearest year.

17./ 20 semi-annual installments beginning 6 months after delivery of planes.

NOTE: Details may not add due to rounding.

SOURCE: Export-Import Bank of Washington.

July 1, 1945, through June 30, 1967, totalled $13.3 billion (see table 24). Europe and Latin America each accounted for nearly one-third of this amount. The bulk of the remainder was authorized for Asia. In the period since July 1, 1960, the largest volume of net Bank authorizations of direct credits has been to Latin America with Europe and Asia accounting for proportions nearly as great.

In August 1966, the Bank initiated a discount loan program to help alleviate liquidity problems of commercial banks and other financial institutions and to provide further stimulus to the financing of U.S. exports. The "Current Export Loan" segment of the program became operational on September 1, 1966, and allowed commercial banks to borrow from Eximbank for periods of up to one year against their holdings of debt obligations of more than 180 days relating to exports shipped after March 1, 1966.

The increasingly tight money situation prompted the Bank to take two measures during fiscal 1967 to avoid an undue spread between prevailing commercial bank rates and its own direct lending rate as well as to compensate for the increase in the cost of money necessary to finance the operations of the Bank. In July 1966 a commitment fee of one-half of one percent was instituted on undisbursed balances of direct credits and, in August, the Bank's standard interest rate on such credits was increased from 5-1/2 percent to 6 percent per annum.

Credits authorized directly to overseas purchasers

The $2,620.5 million of credits authorized by the Bank to overseas purchasers of U.S. goods and services included $2,369.5 million of direct long-term loans, $175 million of special foreign trade credits, and $76 million of commodity credits which assisted the export of U.S. cotton to Japan and Austria.

Discount loans and exporter credits

During fiscal year 1967 the Bank authorized $71.5 million of discount loans which are described above. Also authorized were $31.6 million of exporter credits which represent purchases by Eximbank of foreign obligations directly from U.S. exporters who have been unable to obtain assistance through the normal guaranty and insurance programs which are described below.

Medium-term guaranties

As indicated earlier, in the current period the Bank authorized 713 export credit guaranties to commercial banks amounting to $193 million.

Table 24.-- Net credits authorized by the Export-Import Bank, July 1, 1945 to June 30, 1967

(In millions of dollars)

Area	Total	July 1, 1960 to June 30, 1967	July 1, 1950 to June 30, 1960	July 1, 1945 to June 30, 1950
Total, all areas	13,296.9	5,996.6	4,427.8	2,872.5
Europe	4,402.7	1,525.4	881.6	1,995.7
Latin America	4,216.2	1,678.3	2,201.6	336.3
Asia	2,980.5	1,490.2	1,113.4	376.9
Africa	482.6	254.7	213.9	14.0
Canada	177.1	31.3	.8	145.0
Oceania	445.5	425.9	19.6	-
Unspecified, all areas	592.3	590.8	(-) 3.1	4.6

1/ Less: cancellations, expirations, participations, and transfers to guarantees.

Short and medium-term insurance

During fiscal year 1967, U.S. exporters actively made use of the facilities of the Foreign Credit Insurance Association (FCIA), a group of some 60 major U.S. insurance underwriters which, in conjunction with Eximbank, insures U.S. exports sold on short or medium-term credit against both commercial and political risks.

Table 25 is a summary of FCIA underwriting activity during fiscal year 1967.

FISCAL RESULTS

During fiscal year 1967, the Bank's new authorizations of direct credits, guaranties, and insurance totalled $3,607.3 million. Disbursements by the Bank equalled $1,166.4 million and repayments aggregated $474.0 million. Gross income for the period totalled $205.9 million, consisting of $199.6 million of interest and commitment fees on credits, $3.1 million of insurance premiums and guaranty fees, $3.1 million of interest on U.S. securities and $19,000 of other income. The Bank paid $6.6 million in interest on funds borrowed from the U.S. Treasury, as well as $85.2 million in interest to holders of the Bank's participation certificates and to commercial banks which had disbursed funds on the Bank's behalf under letter of credit arrangements. Operating and other expenses were $5.6 million. The resulting net income was $108.5 million.

On June 29, 1967, the Bank declared a dividend of $50 million on its capital stock which is held by the Secretary of the Treasury. On June 30, 1967, the Bank's reserves and undistributed earnings reached a cumulative total of $1,066.7 million.

In previous fiscal years the Bank had offered non-negotiable Certificates of Participation in its loan portfolio solely to commercial banks participating in Eximbank's programs. However, the substantial and general tightening in the money markets during the summer of 1966 made it apparent that if Eximbank were to finance an important portion of its operations without recourse to Treasury borrowing it would be necessary to tap a wider market by offering freely negotiable Certificates of Participation. Thus a management group of leading underwriters was established to market the new Certificates. Two offerings of Certificates were underwritten during the fiscal year and fully subscribed. The first offering took place in February 1967, in the amount of $500 million. $250 million of this issue, carrying an interest rate of 5 percent, will mature in 4 years and $250 million with an interest rate of 5.10 percent will mature in 15 years. The second offering took place in May

Table 25. FCIA Underwriting Activity - FY 1967

Type of policy	Number of policies authorized	Face Amount of policies (millions)
New policies:		
Short-term comprehensive	196	92.4
Short-term political risk.	19	16.4
Medium-term comprehensive.	917	84.7
Medium-term political risk	70	6.3
Total.	1,202	199.8
Renewed policies:		
Short-term comprehensive.	1,030	440.4
Short-term political risk	75	50.0
Total.	1,105	490.4
Grand total.	2,307	690.2

Source: Export-Import Bank

and aggregated $400 million. $250 million of this offering, carrying an interest rate of 4.80 percent, will mature in 3 years, and $150 million, carrying an interest rate of 5.125 percent, will mature in 7 years.

STATUS OF BANK RESOURCES

Eximbank's authority to have loans, guaranties, and insurance outstanding is limited at present to $9 billion. Up to $2 billion of guaranties and insurance may be charged against this lending authority at 25 percent of the contractual liability assumed. At the end of the fiscal year, loans outstanding totalled $4,151.4 million and undisbursed loan authorizations were $2,832.0 million. Discount loans amounting to $8.5 million were also charged against the $9 billion limit, as well as $404.6 million representing liability on outstanding guaranties and insurance plus notes sold with recourse. As a result, the uncommitted lending authority as of June 30, 1967, equalled $1,612.0 million.

Legislation is pending in the Congress to increase the Bank's authority to have loans, guaranties, and insurance outstanding from $9 billion to $13.5 billion and to increase from $2 billion to $3.5 billion the amount of guaranties and insurance which may be charged against this authority on a 25 percent reserve basis.

V. AGENCY FOR INTERNATIONAL DEVELOPMENT (AID)

AID LOANS

Under the provisions of the Foreign Assistance Act of 1961, as amended, the President is authorized to make loans to stimulate the economic development of less-developed friendly countries and areas, with emphasis upon assisting long-range plans and programs designed to develop economic resources and to increase productive capacities in these countries. The Act also authorizes the provision of supporting assistance in situations in which development lending in adequate amounts would be inappropriate and in which other forms of aid are insufficient to achieve the objectives of the United States.

Development loan authorizations

In fiscal 1967, the AID authorized 115 development loans totalling $1,108 million in 39 countries (see table 26). This amount compares with $1,232 million authorized in fiscal 1966, and $1,170 million in fiscal 1965. About 85 percent ($940 million) of total authorizations in fiscal 1967 was concentrated in two geographical areas - the Near East and South Asis and Latin America, with $98 million for Africa, and $71 million (predominantly Korea) for three countries in East Asia.

Over one-half ($607 million) of the loans authorized during the current period were for commodity financing (program assistance) in 10 countries. Among the larger loans approved for this purpose were the following: India ($182 million), Brazil ($100 million), Colombia ($100 million), and Pakistan ($95 million). Included in this category for the first time was a $10 million loan to assist in financing education sector in Chile.

The remaining $500 million of loans was allocated for a variety of individual projects. The larger project loans included $41.2 million to assist in financing the construction and operation of an addition to the facilities of the Santa Cruz thermal plant in Brazil, and approximately $53 million to finance the foreign exhange costs of two projects in Turkey -- the construction of a copper smelter plant ($30.5 million), and the expansion of a steel mill ($22.4 million).

TABLE 26.—AID Development Loan Authorizations, July 1, 1966 to June 30, 1967, By Area, Country, Terms, and Purpose

Area and Country	Amounts (in Millions of dollars)	Government			Subborrowers			Purpose
		Interest rate or fee[1]	Maturity (years)	Grace Period (years)	Interest rate or fee	Maturity (years)	Grace Period (years)	
Total, all areas	$1,108.2							
Near East and South Asia	500.4							
Afghanistan	17.0							
Government	12.0	2½-1	40	10				Construction of hydroelectric power plant.
Government	4.6	2½-1	40	10				Equipment rehabilitation.
Government	.4	2½-1	40	10				Equipment for land inventory.
Ceylon - Government	7.5	3½	25	5				Commodity financing.
India	203.3							
Government	132.0	2½-1	40	10				Commodity financing.
Government	50.0	2½-1	40	10				Commodity financing.
Government	12.0	2½-1	40	10				Educational equipment.
Mahindra and Mahindra	9.3	2½-1	40	10	7½-1	11½	3	Jeep manufacturing expansion.
Israel - Government	5.5	3½	20	5				Constructing and equipping a power station.
Jordan - Government	1.8	2½-1	40	10				Airport improvement.
Pakistan	130.4							
Government	70.0	2½-1	40	10				Commodity assistance.
Government	25.0	2½-1	40	10				Commodity financing.
Government	13.1	2½-1	40	10				Diesel locomotives.
Government	10.7	2½-1	40	10				Salinity control and reclamation.
Government	4.0	2½-1	40	10				Malaria eradication.
Government	3.7	2½-1	40	10				Electrical transmission facilities.
Government	2.4	2½-1	40	10				Consulting services for water and power authority.
Government	1.5	2½-1	40	10				Hydroelectric power station.

Area and Country	Amounts (in Millions of dollars)	Government			Subborrowers			Purpose
		Interest rate or fee[1]	Maturity (years)	Grace Period (years)	Interest rate or fee	Maturity (years)	Grace Period (years)	
Turkey	$134.9							
Government	65.0	2½-1	40	10				Commodity financing.
Government	30.5	2½-1	40	10				Copper smelter construction.
Government	22.4	2½-1	40	10				Iron and steel works.
Government	4.5	2½-1	40	10				Materials and supplies for technical university.
Government	4.5	2½-1	40	10				Equipment, materials, supplies for science center.
Government	3.4	2½-1	40	10				Equipment, materials, supplies for agricultural research.
Government	2.6	2½-1	40	10				Materials and technical services for research and exploration institute.
Government	2.0	2½-1	40	10				Supplies and services for medical school.
Latin America	439.1							
Bolivia	11.0							
Government	9.5	2½-1	40	10				Highway construction.
Government	1.5	2½-1	40	10				Feasibility studies.
Brazil	197.9							
Government	100.0	2½-1	40	10				Commodity financing.
SA Furnas	41.2	2½-1	40	10	6	20	5	Thermal plant expansion.
Ultrafertil	14.8	2½-1	40	10	5½	15	5	Fertilizer plant construction.
State Highway Rio Grande	13.3	2½-1	40	10	3½	15	3	Highway maintenance.
State Highway Parana	10.8	2½-1	40	10	3½	15	3	Highway maintenance.
Government	8.4	2½-1	40	10				Mineral and water resources.
State Highway Santa Caterina	7.5	2½-1	40	10	3½	15	3	Highway maintenance.
COHEBE - Hydroelectric	1.8	2½-1	40	10	3½	25	6	Construction of hydroelectric plant.
State Highway Department	.1	2½-1	40	10				Highway construction.
Chile	12.5							
Government	10.0	2½-1	40	10				Education sector program.
Government	2.5	2½-1	40	10				Feasibility studies.
Colombia - Government	100.0	2½-1	40	10				Commodity financing.
Costa Rica - National Bank of Costa Rica	5.0	2½-1	40	10				Agricultural loans.

Area and Country	Amounts (in Millions of dollars)	Government			Subborrowers			Purpose
		Interest rate or fee[1]	Maturity (years)	Grace Period (years)	Interest rate or fee	Maturity (years)	Grace Period (years)	
Dominican Republic	$17.1							
Government	8.7	2½-1	40	10				Community development.
Finance Corp.	5.0	2½-1	40	10	2½	20	5	Private development finance company.
Government	2.0	2½-1	40	10				Feasibility studies.
Foundation for Educational Credit	1.4	2½-1	40	10				Educational credit for students.
El Salvador - American School	.4	2½-1	40	10	3½	25	5	Model school.
Guatemala	8.0							
FIASA	5.0	2½-1	40	10	2½-1½	20	5	Industrial and Agricultural Bank.
Government	2.2	2½-1	40	10				Property tax system improvement.
Government	.8	2½-1	40	10				Highway improvement.
Guyana	8.1							
Government	7.5	2½-1	40	10				Reconstruction of coastal roads.
Government	.6	2½-1	40	10				Feasibility studies.
Honduras - Government	7.0	2½-1	40	10				Secondary education.
Nicaragua	9.2							
INFONAC	5.0	2½-1	40	10	3½	25	5	Loans and investment in sub-projects.
National Bank	2.2	2½-1	40	10	2½	30	10	Agricultural service centers.
National Bank	2.0	2½-1	40	10	2½	30	10	Financing sub-loans.
Panama	22.9							
IDAAN	6.6	2½-1	40	10	3½	30	5	Construction sewerage facilities.
IVU	3.5	2½-1	40	10				Cooperative housing.
IDAAN	3.1	2½-1	40	10	3½	30	5	Sewerage and water construction.
Government	3.0	2½-1	40	10				Highway improvement and maintenance.
Government	2.0	2½-1	40	10				Panama City street improvement.
Government	1.5	2½-1	40	10				Malaria eradication.
Government	1.1	2½-1	40	10				Bridges and culverts construction.
Government	1.1	2½-1	40	10				Highway improvement.
Government	1.0	2½-1	40	10				Feasibility studies.
Paraguay - Government	1.9	2½-1	40	10				Malaria eradication.

Area and Country	Amounts (in Millions of dollars)	Government			Subborrowers			Purpose
		Interest rate or fee[1]	Maturity (years)	Grace Period (years)	Interest rate or fee	Maturity (years)	Grace Period (years)	
Peru	$17.4							
Industrial Bank of Peru	7.5	2½-1	40	10				Private investment.
Government	5.5	2½-1	40	10				Food marketing.
Government	3.2	2½-1	40	10				Feasibility studies.
Government	1.2	2½-1	40	10				Vocational training centers improvement.
Uruguay - Government Bank	.8	2½-1	40	10				Airport improvement.
ROCAP - Government	20.0	2½-1	40	10				Integration fund.
East Asia	70.9							
Korea	60.7							
Government	17.5	2½-1	40	10				Construction thermal power plant.
Government	12.7	2½-1	40	10				Improvement Korea electric company.
Government	12.5	2½-1	40	10				Commodity financing.
Government	12.0	2½-1	40	10				Long term loans.
Government	3.0	2½-1	40	10				Long term loans.
Government	3.0	2½-1	40	10				Municipal waterworks.
Philippines	6.7							
Government	4.7	3½	25	5				Construction, maintenance rehabilitation irrigation system.
Government	2.0	3¼	25	5				Feasibility studies
Thailand - Government	3.5	3½	25	5				Irrigation system.
Africa	97.8							
Congo (Kinshasa) - Grands Hotel	2.5	2½-1	40	10	6	22	4	Hotel construction.
Dahomey - Government	.8	2½-1	40	10				Installation rural water supply system.
Ethiopia - Government	5.8	2½-1	40	10				Malaria eradication.

Area and Country	Amounts (in Millions of dollars)	Government			Subborrowers			Purpose
		Interest rate or fee[1]	Maturity (years)	Grace Period (years)	Interest rate or fee	Maturity (years)	Grace Period (years)	
Ghana	$22.0							
Government	20.0	2½-1	40	10				Commodity financing.
Government	2.0	2½-1	40	10				Sectoral and feasibility studies.
Kenya - City of Nairobi	.4	2½-1	40	10	3½	25	3	Expansion of water supply system.
Liberia	1.9							
Government	.8	2½-1	40	10				Airborne geophysical survey.
Government	.6	2½-1	40	10				Technical assistance project.
Government	.3	2½-1	40	10				Airport improvements.
Government	.1	2½-1	40	10				Bypass road.
Malagasy Republic - Telecommunications	2.0	2½-1	40	10	3½	20	5	Telecommunications services.
Morocco	2.9							
Government	1.6	2½-1	40	10				Airbase conversion.
Government	1.3	2½-1	40	10				Airline ground services and goods.
Nigeria - Government	6.0	2½-1	40	10				Road improvement.
Somali Republic	13.2							
Autonomous Water Authority	8.5	2½-1	40	10	3½	30	5	Goods and services for water supply.
Government	2.4	2½-1	40	10				Port and municipal facilities.
Credito Somalo	2.0	2½-1	40	10	4	20	5	Sub-loans.
Somali-American Fishing Company	.3				5½	15	3	Goods and Services.
Sudan	3.9							
Government	2.7	2½-1	40	10				School construction.
Government	1.2	2½-1	40	10				Consulting services groundwater development.
Tanzania - Government	.9	2½-1	40	10				Road construction machinery.

Area and Country	Amounts (in Millions of dollars)	Government			Subborrowers			Purpose
		Interest rate or fee[1]	Maturity (years)	Grace Period (years)	Interest rate or fee	Maturity (years)	Grace Period (years)	
Tunisia	$23.2							
Government	15.0	$2\frac{1}{2}$-1	40	10				Commodity financing.
Electric Company	6.2	$2\frac{1}{2}$-1	40	10	$4\frac{1}{2}$	25	5	Extension of electrical distribution system.
Government	.6	$2\frac{1}{2}$-1	40	10				Groundwater development.
Government	.5	$2\frac{1}{2}$-1	40	10				Airport terminal.
Government	.4	$2\frac{1}{2}$-1	40	10				Chott Maria Agricultural School.
Government	.3	$2\frac{1}{2}$-1	40	10				University of Tunis.
Government	.2	$2\frac{1}{2}$-1	40	10				Rescue and service equipment - airport.
Uganda	5.0							
Government	4.7	$2\frac{1}{2}$-1	40	10				Livestock development.
Government	.2	$2\frac{1}{2}$-1	40	10				Teacher training college.
East Africa Regional - University of East Africa	.1	$2\frac{1}{2}$-1	40	10				Buildings and improvements of university college.
Regional	7.2							
Government of Kenya	3.6	$2\frac{1}{2}$-1	40	10				Road construction.
Government of Tanzania	1.6	$2\frac{1}{2}$-1	40	10				Road improvement.
West Africa Development Corp.	1.5				4	20	5	Sub-investments.
East Africa Development Corp.	.5				4	20	5	Sub-investments.

1/ Interest rate to government is 1 percent during grace period, and $2\frac{1}{2}$ percent thereafter except as otherwise noted.

Source: Agency for International Development.

Supporting assistance and contingency fund loans

In addition to its development authorizations, the AID in fiscal 1967 also approved 11 loans, totalling $83 million, of which $55 million was funded from the "supporting assistance" appropriation and $28 million from "contingency funds". As indicated in table 27 , the Dominican Republic and Indonesia, with loans of $30 million each, accounted for over 70 percent of the total. Of the remaining loans, $17 million was authorized for commodity financing in the Congo (Kinshasa), $5.6 million for budgetary support in Panama, and $0.3 million for project assistance in the Ivory Coast. All loans are repayable in U.S. dollars. With the exception of the Ivory Coast, all supporting assistance and contingency fund loans approved during the year were for program assistance.

As one important part of the government-wide effort to improve the U. S. balance of payments position, AID has continued, during the period under review, aggressive steps to improve the effectiveness of its tied procurement policies and to assure that AID would be financing additional U. S. exports rather than financing exports that would otherwise have been paid for with the recipient country's free exchange. Elements of this "additionality"-oriented program (to the extent necessary to avoid any balance of payments loss associated with the aid program) include, but are not limited to, increased emphasis on the promotion of U. S. exports in selecting goods and services for AID financing, strengthening of U.S. commercial staffs in the more important aid-recipient countries, selectively limiting the list of goods eligible for AID financing, and taking advantage of opportunities for making special arrangements to make AID-financed goods more attractive to importers through such items as reduced surcharges, the waiver of import deposits or favorable terms for bank credit. This effort is continuing vigorously both in Washington and in the field, and there are indications that the program is meeting with success.

TITLE I, PUBLIC LAW 480, FOREIGN CURRENCY LOANS

In November 1966, the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), as amended, was substantially changed and amended by Section 2 of the Food for Peace Act of 1966 which provided for a transition to dollar credit sales in place of sales for local currency, as described

Table 27--.AID supporting assistance and contingency fund loan authorizations, by country, terms and purpose, July 1, 1966 to June 30, 1967

Country	Amount (In mils. of dollars)	Appropriation	Int. rate (Percent)	Maturity (Years)	Grace period (Years)	Purpose
TOTAL.....	82.9	-	-	-	-	-
Supporting assistance	55.3	-	-	-	-	-
Contingency fund.....	27.6	-	-	-	-	-
Dominican Rep.	15.0	SA	2-1/2-1	40	10	Commodity financing
"	10.0	SA	"	"	"	"
"	5.0	CF	"	"	"	"
Indonesia.....	17.0	CF	3	25	7	Commodity financing
"	13.0	SA	3	25	7	"
Congo (Kinshasa)	17.0	SA	3-1/2	30	5	Commodity financing
Panama.....	3.0	CF	3-1/2	30	5	Budgetary Support
"	1.8	CF	3-1/2	30	5	"
"	0.5	CF	3-1/2	30	5	"
"	0.3	CF	3-1/2	30	5	"
Ivory Coast	0.3	SA	3-1/2	30	2	Internal security

Note: CF = Contingency Fund; SA = Supporting Assistance

Source: Agency for International Development

below (see Part VI). The changes, as they relate to Title I of that Act, dealing with sales for foreign currency, are reflected in the material covering Sections 104(d), 104(e) and 104(f).

Section 104(d) loans to foreign governments

Section 104(d) of Title I provides that foreign currencies received from sales of agricultural products may be used for loans to provide assistance in meeting emergency or extraordinary relief requirements other than requirements for food commodities. No more than $5 million may be made available for this purpose during any fiscal year. In fiscal year 1967, one loan agreement was signed under section 104(d). Under this $625,000 equivalent triangular loan agreement, U. S.-owned Pakistani rupees will be utilized by the Government of Afghanistan.

Section 104(e) loans to private enterprise

Under Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, the President is authorized to sell agricultural commodities to friendly countries for dollars on credit terms or for foreign currencies. Section 104(e) provides that Title I foreign currency sales proceeds, to the maximum usable extent, may be loaned to (1) U. S. firms (including cooperatives) or their branches, subsidiaries, or affiliates for business development and trade expansion in the foreign country, including loans for private home construction, and (2) domestic or foreign firms (including cooperatives) for increasing the consumption of, and markets for, U. S. agricultural products abroad.

Loans under section 104(e) of Public Law 480 (Cooley loans) may not be made for the manufacutre of any products intended to be exported to the United States in competition with products produced in the United States. Due consideration is to be given to the expansion of markets for U. S. agricultural commodities. Cooley loan interest rates are comparable to rates charged by development banks in the country where the Cooley loan is made. Maturities are related to the purpose of the financing.

As indicated in table 28, the equivalent of approximately $30 million in Cooley loans to private business firms was authorized during fiscal year 1967, compared to $43 million in the preceding fiscal period. Through June 30, 1967, cumulative loans to private business firms totalled the equivalent of over $330 million.

TABLE 28.—Sec. 104(e) loans to private business firms, authorized during fiscal year 1967

Country	Number of loans	Amount (in thousands of dollar equivalents as of date of authorization)	Country	Number of loans	Amount (in thousands of dollar equivalents as of date of authorization)
Total-----	35	29,523	Korea-------	3	561
			Pakistan----	2	1,995
Bolivia------	2	1,174	Paraguay----	1	480
Chile--------	2	769	Philippines-	1	154
Congo (K)----	1	1,945	Taiwan------	2	2,325
Greece-------	1	667	Tunisia-----	3	906
India--------	12	14,533	Turkey------	3	2,897
Israel-------	2	1,200			

Section 104(f) loans to foreign governments

Section 104(f) of Title I provides that foreign currencies received from sales of agricultural products may be used for loans to promote multilateral trade and economic development with particular emphasis on assisting programs of recipient countries designed to promote, increase, or improve food production, processing, distribution or marketing in food - deficit countries friendly to the United States.

Title I sales agreements specify the amounts of currencies to be made available for economic development loans. These loans are coordinated to the maximum extent possible with other forms of assistance. However, the currency is not generated until

TABLE 29.—Loan agreements signed during fiscal year 1967 under sec. 104(f) of title I, Public Law 480

Country	Number of loans	Amount (in thousands of dollar equivalents as of June 30, 1967)	Country	Number of loans	Amount (in thousands of dollar equivalents as of June 30, 1967)
Total	20	538,266	India	1	384,182
			Israel	3	4,000
			Jordan	1	3,080
Bolivia	1	4,564	Mali	1	375
Brazil	2	2,954	Morocco	1	5,180
Ceylon	1	3,178	Pakistan	3	105,537
Congo (K)	1	3,211	Sudan	1	3,120
Finland	1	369	Tunisia	1	9,359
Ghana	2	9,157			

commodity shipments are made and local currency is deposited. Loan agreements are normally negotiated simultaneously with sales agreements. Loan agreements signed during fiscal year 1967 with 14 countries totaled the equivalent of $538 million (see table 29).

Loans under sections 104 (d), (e) and (f) of Title I are authorized by the Agency for International Development subject to general coordination of terms and conditions by the Council.

AID INVESTMENT GUARANTY PROGRAMS

AID investment guaranty programs are intended to encourage and facilitate private U.S. investments abroad which further the development of the economic resources and the productive capacities of the developing countries. Guaranties are available only for new investments, including new investments in existing enterprises, and countries must approve individual investments before AID guaranties can be issued.

Under the Foreign Assistance Act of 1961, as amended, three types of programs have been authorized: (1) specific (political) risk guaranties against inconvertibility of foreign currency; loss through expropriation or confiscation; and, loss due to war, revolution, or insurrection, (2) extended risk and housing guaranties which cover up to 75 percent of both political and business risks, and (3) housing guaranties which cover up to 100 percent of losses on certain guarantied projects.

Specific (political) risk insurance

The fiscal year 1967 was the largest in dollar volume of guaranties issued in the history of this program, which insures private U. S. investment against the specific risks of inconvertibility of local currencies, expropriation, and losses from war, revolution, and insurrection.

Insurance (guaranties) totaling $1.04 billion was issued for 548 separate risk coverages to private companies and individuals investing in 43 friendly developing nations of the world. On June 30, 1967, a grand total of $4.56 billion had been written, of which $3.72 billion was still outstanding (see table 30). Of the 170 projects protected by insurance issued this year, one-half (85) were located in countries of Latin America; 37 in the Near East & South Asia region; 25 in the Far East; 22 in Africa and one in Europe.

The new combined coverage against loss from expropriation and war risk, first introduced in March 1966, has proven popular with investors. Of the 548 guaranty coverages issued this year, 104 were for the new combined coverage. The initial investment covered by the guaranties totaled $360 million. Of this amount $106 million, approximately 30 percent, were approved for 46 projects related to food and agriculture.

As indicated in table 31 , Cameroon, Lesotho, Indonesia, Malta, and Zambia signed bilateral agreements during the fiscal year to participate in the guarantee program. (Spain has been withdrawn from the list of less developed countries) Existing

Table 30.--. AID Specific Risk Investment Insurance Issued through June 30, 1967.

(In millions of dollars)

AREA	TOTAL	TYPE OF GUARANTY			
		Convertibility	Expropriation	War, Revolution & Insurrection	Combined Exprop/War
Total--All Areas	4,562.5 1/	2,065.4	1,684.8	613.9	198.3
Latin America	2,176.5	1,052.1	742.0	277.98	104.3
Near East-So.Asia	842.9	398.4	323.6	69.04	31.9
Europe	353.8	220.9	132.3	.7	.0
Far East	703.7	246.5	242.2	189.4	25.6
Africa	485.5	147.4	244.8	76.8	16.5

1/ Maximum outstanding on June 30, 1967 was $3.72 billion.

* Detail may not add to totals due to rounding.

Source: Agency for International Development

Table 31.-- Countries where investment guaranty agreements are available, by type of agreement, as of June 30, 1967

Country	Type of Agreement			
	Convertibility	Expropriation	War, Revolution & Insurrection	Extended Risk
Afghanistan.....	x	x	x 1/	-
Argentina.....	x	x 2/	x 2/	x 2/
Bolivia.....	x	x	x	x
Brazil.....	x	x	x	x
British Honduras.....	x	x	x	x
Cameroon.....	x	x	x	x
Central Africa Republic...	x	x	x	x
Ceylon.....	x	x	x	x
Chad.....	x	x	x	x
Chile.....	x	x	x	x
China, Rep. of.....	x	x	x	x
Colombia.....	x	x	x	x
Congo (Brazzaville).....	x 3/	x 3/	x 3/	x 3/
Congo (Kinshasa).....	x	x	x	x
Costa Rica.....	x	x	x 2/	x 2/
Cyprus.....	x	x	x	x
Dahomey.....	x	x	x	x
Dominican Republic.....	x	x	x	x
Ecuador.....	x	x	x	x
El Salvador.....	x	x	-	-
Ethiopia.....	x	x	-	-
Gabon.....	x	x	x	x
Ghana.....	x	x	x	x
Greece.....	x	x	x	x
Guatemala.....	x 3/	x 3/	-	-
Guinea.....	x	x	x	x
Guyana.....	x	x	x	x
Haiti.....	x	x	-	-
Honduras.....	x	x	x	x
India.....	x	x	x	x
Indonesia.....	x	x	x	x
Iran.....	x	x	-	-
Israel.....	x	x	x	x
Ivory Coast.....	x	x	x	x
Jamaica.....	x	x	x	x
Jordan.....	x	x	x	x
Kenya.....	x	x	x	x
Korea.....	x	x	x	x
Laos.....	x	x	x	x
Lesotho.....	x	x	x	x
Liberia.....	x	x	x	x
Malagasy Republic.....	x	x	x	x
Malaysia.....	x	x	x	x
Mali.....	x	x	x	x
Malta.....	x	x	x	x

Table 31.-- Countries where investment guaranty agreements are available, by type of agreement, as of June 30, 1967 -- Continued

Country	Type of Agreement			
	Convertibility	Expropriation	War, Revolution & Insurrection	Extended Risk
Mauritania.....	x	x	x	x
Morocco.....	x	x	x	x
Nepal.....	x	x	x	x
Nicaragua.....	x	x	x	x
Niger.....	x	x	x	x
Nigeria.....	x	x	-	-
Pakistan.....	x	x	-	-
Panama.....	x	x	x 1/	-
Paraguay.....	x	x	x	x
Peru.....	x	-	-	-
Philippines.....	x	x	x	x
Portugal.....	x	x	-	-
Rwanda.....	x	x	x	x
Senegal.....	x	x	x	x
Sierra Leone.....	x	x	x	x
Singapore.....	x	x	x	x
Somalia.....	x	x	x	x
Sudan.....	x	x	x	x
Tanzania (Mainland only).	x	x	x	x
Thailand.....	x	x	x	x
Togo.....	x	x	x	x
Trinidad-Tobago.....	x	x	x	x
Tunisia.....	x	x	x	x
Turkey.....	x	x	x	x
Uganda.....	x	x	x	x
U.A.R. (Egypt).....	x	x	x	x
Upper Volta.....	x	x	x	x
Uruguay.....	x 2/	x 2/	-	-
Venezuela.....	x	x	x	x
Vietnam.....	x	x	x	x
Yugoslavia.....	x 3/	x 3/	-	-
Zambia.....	x	x	x	x

1/ Includes insurance only against loss due to damage from war.

2/ Although applications will be accepted, guarant es cannot be processed until agreement is ratified by the country's legislative body and in force.

3/ Restricted availability.

Note: Although economically developed countries are excluded from the Investment Insurance Program, insurance may be available for some of the underdeveloped dependencies of Denmark, France, Netherlands, Norway, Spain, and the United Kingdom.

ource: Agency for International Development.

agreements covering convertibility and expropriation with Paraguay, the Philippines and Ghana were expanded during the period to include insurance against war, revolution and insurrection.

Four small claims totalling $66,367 were paid during the year. Two of these were on account of inconvertibility of local currencies; the other two were for damage to insured property from insurrection. The cumulative total of claims paid through June 30, 1967, amounted to $334,193. Total recoveries (proceeds from sales of assets) were $291,100, leaving a net loss to the program of $43,093.

Extended risk and housing guaranties

Under authority of section 221 (b) (2) of the Foreign Assistance Act of 1961, as amended, the Agency for International Development is authorized to guarantee investors in approved projects up to 75 percent of an investment against losses due to any and all risks except those arising from fraud or misrepresentation for which the lender is responsible in the case loan investments or fraud or misconduct for which the investor is responsible in the case of equity investments. This type of guarantee is mainly designed to attract long-term credits from U. S. institutional lenders to assist in financing private projects of high priority.

In 1964, the National Advisory Council approved a policy for these guaranties which would permit AID to guarantee the later maturities of loans from certain lending institutions; the early maturities would be for the risk of some other party but would probably carry specific risk coverage. Procedures for implementing this policy were developed in fiscal year 1966 which made possible the rapid expansion of the program in fiscal year 1967. Through fiscal year 1966, five guaranties totalling $18.1 million (total project cost: $177.5 million) had been approved. By the end of fiscal year 1967, fourteen projects had been authorized for a total of $60.1 million (total project cost: $335.5 million).

Except in unusual circumstances, extended risk guaranties will only be authorized for projects which generate the procurement of U. S. goods and services in an amount substantially equal to the amount of the loan being guaranteed.

Section 221 (b) (2) of the Act also authorized guaranties on housing investments in countries which have signed agreements instituting the program, up to 100 percent of the principal amount of the loan investment. In fiscal year 1967, two guaranties were authorized, one in Thailand and the other in Tunisia, each for $5 million.

Latin American housing guaranties

Housing guaranties for private U. S. investment in self-liquidating housing projects in Latin America are available under Section 224 of the Foreign Assistance Act of 1961, as amended. The Latin America Housing Guaranty Program consists of three phases under various appropriations.

This program was designed to assist middle income families in Latin America to obtain housing on satisfactory terms.

Through the end of the period under review, under Phase I (the original pilot demonstration program), AID had approved 39 housing investment guaranty projects in 16 Latin American countries. With a total guarantee authorization of $207.5 million, these projects will ultimately result in the construction of 36,819 housing units. An additional 8 projects involving 8,600 units representing $32.5 million of guarantee commitments are in various stages of processing. Of the 39 projects authorized, 7 have been fully completed and 14 are under construction.

Under Phase II (the 1966 institutional program) AID is authorized to issue guaranties for projects falling under four specific categories as follows: (1) credit institutions in Latin America engaged directly or indirectly in the financing of home mortgages; (2) housing projects in Latin America for lower income families; (3) housing projects in Latin America which will promote the development of institutions important to the Alliance for Progress; and (4) housing projects in Latin America for which 25 percent or more of the financing is made available from sources within Latin America, and which, to the maximum degree possible have a unit cost of not more than $6,500. The Agency announced that applications would be received under this program from April 4, 1966, through September 15, 1966. Applications totalling over $500 million were received and are in various stages

of processing. Selection of projects is based on competitive merit. Through the end of Fiscal Year 1967, 2 projects had been authorized totaling $7.5 million in guaranty authority and involving 2,315 units.

Phase III constitutes additional authority for pilot demonstration projects. Announcement to the public will be issued in the early part of 1968, stating that AID again will take applications for pilot demonstration projects under the Latin America Housing Guaranty Program. This phase will be limited to five countries -- Peru, Venezuela, Jamaica, British Honduras and Panama.

VI. OTHER FINANCIAL MATTERS

TREASURY AND FEDERAL RESERVE EXCHANGE OPERATIONS 1/

Pressure on the pound sterling was the dominant feature of foreign exchange markets during the fiscal year 1966-67. To counteract this pressure the Bank of England increased its discount rate and doubled the deposit requirements of the commercial banks. In July 1966 additional measures to reduce domestic demand and strengthen the British external position were put into effect.

The Federal Reserve System increased its swap line with the Bank of England to support sterling. To deal with dollar flows to various countries the Federal Reserve increased the total of swap lines from $2.8 billion to $4.8 billion at end of fiscal year. The movement of funds was also related to the Middle East conflict in June 1967.

Because of the unsettled nature of foreign exchange markets and the associated transfers of funds but also because of seasonal patterns in certain important instances, there was a tendency for some national monetary authorities to find their dollar resources rising to higher than customary levels. In these circumstances, the United States again had occasion to utilize the Federal Reserve swap lines. Although the aggregate amount outstanding during the year was fairly substantial (due in part to activations on behalf of the U.K.), by the early spring these positions had either been reversed in the markets or repaid through longer term financing, e.g. a U. S. drawing on the International Monetary Fund.

Transactions under these swap arrangements during the fiscal year are shown in tabular form.

1/ These operations have been fully reported in the Federal Reserve Bulletin, March and September 1967.

Drawings and Repayments by Federal Reserve System
Under Reciprocal Currency Arrangements,
July 1, 1966 to June 30, 1967
(Millions of dollars)

	Drawings	Repayments	Outstanding
National Bank of Belgium	67.5	40.0	27.5
German Federal Bank	140.0	140.0	--
Bank of Italy	325.0	325.0	--
Netherlands Bank	65.0	65.0	--
Swiss National Bank	260.0	103.0	157.0
Bank for International Settlements	260.0	75.0	185.0
Total all Banks	1,117.5	748.0	369.5

Drawings and Repayments by Foreign Central Banks
Under Reciprocal Currency Arrangements,
July 1, 1966 - June 30, 1967
(Millions of dollars)

	Drawings	Repayments	Outstanding
Bank of Canada	17.6	17.6	--
Bank of England	675.0	625.0	225.0
Bank for International Settlements	510.0	367.0	143.0
Total all Banks	1,202.6	1,009.6	368.0

The Treasury, in the course of the fiscal year issued securities to some foreign central banks to liquidate currency swaps, and retired other issues at maturity. On June 30, Treasury obligations denominated in foreign currencies stood at $890.4 million equivalent, in comparison with $957.2 on June 30, 1966.

During the fiscal year gold sales by the United States to foreign countries totaled $232 million compared with sales of $378 million in fiscal year 1966. The substantial further reduction in the volume of gold sales continued the improved trend noted in the annual report a year ago. France was again the principal buyer, purchasing $277 million. All French purchases took place during the first fiscal quarter. The main offsets to this loss were receipts of gold from the United Kingdom and Canada totaling $175 million.

EXCHANGE AGREEMENTS

In May, the Council approved a request of the Goverment and Central Bank of Argentina for a $75 million, 1-year, exchange agreement with the U.S. Treasury. The Agreement supplements a $125 million IMF stand-by arrangement with Argentina announced by the Fund on May 1, 1967, and is intended to assist Argentina in promoting economic stability and freedom in its trade and exchange system. Under the terms of the Agreement, the United States may purchase Argentine pesos with dollars, and any pesos so acquired would be subsequently repurchased by Argentina.

An exchange of letters in June 1967 between Secretary of the Treasury Fowler and the Ambassador of Mexico, Hugo B. Margain, increased from $75 million to $100 million the amount of the existing 2-year exchange stabilization agreement between the United States and Mexico, signed in December 1965. This agreement provides for reciprocal swap facilities which will enable the financial authorities of either country to cooperate in the maintenance of stable and orderly conditions in the exchange markets.

SURVEY OF U.S. DIRECT INVESTMENTS ABROAD

During 1967 the Department of Commerce started on a comprehensive survey of American business investments in foreign countries to provide an accurate account of the amount of such investments at the end of 1966, the net increase in these investments during that year, the return on these investments, and their significance for the balance of payments of the United States and the foreign host countries. The data collected in the survey will establish a comprehensive statistical benchmark required for the accuracy of the statistical series on direct investment and related transactions in the U.S. balance of payments accounts. The survey for 1966 is the latest in a series of similar surveys which have been undertaken at irregular intervals in the past.

Since experience had shown that mandatory reporting is essential for satisfactory results, the Commerce Department proposed to the National Advisory Council that the survey be undertaken pursuant to the mandatory authority in Section 8 of the Bretton Woods Agreement Acts. The two most recent surveys of direct investment (1950 and 1957), were conducted under this authority.

To make this authority operative, action by the NAC is required pursuant to Executive Order 10033. The Order provides that the National Advisory Council, in consultation with the Director of

the Bureau of the Budget, shall determine what information is essential to enable the United States Government to comply with official requests from the International Monetary Fund; that the Director of the Bureau of the Budget shall designate the U.S. Government agency which will collect the information, and that in the collection of information pursuant to such designation, the authority conferred on the President by Section 8 of the Bretton Woods Agreements Act to furnish such information, by subpoena or otherwise, may be exercised by certain Government agencies, including the Department of Commerce.

On June 6, 1967, the National Advisory Council, after consultation with the Director of the Bureau of the Budget, determined that the collection of data for 1966 on American direct investments abroad is essential, in order that the United States Government may continue to comply with official requests from the International Monetary Fund for balance of payments information.

In making this determination, the National Advisory Council examined the nature and significance of U.S. direct investments abroad in the light of current conditions in the U.S. balance of payments, and the nature of current requests from the International Monetary Fund for information on the U.S. balance of payments. In this connection, the NAC took into consideration the following facts: Since 1957, the United States has had large and persistent balance-of-payments deficits and has introduced certain measures to discourage private capital outflow for the purpose of helping to hold the deficits within reasonable limits. These measures include the voluntary restraint program of the Department of Commerce, which applies to the direct investment operations of U.S. firms abroad. In recent years there have been large increases in the amount and complexity of these operations, and the direct investment activities of U.S. business enterprises are now of such magnitude and affect so many aspects of the U.S. balance of payments that adequate analysis requires a considerable amount of information on the details of the direct investment operations, as well as data on the amounts invested. The information on the U.S. balance of payments requested by the International Monetary Fund covers not only statistical data but also a broad range of inquiries into the major aspects of our balance of payments. Inquiries associated with the annual consultations of the International Monetary Fund with the United States cover among other things the nature and effects of private capital movements, an evaluation of the use of voluntary restraints on various forms of U.S. investments abroad, and inquiry into other aspects of private capital outflows.

DOLLAR CREDIT SALES UNDER PUBLIC LAW 480

The Food for Peace Act of 1966, approved November 11, 1966, substantially amended the Agricultural Trade Development and Assistance Act of 1954, as amended, popularly known as Public Law 480. The authorization of dollar credit sales of agricultural commodities abroad by Public Law 480 was formerly included in Title IV of the law but is now in Title I.

Section 103(b) of the law requires that steps be taken to assure a progressive transition from sales for foreign currencies to sales for dollars at a rate whereby the transition can be completed by December 31, 1971. This section also provides that, to the extent that transition to sales for dollars is not possible transition may be made to sales for convertible foreign currencies on credit terms no less favorable to the United States than those for development loans made under Section 201 of the Foreign Assistance Act of 1961, as amended, and on terms which permit conversion to dollars at the exchange rate applicable to the sales agreement.

During the 12 month period, July 1, 1966, through June 30, 1967, 17 dollar credit sales agreements or amendments were signed on a government-to-government basis. One new government-to-private agreement was signed. As shown in table 32, the total export market value, including applicable ocean transportation costs, of the 18 agreements and amendments was $93.5 million. The financial aspects of these agreements and amendments were reviewed by the National Advisory Council.

From the inception of the dollar credit sales program through June 30, 1967, the export market value, including applicable ocean transportation costs, of all agreements signed, both government and private, amounted to $921.1 million. Over the same period, the United States received $79.5 million in dollar payments on principal and $22 million in interest against obligations under this program. Fiscal year 1967 receipts under this program amounted to $34.6 million on principal and $10.2 million in interest.

Table 32--Title I, Public Law 480, dollar credit sales agreements signed July 1, 1966 to June 30, 1967 1/

Country	Commodity	Market value (Mil. U.S. dol.) 2/	Credit period (years) 3/	Interest rate (percent)
Total, all agreements		93.5		
	Government-to-government agreements			
Afghanistan (agreement)	Wheat/wheat flour	1.4	19	2½
Bolivia (amendment)	Wheat flour	0.6	19	2½
Congo (agreement)	Corn, wheat flour rice, tobacco, unmfg.	9.2	19	2½
Congo (agreement)	Cotton, upland, wheat flour	6.1	19	2½
Congo (Amendment)	Rice	2.5	19	2½
Congo (amendment)	Cotton	0.8	19	2½
Ecuador (agreement)	Tobacco and tobacco products	1.2	19	2½
Iceland (agreement)	Wheat flour, tobacco/tobacco products	1.3	4/18	4½
Indonesia (agreement)	Rice, cotton	26.4	19	2½
Iran (agreement)	Wheat	2.7	4/15	5
Iraq (agreement)	Wheat/wheat flour	1.8	4/ 5	5 1/8
Jordan (agreement)	Wheat/wheat flour	1.6	19	2½
Morocco (agreement)	Wheat/flour, cotton, upland	4.7	19	2½
Morocco (amendment)	Wheat/flour	2.3	19	2½
Morocco (agreement)	Wheat/flour	5.9	19	2½
Philippines (agreement)	Corn/grain sorghums, cotton, tobacco (unmfg.)	20.1	19	3½
Tunisia (agreement)	Soybean/cottonseed oil	3.4	19	2½
	Government-to-private			
Korea (agreement)	Feedgrains	1.5	4/ 2	4 3/8

1/ The most recent extension of Public Law 480, which became effective January 1, 1967, shifted the authorization for dollar credit sales of commodities from Title IV to Title I.

2/ Including ocean transportation financed.

3/ Unless specified otherwise, first payment is due 2 years after date of last delivery in a calendar year.

4/ First payment due in less than two years following date of last delivery in any calendar year.

Source: Department of Agriculture

CCC EXPORT CREDIT SALES PROGRAM

During the current period, the Council continued to review certain proposed lines of credit covering exports of agricultural commodities under the Commodity Credit Corporation (CCC) Export Credit Sales Program. As of June 30, 1967, the effective rates of interest for such credits were 5-1/2 percent where the assurance of repayment was issued by a U.S. bank and 6-1/2 percent for that portion of the credit where assurance of repayment was issued by a foreign bank.

For the fiscal year ended June 30, 1967, U.S. agricultural commodities exported under the CCC Export Credit Sales Program totaled $339,322,622, a substantial increase over the $210 million in the preceding fiscal period. General CCC policy is to limit the credit period to 12 months for cotton and tobacco and 6 months for all other commodities. Credits for longer periods may be justified if the exporter can show that such credits can open up new markets for agricultural commodities. Proposals for lines of credit for particular export markets where the credit is for periods longer than 12 months and where CCC extends credit against foreign bank obligations are reviewed by the Council; these are shown in table 33.

Report of Foreign Loans and Credits of the United States

The Treasury Department, under the general direction of the Council, is organizing a comprehensive system for collecting and reporting of all foreign loans and credits extended by various agencies of the United States Government in accordance with their respective powers and policies.

The Congress in 1966 amended the Foreign Assistance Act of 1961, as previously amended, by adding Section 634(f), which provides:

> "The Secretary of the Treasury shall transmit to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate semiannual reports showing as of June 30 and December 31 of each year the repayment status of each loan theretofore made under authority of this Act any part of the principal or interest of which remains unpaid on the date of the report."

Table 33.--Commodity Credit Corporation lines of credit approved in fiscal 1967

Country	Maximum line of credit (In mils. of dollars)	Credit period (Months)
Colombia	7.7	36
Chile	15.0	36
Czechoslovakia	7.4	36
Finland	1.1	24
Greece	20.0	36
Iran	15.0	36
Iraq	10.0	36
Lebanon	15.0	36
Morocco	10.0	36
Pakistan	15.0	36
Philippines	20.0	36
Poland	25.0	36
Sudan	7.2	36
Tunisia	5.0	36
Yugoslavia	30.0	36

Note: Repayment schedules provide for equal annual payments of principal, plus accrued interest, except for purchases of cotton and tobacco by Poland on the basis of annual payments of interest and repayment of principal at the end of the credit period.

Source: Department of Agriculture.

The International Bank for Reconstruction and Development and the Organization for Economic Cooperation and Development are working on a joint plan for the reporting of loans and credit transactions by the 17 principal creditor countries. The Council has agreed to cooperate with the two international bodies and, with the concurrence of the Budget Bureau, has authorized the Treasury to collect and compile the information.

The procedures for reporting by the government agencies will combine in one set of reports data which have been supplied previously under various arrangements. As part of its work on the balance of payments, the Office of Business Economics of the Department of Commerce has regularly collected data on grants, loans and credits made by U.S. agencies and since 1965 has issued a detailed report on Foreign Credits in response to a request by the Senate Foreign Relations Committee. The Treasury Report to Congress will replace this Department of Commerce publication. The data submitted to the Treasury Department will also be used by the Office of Business Economics in its balance of payments work relating to governmental transactions, so that duplication of effort will be avoided.

The OECD, through its Development Assistance Committee, has also been receiving on a transactions basis information on individual loans, credits and grants extended by public institutions of its member countries, while the International Bank for some years has been collecting data on the amount of public credits outstanding, though on a more limited basis, by a voluntary arrangement with some of its member countries.

The collection of data by the Treasury Department will serve these various needs through a single comprehensive set of reports. It is anticipated that the international agencies will collate the information received from the participating countries and make available to participating governments summaries and analysis of the combined data.

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REPORT OF ACTIVITIES OF THE NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL POLICIES

FOR THE PERIOD

July 1, 1966 - June 30, 1967

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(In millions of dollars at $35 per fine troy ounce; negative figures represent net sales by the United States; positive figures, net purchases)

Area and country	Fiscal years						1966		1967	
	1961	1962	1963	1964	1965	1966	July-Sept.	Oct.-Dec.	Jan.-Mar.	Apr.-June
Total, All areas	-1,730	-1,026	-636	-128	-1,473	-378	-143	-86	-20	17
Western Europe										
Austria	-	-56	-136	-87	-63	-63	-	-	-	-
Belgium	-90	-207	-	-	-102	-21	-	-	-	-
Denmark	-50	-	15	-	-	-13	-	-	-	-
France	-173	-141	-518	-517	-832	-578	-277	-	-	-
Germany	-56	-	-	-200	-25	-	-	-	-	-
Greece	-47	-29	-	-	-	1/	-	-1	-	-
Italy	100	-	-	200	-80	-	-	-60	-	-
Netherlands	-214	-25	-	-	-95	-	-	-	-	-
Spain	-172	-204	-170	-2	-180	-30	-	-	-	-
Switzerland	-399	47	5	-30	-101	18	-20	-	-	-30
Turkey	-9	-1	6	10	-31	-21	-	-10	-17	21
United Kingdom	-475	-712	69	535	241	170	126	-20	3	-34
Bank for International Settlements	-59	-	-	-	-	-	-	-	-	-
Other	-27	-13	-4	-7	-4	-20	-1	-1	-1	-1
Total, Western Europe	-1,671	-1,341	-734	-98	-1,272	-557	-172	-92	-15	-44
Canada	-	190	-	-	-	150	50	-	-	50

Continued on following page.

Table A-1.--U.S. net monetary gold transactions with foreign countries and international and regional organizations, by area and country, fiscal years 1961-1967 -- Continued

(In millions of dollars at $35 per fine troy ounce; negative figures represent net sales by the United States; positive figures, net purchases)

Area and country	Fiscal years						1966		1967	
	1961	1962	1963	1964	1965	1966	July-Sept.	Oct.-Dec.	Jan.-Mar.	Apr.-June
Latin America										
Argentina	-140	85	-	-30	-	-	-28	-11	1/	1/
Brazil	-	-	104	54	54	-4	-1	1/	1/	1/
Colombia	-6	-	38	-	40	6	-	1/	1/	1/
Mexico	-20	-	-	-4	-	-	-	10	-10	-
Peru	-20	-	-1	-11	-	-	-	-	10	15
Venezuela	-	-	-	-	-	-25	-	-	-	-
Other	-9	-15	2	-7	-11	-15	-5	-2	-2	-2
Total, Latin America	-195	70	143	2	84	-37	-34	-3	-3	12
Asia										
Japan	-15	-	-	-	-	-56	-	-	-	-
Other	-119	-102	-35	1	-17	-36	-12	10	-20	-1
Total, Asia	-134	-102	-35	1	-17	-93	-12	10	-20	-1
Total, Africa	-27	6	-13	-36	-10	-15	-1	1/	-1	-6
Total, Other Countries	-3	-	3	3	1/	-8	-3	-	3	1/
Total, Foreign Countries	-2,030	-1,177	-636	-128	-1,214	-562	-172	-86	-36	12
International and Regional Organizations 2/	3/ 300	151	-	-	4/-259	5/183	5/ 29	-	5/16	5/5

Note: Detail will not necessarily add to totals due to rounding.
1/ Less than $500,000.
2/ Prior to 1961 includes IMF gold purchases on behalf of member countries for their payments to the IMF.
3/ Includes purchase of gold from the IMF with the right of repurchase by the Fund.
4/ Includes United States payment of the $259 million increase in its gold subscription to the IMF.
5/ Represents gold deposit made by the IMF in order to mitigate gold sales relating to members' quota increases.

Source: Treasury Department.

TABLE A-2. -- U.S. Balance of Payments, Calendar Years 1964-66 and January-June 1967
(In millions of dollars)
PART I -- SEASONALLY ADJUSTED

	1964	1965	1966	1967	
				Jan.-Mar.	Apr.-June
Trade	6,676	4,772	3,658	999	1,136
Exports	25,297	26,244	29,168	7,691	7,723
Imports	-18,621	-21,472	-25,510	-6,692	-6,587
Travel (including fares)1/	-1,499	-1,613	-1,644	-410	-655
Receipts	1,357	1,545	1,768	474	438
Payments	-2,856	-3,158	-3,412	-884	-1,093
Military	-1,880	-1,823	-2,747	-695	-635
Receipts2/	981	1,098	947	350	417
Payments	-2,861	-2,921	-3,694	-1,045	-1,052
Other services and transfers (excluding direct investment income)	829	875	880	203	180
Government grants and capital net.	-3,331	-3,432	-3,479	-1,128	-860
Outflows	-4,263	-4,277	-4,680	-1,419	-1,237
(Dollar outflow)	(-685)	(-708)	(-720)	(-174)	(-187
Debt repayments	694	832	1,188	198	262
U.S. Government nonliquid liabilities	238	13	13	93	115
Direct investment	1,239	545	502	377	283
Capital outflows	-2,435	-3,418	-3,543	-622	-684
Investment income	3,674	3,963	4,045	999	967
Bank claims	-2,464	93	253	62	-176
Short-term	-1,523	325	-84	-88	-329
Long-term	-941	-232	337	150	153
Nonbank claims	-966	340	-441	-135	-99
Short-term	-623	428	-329	-68	44
Long-term	-343	-88	-112	-67	-143
U.S. transactions in foreign securities	-677	-758	-482	-263	-171
New issues	-1,063	-1,206	-1,210	-353	-338
Outstanding issues and redemptions	386	448	728	90	167
Foreign capital (excluding liquid liabilities)	222	81	2,445	736	1,061
Errors and omissions	-949	-415	-302	-284	-576
Balance on liquidity basis, seasonally adjusted	-2,800	-1,335	-1,357	-538	-512
Less: seasonal adjustment	--	--	--	-303	-319
Balance on liquidity basis, (seasonally unadjusted)	-2,800	-1,335	-1,357	-235	-193
Balance on official reserve transactions basis (seasonally adjusted)3/	-1,549	-1,304	225	-1,827	-814

Footnotes at end of table.

TABLE A-2.-- U.S. Balance of Payments, Calendar Years 1964-66 and January-June 1967 -- Continued

(In millions of dollars)

PART II -- SEASONALLY UNADJUSTED

	1964	1965	1966	1967	
				Jan.-Mar.	Apr.-Jun
Balance on liquidity basis (seasonally unadjusted)	2,800	1,335	1,357	235	193
Increase in short-term official and banking liabilities and in foreign holdings of marketable U.S. Government bonds and notes . .	2,253	-9	1,734	-864	566
Foreign holders other than official	1,554	131	2,384	-709	94
Foreign official holders	699	-140	-650	-155	472
Net sales of nonmarketable, medium-term, convertible securities	376	122	-945	72	46
Decrease in U.S. monetary reserve assets	171	1,222	568	1,027	-419
IMF gold tranche position	266	-94	537	-31	-10
Convertible currencies	-220	-349	-540	1,007	-424
Gold	125	1,665	571	51	15

1/ Fares are estimated for 1967 p Preliminary

2/ Total receipts from foreign governments, including advance receipts on military sales contracts and principal repayments on Defense Department credits financing military sales.

3/ Balance on official reserve transactions basis equals balance on liquidity basis plus changes in liquid dollar liabilities to foreigners other than official national institutions minus changes in certain nonliquid liabilities to official national institutions.

Source: --Department of Commerce, "Survey of Current Business," June and September 1967.

APPENDIX B

STATISTICAL TABLES ON UNITED STATES GOVERNMENT FOREIGN GRANTS, CREDITS, AND OTHER ASSISTANCE

Explanatory Note

The statistical tables, and this Explanatory Note, were prepared by the Office of Business Economics, Department of Commerce, in consultation with the National Advisory Council Secretariat, Office of Assistant Secretary for International Affairs, Treasury Department, in accordance with specifications of the National Advisory Council. The data are summaries of those published in more detail by the Office of Business Economics, in "Foreign Aid by the United States Government, 1940-1951," a 1952 supplement to the Survey of Current Business, and in the periodic report Foreign Grants and Credits by the United States Government.

They are compiled by the Office of Business Economics from information made available by agencies operating the grant, credit, and other assistance programs, and include some estimates for transactions not yet recorded on the operating agencies' books.

Items which are based on estimates have been adjusted or qualified on the basis of information received to the date of preparation of these tables, but in some instances are subject to future adjustments.

TRANSACTIONS INCLUDED.--The data tabulated in this appendix are divided into three categories -- grants, credits, and other assistance through net accumulation of foreign currency claims under programs for the sale of agricultural commodities. The Government's capital investments in the international financial institutions constitute an additional measure taken by this Government to promote foreign economic recovery and development. Payments to these institutions do not result in immediate equivalent aid to foreign countries. Use of available dollar funds is largely determined by the managements of the institutions, in some instances subject to certain controls which can be exercised by the U.S. Government.

Grants are transfers for which no payment is expected, 1/ 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 loan disbursements or transfers under other agreements which give rise to specific obligations to repay, over a period of years, usually with interest. Other assistance represents the transfer of U.S. farm products in exchange for foreign currencies (plus - since the enactment of Public Law 87-128 - principal and interest collections in foreign currencies for credits extended under the farm products sales program), less the Government's disbursements of the currencies as grants, credits, or for purchases. The net acquisition of currencies represents net transfers of resources to foreign countries under the agricultural programs, in addition to those classified as grants or credits. Detailed descriptions of the types of transactions included in these categories are given in the Explanatory Note to appendix C of the Report of the National Advisory Council for January-June 1960. 2/ Recent changes in these descriptions are given below.

Occasionally, assistance has been given 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 call for a cash settlement or may establish a long-term credit. Cash settlements are included in returned grants. Amounts of the newly established credits are added to outstanding indebtedness.

The U. S. Government receives some returns on its gross grants and credits. The returns which are deducted from gross grants and credits to arrive at net grants and credits include (1) reverse lend-lease; (2) the dollar value of the portion of grant counterpart funds paid to the United States for its use; (3) returned lend-lease and civilian supply ships; (4) returns of military equipment "loaned"; (5) cash received in war-account settlements for lend-lease and other aid; and (6) principal repaid on credits, but not interest. The Government's disbursements of currencies are deducted from the accumulation of currency claims in calculating net other assistance. Interest collected on the currencies on deposit is not included in the data in this report.

1/ In many instances, a limited percentage of the "counterpart funds" (the commensurate foreign currency value), or of the foreign currency proceeds resulting from the distribution of goods through commercial channels in the foreign country, is required to be made available to the U.S. Government.

2/ H. Doc. No. 154, 87th Cong., 1st sess.

Tables B-1 through B-6, and B-10, emphasize the net amounts of grants, credits, and other assistance. Gross grants, gross credits and deliveries under farm products sales are shown separately in tables B-1, B-2, B-7, and B-10 for the convenience of those who desire to measure the utilization of the legislative authorizations for aid. Over short periods of time, such as 1 year, the total of gross grants, gross credits and net other assistance is an effective statistical tool, but for longer periods the addition of the three categories introduces further conceptual difficulties, particularly where revolving authorizations (such as for Export-Import Bank loans) are involved.

BALANCE OF PAYMENTS.--The total amount for Government capital contributions to international financial organizations, grants, credits, and other assistance in this appendix is not identical with the amount shown for Government grants and capital in the balance of payments in table of this Report. The main factors contributing to this difference are: (1) Contributions to the multilateral-construction program of the North Atlantic Treaty Organization are included as military grants in this appendix, but are shown only as military expenditures in the balance of payments, and (2) Government investments in certain productive facilities abroad, Government receipts on funded claims, and net changes in foreign currency holdings resulting from transactions other than those under the farm products disposal programs are included in U.S. Government capital in the balance-of-payments statements but not in this appendix (see Exclusions, below).

DOLLAR EQUIVALENTS.--The measure of foreign grants and credits generally is in terms of (1) dollars disbursed by the U.S. Government to or for the account of a foreign government or other foreign entity or individual, and (2) dollar equivalents of goods delivered or shipped, services rendered, or foreign currencies disbursed to or for such foreign account. Correspondingly, returns are measured in terms of the dollars received by the U. S. Government, or the dollar equivalents of goods, services, and foreign currencies received. Dollar equivalents are, of necessity, frequently estimated.

FISCAL DATA.--The measure of grants and credits shown here - transfers - is not fiscal data. It is the same as budget expenditures only when dollars are disbursed as direct assistance. Expenditures in payment of the goods delivered or services rendered often occur before or after the actual transfers recorded here. The amounts of transfers are sometimes estimated from data on expenditures or (for services rendered) from fiscal data on obligations. Values of commodities transferred from Commodity Credit Corporation stocks are frequently estimated at current export offering price, not at CCC cost.

PERIODS COVERED.--Revised summary data for the entire postwar period (July 1, 1945, 3/ through December 31, 1966) are included in tables B-1 through B-6. These tables present data for the first 15-1/2 postwar years, July 1, 1945, through December 31, 1960, in total, and annually for each subsequent calendar year. Revised data on credit activity for the entire postwar period are given in table B-7. Table B-10 presents data on other assistance (through the farm products sale programs) for the postwar period.

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

Data for calendar year 1966 incorporate the preliminary estimates of the Office of Business Economics that were used in publication of the balance-of-payments data for that year in the June 1967 Survey of Current Business.

GEOGRAPHICAL PRESENTATION.--Assistance is shown by country, or general area, where possible. In certain instances (particularly in the earlier postwar period), data for parent countries include those for their dependent area; for example, although goods have been shipped to a then dependent area, Tunisia, such aid was reported as rendered to the parent country, France.

Transactions shown for a country are not necessarily with the government of such country, but are often with individuals, relief organizations, international organizations, or other private entities located in the designated country and considered to be within its economy. Thus, for example, net credits for Canada include loans to General Petroleums of Canada, Ltd., and the net grants for Hungary include relief commodities donated to the League of Red Cross Societies for distribution to individuals.

Because most data for the major military aid programs are available for publication only in the groupings established by the Mutual Security Act of 1954, Public Law 83-665, as amended, country detail is generally not shown for any military grants

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3/ For lend-lease, surplus property, and grant settlements, the postwar period is calculated from V-J Day (September 2, 1945).

except in table B-2. These data are included in the respective geographical areas except that military grant aid to Near East (including Greece and Turkey) and South Asia is included in Western Europe and military grant aid to New Zealand is included in Asia in tables B-3 and B-4. The military aid for which data are not available by area is shown as Unspecified, All Areas.

Data specially compiled and released by the Defense Department have been used in compiling table B-2, as indicated in footnote 3 thereto. These data are not exactly equivalent to the amounts reported by the Defense Department for inclusion by geographical area in these tables. Where country data were not available, the data are included by area as indicated in the preceding paragraph. Tables B-3 and B-4 include detail for military grants only for the areas, as indicated in the preceding paragraph.

Where country detail is not available the data are shown if possible by area as Unspecified, otherwise as Unspecified, All Areas.

EXCLUSIONS.--Several other types of transactions represent value received by the U. S. Government but are not included in the returns data. No cognizance of advances to the U. S. Government has been taken in the derivation of net credits. In addition to the U. S. Government grant programs included in this appendix, there are several operations of the Government abroad which are sometimes called grants or assistance, but are not included in these tables. Several categories of relatively short-term foreign indebtedness to the U. S. Government are excluded from the tables. Details of, and elaboration on, these exclusions are given on pages 37-38 of the Report for January-June 1960. 2/ Some changes in exclusions since the earlier Report are set out in the section Grant, Credit, and Other Transactions covered, below.

Transactions of the U. S. Exchange Stabilization Fund under exchange agreements, such as those discussed in chapter XI of this Report, are also excluded from the tables in this appendix.

TRANSACTIONS WITH INTERNATIONAL FINANCIAL INSTITUTIONS COVERED.--The U.S. Government has made equity capital investments in several international financial institutions. The figures in the tables include the investment of the United States in those international organizations which provide development and other longer term economic assistance to foreign countries. The United States investment in the International Monetary Fund is

not included in these figures since the Fund provides general financial assistance of relatively short-term to all of its members. The United States itself made net drawings of $905 million from the Fund in 1964-1966.

No attempt has been made in these appendix tables to allocate to foreign countries the assistance rendered through these international financial organizations by use of U.S. Government investments. The U. S. Government has a larger equity investment in the paid-in capital of these institutions than any other government. Data on the operations of these international organizations are included in chapter III of the text of this Report.

Detailed descriptions of most of the international financial institution investments included in this appendix are given on page 39 of the Report for January-June 1960.2/ Public Law 86-565 authorized an initial U.S. subscription of $320 million to the International Development Association (IDA), payable over 5 years; the purpose of IDA is to promote the economic development of less-developed member countries whose needs cannot be met under International Bank for Reconstruction and Development lending programs. Public Law 89-369 authorized a U.S. subscription of $200 million to the Asian Development Bank (ADB); the purpose of ADB is to foster economic growth and cooperation among countries in Asia and the Far East, collectively and individually.

GRANT, CREDIT, AND OTHER TRANSACTIONS COVERED.--Detailed descriptions of the types of transactions included in these categories are given on pages 39-50 of the Report for January-June 1960.2/ The following changes in coverage in the present appendix should be noted.

1. Revisions in security classifications have enabled the inclusion of data for one credit and two grant programs in this appendix, although these programs were noted as excluded in the Report for January-June 1960.2/ These programs are Philippine military aid provided under Public Law 79-454; Japanese military aid enacted in section 108 of Public Law 83-665; and credits for financing of military sales under subsections 103(c) with maturities up to 10 years and 106(b) with maturities up to 3 years, of Public Law 83-665, as amended, and as superseded by the provisions of subsections 503(a) of Public Law 87-195. The revised data for these programs are separately shown in table B-1 and are incorporated into the other tables, in their proper categories.

2. Foreign Assistance Act and related programs are those authorized by the Foreign Assistance Act of 1961 (Public Law 87-195), in particular under Parts I and II, as amended. The programs are the successors to the mutual security programs described on pages 40-41, 41-43, and 46-47 of the Report for January-June 1960.2/ Public Law 87-195 repealed the (corporate) Development Loan Fund. Loans of this Fund are included under Foreign Assistance Act and related programs in Country program loans.

Loans and grants for Latin American development and Chilean earthquake reconstruction assistance under Public Laws 86-735 and 87-41 are included in Foreign Assistance Act and related programs. These include the operations of the Social Progress Trust Fund, administered by the Inter-American Development Bank on behalf of the United States, which are separately set forth.

The Agency for International Development (AID) is the successor to the International Cooperation Administration and the (corporate) Development Loan Fund in operating the programs described on pages 41-50 of the Report for January--June 1960. 2/

3. Long-term dollar credits under the Agricultural Trade Development and Assistance Act (providing long-term supply contracts repayable in dollars over 20 years) were authorized by section 14 of Public Law 86-341, which added title IV to Public Law 83-480. Data on this program are reported by the Commodity Credit Corporation.

4. Additional compensation for the unpaid balances of awards for war damage claims under title I by the Philippine Rehabilitation Act of 1946 (Public Law 79-370) was authorized in Public Law 87-616 and is included in entries for Philippine rehabilitation program.

5. Peace Corps program includes the services rendered under Public Law 87-293, as amended, by Americans helping foreign countries meet their needs for trained manpower. This assistance is measured in terms of the expenditure of funds appropriated for expenses, allowances, services, and equipment of the Peace Corps volunteers and includes training and administrative costs of the program.

6. Other credits includes credits:

(a) Under EURATOM Cooperation Act of 1958 (Public Law 84-846, as amended), which authorized the sale on (first lien) credit terms of material by the Atomic Energy Commission to the European Atomic Energy Community; and

(b) Under Public Law 86-383, title II, which appropriated funds for loans by the Secretary of the Army to the Ryukyu Electric Power Corporation for construction, installation, and equipment of electric power systems.

7. Grants through private welfare agencies under authorizations for farm products disposals include donations under section 308 of Public Law 83-480, as amended.

8. The presentation of data on operations of the Export-Import Bank has been revised from that used in the Report for January-June 1960 2/ in respect to advances by others when guaranteed by the Export-Import Bank. These are now excluded from the data on disbursements and principal repayments, whereas in the January-June 1960 Report they were included.

Export-Import Bank utilizations include credits extended to refinance principal collections. These Export-Import Bank loan disbursements are reported after deducting some transactions classed by the Bank as "reimbursements by participants." Such reimbursements represent recovery of U.S. Government funds (1) through sales to private United States participants of fractions of notes acquired previously for the Export-Import Bank's portfolio or (2) where the Bank acts as an agent for the participating private domestic or foreign entity, or a foreign government, in current disbursement of a loan without guaranteeing repayment by the borrower. However, reimbursements through sales to foreign participants, either in the country of the borrower or a third country, are not included in "reimbursements by participants," but are included in "Principal collections," in this presentation. The participation of other Government agencies (except for one transaction involving $7 million) in loans of the Export-Import Bank is not included in disbursements of the Bank in this presentation, but is included against the other program only.

The sale of Eximbank Portfolio Fund participation certificates (which afford the purchasers a stipulated return at a fixed rate of interest) is not recorded in these data, even though sold to foreign purchasers.

9. Most loans to foreign governments under the Agricultural Trade Development and Assistance Act are those under the subsection which authorizes loans to promote multilateral trade and economic development, through established banking facilities of the nation where the foreign currency was obtained, or in any other manner which the President may deem to be appropriate. Some loans are under the subsection which authorizes use of the foreign currencies to procure equipment,

materials, facilities, and services for the common defense including internal security. Under the subsection which authorizes use of the foreign currencies for financing the purchase of goods and services for other friendly nations, the currencies have been used to provide loans to third countries. In practice, most of the loans have been made to foreign governments or government-controlled banking institutions, but some have been made, under the authority given to the President, to private entities. These loans are administered by AID and utilization represents the dollar equivalent of foreign currencies disbursed, as reported by AID. Collections of principal and interest are in dollars and foreign currencies.

Definitions

Although there exists a wide variety of transactions and differences in the statistical and 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 this appendix are generally consistent.

1. Utilized assistance is measured generally in terms of goods delivered or shipped, services rendered, or cash disbursed by the U.S. Government to or for the account of a foreign government or other foreign entity. Utilized assistance thus represents the goods transferred, the services rendered, or the cash disbursed depending upon the mechanics of furnishing the aid. However, many services are rendered which are not included in foreign assistance.

Reverse grants and returns on grants and collections on credits are measured in similar fashion.

Utilized grants represent the tangible foreign assistance that has moved either as an outright or conditional gift, or subject to future settlement. Utilized credits represent the tangible foreign assistance that has moved subject to repayment of the principal amount and, usually, of interest.

For a more itemized explanation of "utilized," by the aid programs shown in table B-1, refer to the sections on Transactions Covered (pages 39-50) in the Explanatory Note in the Report for January-June 1960,2/ as amended by the notes in the preceding sections of this Explanatory Note.

2. Returned represents returns of grants (such as lend-lease merchant ships), cash settlements for grants, and reverse grants (such as lend-lease and counterpart funds furnished the U.S. Government under the Foreign Assistance Act Program and earlier economic cooperation programs).

3. Repaid represents payments received and applied to the reduction of outstanding principal indebtedness, excluding principal repayments on debts arising out of World War I. Repayments on guaranteed loans, where Government money was not disbursed, are excluded. Amounts charged off, or changes in outstanding indebtedness due to exchange rate variations, are excluded (see table B-7).

4. Interest represents payments received on Credit transactions (q.v.) and applied to income, excluding interest payments on debts arising out of World War I. Interest received on foreign currencies on deposit in banks (including funds acquired under agricultural sales programs) is not included.

5. Outstanding indebtedness represents the net cumulative difference between (a) credit utilizations and (b) credit repayments, principal charged off, and the net loss due to exchange rate variations (see footnote 3 to table B-7). This indebtedness covers principal only and does not include accrued interest. The data necessarily include the results of transactions taking place before the period covered. Indebtedness arising out of World War I, however, is excluded. Indebtedness to others, even thoughat Government guarantee and risk, is excluded.

6. Authorized represents the gross amount of grants or credits committed by Government agencies or authorized by acts of Congress. In the case of grants, the word is generally used to mean Congressional authorizations, supported by appropriations, where necessary. In the case of credits, the word is generally used to mean the gross amount of loans and other credits approved or committed by Government agencies (including increases in prior commitments), even though in some instances such arrangements may not have been formalized by signed credit agreements. The words "authorized" and "committed" are often used interchangeably in this appendix.

7. Expired and canceled represents in the case of loans and other credits all terminations of credit authority occurring during the period covered regardless of whether the loan or other credit was authorized prior to or during the period.

8. Net authorizations mean the difference between gross authorizations and expired or canceled authorizations during the period, further decreased by the reduction in Export-Import Bank authorizations as a result of private participation either with or without recourse.

9. Unutilized credits (table B-9) represent the difference between cumulative net authorizations by the agency and cumulative utilizations.

10. Unspecified for purposes of this Report represents transactions which cannot be distributed by country either for

security reasons or because the data are not available. In most instances such items have been distributed by area.

PRESENTATION OF DATA IN TABLES

The presentation of the data for foreign assistance by the U.S. Government in the tables of this appendix is comparable with that in the Report for January-June 1965. 4/ However, the investment in the International Monetary Fund, which was included in previous Reports, has been excluded in this Report.

Table B-1 summarizes, by program and period, data for the postwar period July 1, 1945, through December 31, 1966, appearing in tables published periodically by the Office of Business Economics, Department of Commerce in the monthly magazine, Survey of Current Business, and in the annual Statistical Abstract of the United States. Table B-2 is a summary of the data for the entire postwar period, by type and geographical area, and table B-3, a summary by geographical area and period. Tables B-4 through B-6 are summaries of the same data for the major types of assistance, by geographical area and period.

Table B-7 is a summary by major program and by area and country of the activity on foreign credits from July 1, 1945, through December 31, 1966, and also presents data on principal and interest which were reported by the collecting agencies to have been past due 90 days or more as of December 31, 1966. Tables B-8 and B-9 summarize the outstanding indebtedness of foreign governments and other foreign entities and the unutilized balances of U.S. Government credit commitments, as of December 31, 1966, by area, country and major program.

Table B-10 is a summary, by program and by area and country, of the activity on the farm products sales programs, from July 1, 1953, through December 31, 1966.

The figures in each of the tables are rounded to whole millions of dollars, hence components will not necessarily add to totals. Any country whose total or largest dollar amount cannot be rounded to $1 million or more has been combined with other countries in that area whose dollar amounts cannot be rounded to $1 million or more and the total has been rounded and shown as Other. In determining whether a country should be shown individually or in combination with other countries in an area, each table has been treated separately.

4/ H. Doc. No. 449, 89th Cong., 2d sess.

Whenever the country detail to be shown for an area is one item only (one country or, in accordance with the above, exclusively Other) only the area total appears, and this area total is shown even though the figure is less than $1 million. For each country shown, the detail figures for that country appearing in any column are shown, even though in some instances they may be less than $1 million.

Negative entries in the tables are explained as follows: A negative net grant indicates an excess of grant returns over new grants utilized. A negative net credit indicates an excess of principal repayments over new credits utilized. A negative for "other assistance" indicates an excess in the dollar equivalent of foreign currencies disbursed by the Government over the dollar equivalent of acquisitions through new sales and through other included collections.

TABLE B-1.--Summary of major U.S. Government net foreign assistance, July 1, 1945 to December 31, 1966, gross and returned, by type and program 1/
(In millions of dollars and equivalents)

Type and program	Total (21-1/2 years)	Calendar Years 1966	1965	1964	1963	1962	1961	July 1, 1945, to Dec. 31, 1960
Net total, all programs.....	106,925	4,435	5,038	4,903	5,148	4,537	4,239	78,626
Investment in international financial institutions								
Total.....	1,190	-100	-	112	62	122	172	823
Asian Development Bank.....	10	10	-	-	-	-	-	-
Inter-American Development Bank.	190	-110	-	50	-	60	110	80
International Bank for Reconstruction and Development.....	635	-	-	-	-	-	-	635
International Development Association.....	320	-	-	62	62	62	62	74
International Finance Corporation	35	-	-	-	-	-	-	35
Grants								
Net.....	85,234	3,010	3,463	3,270	3,638	3,545	3,373	64,933
Gross (new) 2/.....	87,391	3,020	3,478	3,292	3,666	3,699	3,408	66,825
Military aid.....	37,265	1,100	1,674	1,393	1,730	1,766	1,526	28,077
Under Foreign Assistance Act and related programs:								
Military supplies and services 3/.....	34,366	1,100	1,636	1,338	1,676	1,618	1,387	24,613
Multilateral-construction program contributions.....			37	55	54	93	53	706

TABLE B-1.--Summary of major U.S. Government net foreign assistance, July 1, 1945 to December 31, 1966, gross and returned, by type and program 1/ -- Continued
(In millions of dollars and equivalents)

Type and program	Total (21-1/2 years)	Calendar Years 1966	1965	1964	1963	1962	1961	July 1, 1945, to Dec. 31, 1960
Grants -- Continued								
Gross -- Continued								
Vessel "loans".....	586	(4/)	(4/)	(4/)	(4/)	42	76	467
Japanese military aid.....	540	-	-	-	-	-	-	540
Chinese military aid.....	120	-	-	-	-	-	-	120
Lend-lease.....	679	-	-	-	-	-	-	679
Greek-Turkish aid.....	530	-	-	-	-	-	-	530
Chinese naval aid.....	141	-	-	-	-	-	-	141
Philippine military aid.....	132	-	-	-	-	-	-	132
Military equipment "loans" (other than under Foreign Assistance Act)	171	(4/)	(4/)	(4/)	(4/)	12	10	149
Other.....	50,125	1,920	1,805	1,900	1,936	1,933	1,882	38,748
Under Foreign Assistance Act and related programs.....	30,976	1,076	993	889	1,067	1,176	1,294	24,480
Under authorizations for farm products disposals:								
From foreign currencies under the Agricultural Trade Development and Assistance Act.....	2,435	387	333	532	382	306	160	335
Famine and other urgent and extraordinary relief and through private welfare agencies 5/.	3,455	231	263	278	328	329	338	1,688
Payment of transportation....	576	80	75	74	75	68	63	140
Civilian supplies and lend-lease.	7,131	10	12	8	5	7	3	7,084
UNRRA, post-UNRRA, and interim aid.....	3,443							3,443

TABLE B-1.--Summary of major U.S. Government net foreign assistance, July 1, 1945 to December 31, 1966, gross and returned, by type and program 1/ -- Continued
(In millions of dollars and equivalents)

Type and program	Total (21-1/2 years)	Calendar Years 1966	1965	1964	1963	1962	1961	July 1, 1945, to Dec. 31, 1960
Grants -- Continued								
Gross -- Continued								
Philippine rehabilitation.....	676	(6/)	14	27	1	-	-	635
Inter-American aid and technical assistance.....	145							145
Inter-American and related highways.....	133	5	5	2	4	7	12	98
International refugee assistance	274	7	8	8	9	2	-	241
International children's assistance.....	81	-	-	-	-	-	-	81
Greek-Turkish aid.....	122	-	-	-	-	-	-	122
Chinese stabilization.....	120	-	-	-	-	-	-	120
Yugoslav aid.....	38	-	-	-	-	-	-	38
Trust Territory development....	122	15	18	11	17	8	6	47
Peace Corps.....	341	109	82	70	48	29	4	
Libyan special purpose funds...	34	-	2	1	-	1	1	29
Berlin investment fund.....	13	-	-	-	-	-	-	13
American Red Cross.....	10	-	-	-	-	-	-	10
Less: Reverse grants and returns.	2,157	10	15	22	28	154	35	1,893
Military aid.....	480	5	9	8	9	136	8	305
Under Foreign Assistance Act and related programs:								
Foreign currency collections 7/	145	5	9	8	9	10	8	97
Return of vessel "loans"...	5	(4/)	(4/)	(4/)	(4/)	-	-	5

TABLE B-1.--Summary of major U.S. Government net foreign assistance, July 1, 1945 to December 31, 1966, gross and returned, by type and program 1/ -- Continued
(In millions of dollars and equivalents)

Type and program	Total (21-1/2 years)	Calendar Years 1966	1965	1964	1963	1962	1961	July 1, 1945, to Dec. 31, 1960
Grants -- Continued								
Gross -- Continued								
Settlement for reversionary rights on military assistance.....	75	-	-	-	-	75	-	-
Return of lend-lease ships.....	189	-	-	-	-	-	-	189
Return of military euipment (other than under Foreign Assistance Act).....	65	(4/)	(4/)	(4/)	(4/)	52	-	13
Other.....	1,675	5	6	13	19	17	27	1,587
Under Foreign Assistance Act and related programs:								
Dollar cash returns.....	6	-	(6/)	2	(6/)	1	1	2
Other.....	1,112	5	6	11	19	16	26	1,028
Civilian supplies, lend-lease, and cash settlements for grants.	558	-	-	-	-	-	(6/)	557
Credits								
Net.....	16,966	1,324	1,597	1,549	1,160	731	503	10,103
Gross (new) 2/.....	29,965	2,542	2,492	2,246	2,125	2,005	1,771	16,782
Under Export-Import Bank Act...	10,449	909	533	337	509	621	821	6,720

TABLE B-1.--Summary of major U.S. Government net foreign assistance, July 1, 1945 to December 31, 1966, gross and returned, by type and program 1/ -- Continued
(In millions of dollars and equivalents)

Type and program	Total (21-1/2 years)	Calendar Years 1966	1965	1964	1963	1962	1961	July 1, 1945, to Dec. 31, 1960
Credits - Continued								
Gross - Continued								
Under Foreign Assistance (and related) Acts:								
Country program loans.....	8,518	1,108	1,097	1,053	1,050	818	451	2,941
Social Progress Trust Fund...	296	70	71	67	66	22	1	
Deficiency and basic materials development.....	147	-	-	-	-	-	-	147
Financing of military sales..	224	-33	51	19	12	11	19	145
Under Agricultural Trade Development and Assistance Act:								
Currency loans to foreign governments.....	3,544	189	538	601	387	411	448	970
Currency loans to private enterprises.....	245	44	35	48	25	22	31	40
Long-term dollar credits.....	598	246	156	102	53	41	(6/)	
Lend-lease and surplus property.	1,562	-	1	-	-	-	-	1,560
Other credits.....	4,382	9	10	20	23	60	(6/)	4,260
British loan.....	3,750	-	-	-	-	-	-	3,750
Occupied-areas commodity credits.....	283	-	-	-	-	-	-	283
Reconstruction Finance Corporation loans.....	70	-	-	-	-	-	-	70
United Nations loans.....	141	-	-	1	16	60	-	65
Philippine funding.....	34	-	-	-	-	-	-	34

TABLE B-1.--Summary of major U.S. Government net foreign assistance, July 1, 1945 to December 31, 1966, gross and returned, by type and program 1/ -- Continued
(In millions of dollars and equivalents)

Type and program	Total (21-1/2 years)	Calendar Years 1966	1965	1964	1963	1962	1961	July 1, 1945, to Dec. 31, 1960
Credits - Continued								
Gross - Continued								
Under EURATOM Cooperation Act.	37	9	9	11	8	-	-	-
Miscellaneous.....	67	(6/)	1	8	(6/)	(6/)	(6/)	57
Less: Principal collections.....	12,998	1,218	896	698	965	1,274	1,268	6,679
Under Export-Import Bank Act..	6,829	556	592	467	642	583	384	3,604
Under Foreign Assistance (and related) Acts:								
Country program loans.....	1,085	140	119	113	143	380	71	119
Social Progress Trust Fund..	15	6	4	3	1	(6/)	-	-
Deficiency and basic materials development.....	124	1	1	3	2	4	6	106
Financing of military sales.	247	26	56	9	8	27	25	96
Under Agricultural Trade Development and Assistance Act:								
Currency loans to foreign governments.....	122	11	6	5	4	94	1	1
Currency loans to private enterprises.....	57	14	11	10	9	7	5	1
Long-term dollar credits.....	56	29	21	4	1	-	-	-
Lend-lease, surplus property, and settlements for grants.....	3,021	370	80	80	93	112	678	1,608
Other credits.....	1,443	65	5	5	61	66	97	1,145

TABLE B-1.--Summary of major U.S. Government net foreign assistance, July 1, 1945 to December 31, 1966, gross and returned, by type and program 1/ -- Continued
(In millions of dollars and equivalents)

Type and program	Total (21-1/2 years)	Calendar Years 1966	1965	1964	1963	1962	1961	July 1, 1945, to Dec. 31, 1960
Credits - Continued								
Other credits - Continued								
British loans.....	661	60	-	-	56	55	54	436
Occupied-areas commodity credits	283	-	-	-	-	-	-	283
Reconstruction Finance Corporation loans.....	365	-	-	-	-	(6/)	6	359
United Nations loans.....	42	5	5	5	4	2	2	17
Philippine funding.....	34	-	-	-	-	-	20	14
Miscellaneous.....	58	-	-	-	(6/)	8	14	35
Other assistance (through net accumulation of foreign currency claims)								
Net.....	3,535	201	-23	-28	287	139	191	2,767
Farm products sales.....	12,827	844	981	1,312	1,216	1,084	1,133	6,257
Under Mutual Security Acts.....	2,030	-	-	-	1	20	181	1,829
Under Agricultural Trade Development and Assistance Act.....	10,762	844	980	1,311	1,215	1,064	951	4,397
Under Commodity Credit Corporation Charter Act.....	35	(6/)	(6/)	(6/)	(6/)	(6/)	(6/)	32

TABLE B-1.--Summary of major U.S. Government net foreign assistance, July 1, 1945 to December 31, 1966, gross and returned, by type and program 1/ -- Continued
(In millions of dollars and equivalents)

Type and program	Total (21-1/2 years)	Calendar Years 1966	1965	1964	1963	1962	1961	July 1, 1945, to Dec. 31, 1960
Other assistance (through net accumulation of foreign currency claims)								
From second stage operations (under Agricultural Trade Development and Assistance Act 8/	454	114	102	85	71	58	14	10
Less: Currencies disbursed for grants, credits, and other uses..	9,747	757	1,106	1,425	1,000	1,003	956	3,501
Under Mutual Security Acts.....	1,988	7	16	21	47	103	165	1,629
For economic grants and credits in recipient's currency.....	1,539	3	13	18	37	87	120	1,262
Other.....	449	4	4	3	10	16	45	367
Under Agricultural Trade Development and Assistance Act.....	7,726	750	1,089	1,404	952	897	787	1,848
For economic grants and credits in recipient's currency.....	6,148	620	895	1,161	775	734	632	1,329
Other.....	1,578	130	193	242	176	163	155	518
Under Commodity Credit Corporation Charter Act: Other than for grants and credits.....	33	(6/)	1	(6/)	(6/)	4	3	25

Footnotes to Table B-1

1/ For important qualifications affecting this table and for definitions of terms, see the Explanatory Note.

2/ New credits do not include $2,747 million representing settlements for postwar relief and other grants under agreements. New grants have not been adjusted for any part of these settlements.

3/ Includes contributions to mutual special weapons projects.

4/ Data not available.

5/ Includes donations through United Nations Children's Fund and United Nations Relief and Works Agency for Palestine Refugees under authority of sec. 416 of Public Law 81-439, as amended, particularly by title III of Public Law 83-480, and under authority of sec. 308 of Public Law 83-480, as amended.

6/ Less than $500,000.

7/ Includes foreign currencies advanced by beneficiary governments under mutual assistance agreements to defer expenses of military missions, etc.

8/ Includes foreign currencies acquired from triangular trade operations and principal and interest collections on credits, originally extended under Public Law 83-480, which -- since enactment of Public Law 87-128 -- are available for the same purposes as Public Law 83-480 currencies.

Source: Compiled by Office of Business Economics, U. S. Department of Commerce, from information made available by operating agencies.

TABLE B-2.--Summary of major U.S. Government foreign assistance, military and other, by area and country, postwar period, July 1, 1945, to December 31, 1955 1/

(In millions of dollars and equivalents)

Area and country	Total (net) 2/	Military supplies and services (net grants) 3/	Other aid (economic and technical assistance) Total (net)	Net grants: Total	Net grants: Gross grants 4/	Net grants: Less: Reverse grants and returns	Net credits: Total	Net credits: New credits 4/	Net credits: Less: Principal collections	Other assistance (through net accumulation of foreign currency claims): Total	Through sale of farm products	From second stage operations 5/	Less: Currencies used: For grants and credits in recipient's currency	For other purposes
Total, all areas	106,925	36,786	68,949	48,450	50,125	1,675	16,966	29,965	12,998	3,535	12,827	454	7,688	2,060
Total, investment in international financial institutions	1,190	-	-	-	-	-	-	-	-	-	-	-	-	-
Total, Europe	6/50,421	6/21,678	28,743	22,868	24,299	1,430	4,974	12,352	7,378	901	3,699	126	1,810	1,113
Total, Western Europe	6/48,815	6/21,678	27,137	21,797	23,189	1,390	4,930	12,185	7,254	410	3,179	126	1,810	1,085
Austria	1,089	-	1,089	1,045	1,099	54	45	113	69	(7/)	56	-	26	30
Belgium and Luxembourg	1,901	1,251	650	581	583	2	69	255	186	(7/)	2	-	-	2
Cyprus	20	-	20	17	17	-	2	2	-	(7/)	2	(7/)	(7/)	2
Denmark	871	608	263	234	248	14	29	57	28	(7/)	4	-	-	4
Finland	54	-	54	4	4	-	43	141	96	8	48	5	23	21
France	8,544	4,402	4,142	4,183	4,367	184	-43	2,182	2,224	2	251	5	46	207
Germany	3,711	862	2,849	3,830	3,907	77	-982	358	1,340	(7/)	163	-	95	67
Greece	3,430	1,774	1,656	1,465	1,540	75	187	305	118	4	202	15	153	60
Iceland	67	-	67	34	36	2	32	41	9	1	16	1	11	5
Ireland	126	-	126	17	18	1	109	128	19	-	-	-	-	-
Italy	5,281	2,488	2,793	2,770	2,851	81	22	769	747	1	237	4	120	119
Malta	3	-	3	3	3	-	-	-	-	-	-	-	-	-

TABLE D-2.- Summary of major U.S. Government foreign assistance, military and other, by area and country, postwar period, July 1, 1945, to December 31, 1965 1/

(In millions of dollars and equivalents)

Area and country	Total (net) 2/	Military supplies and services (net) grants) 3/	Other aid (economic and technical assistance) Total (net)	Net grants: Total	Net grants: Gross grants 4/	Net grants: Less: Reverse grants and returns	Net credits: Total	Net credits: New credits 4/	Net credits: Less: Principal collections	Other assistance (Use of net proceeds of foreign currency sales): Total	Currency sales accepted: Through sale of farm products	Currency sales accepted: From current stock of commodities 5/	Less: [illegible]	[illegible]
Western Europe -- Continued														
Netherlands	2,101	1,273	828	844	896	51	-18	393	411	1	9	-	7	1
Norway	1,055	819	236	217	239	22	18	136	117	(7/)	2	-	1	2
Portugal	494	332	162	48	50	1	114	142	28	(7/)	7	-	3	4
San Marino	1	-	1	1	1	-	-	-	-	-	-	-	-	-
Spain	1,492	582	910	379	573	194	444	592	147	86	710	20	380	264
Sweden	87	-	87	87	87	-	-	24	24	(7/)	-	-	-	(7/)
Turkey	4,395	2,507	1,888	1,011	1,098	87	792	833	90	85	526	33	318	156
United Kingdom	7,574	1,124	6,450	3,277	3,798	520	3,164	4,613	1,449	9	218	-	96	113
Yugoslavia	2,728	719	2,009	1,038	1,063	25	759	866	108	213	727	44	530	28
European Atomic Energy Community	73	-	73	-	-	-	73	73	-	-	-	-	-	-
European Coal and Steel Community	69	-	69	-	-	-	69	100	31	-	-	-	-	-
European Payments Union	238	-	238	238	238	-	-	-	-	-	-	-	-	-
Other and Unspecified Western Europe	3,411	2.937	474	473	473	-	1	10	9	(7/)	-	-	-	(7/)
Total, Other Europe	1,606	-	1,606	1,071	1,110	39	44	168	124	492	520	-	-	28
Albania	20	-	20	20	20	-	-	-	-	-	-	-	-	-
Czechoslovakia	191	-	191	186	186	(7/)	5	13	8	-	-	-	-	-
East Germany	17	-	17	17	17	-	-	-	-	-	-	-	-	-

TABLE B-2. Summary of major U.S. Government foreign assistance, military and other, by area and country, postwar period, July 1, 1945, to December 31, 1956 1/

(In millions of dollars and equivalents)

Area and country	Total (net) 2/	Military supplies and services (net grants) 3/	Other aid (economic and technical assistance)							Other assistance (through net accumulation of foreign currency claims)				
			Total (net)	Net grants			Net credits				Currency claims acquired		Less: Conversion used	
				Total	Gross grants 4/	Less: Reverse grants and returns	Total	New credits 4/	Less: Principal collections	Total	Through sale of farm products	From second stage operations 5/	For grants and credits in recipient's currency	For other purposes
Other Europe -- Continued														
Hungary	22	-	22	16	16	-	6	16	10	-	-	-	-	-
Poland	969	-	969	404	405	(7/)	73	139	66	492	520	-	-	-
Soviet Union	387	-	387	426	465	39	-41	-	41	-	-	-	-	-
Total, Asia	6/40,329	6/13,379	26,950	18,579	18,703	124	6,458	8,787	2,330	1,913	7,137	244	4,803	666
Afghanistan	288	6/ 3	285	233	233	-	46	57	11	6	8	-	(7/)	2
Burma	100	-	100	48	49	1	42	48	6	10	46	6	27	14
Cambodia 8/	355	99	256	256	258	2	-	-	-	(7/)	9	-	9	-
Ceylon	94	-	94	70	70	-	15	16	1	10	34	1	17	8
China-Taiwan	5,653	3,503	2,150	1,858	1,866	8	282	433	151	9	437	4	377	55
Hong Kong	39	-	39	38	38	-	(7/)	(7/)	(7/)	(7/)	-	-	-	(7/)
India	5,901	6/ -	5,901	1,308	1,336	29	3,293	3,636	343	1,301	3,325	138	1,951	212
Indonesia	782	74	708	278	284	6	209	333	124	222	292	2	60	12
Iran	1,372	6/ 685	687	443	457	14	238	372	134	7	64	4	37	24
Iraq	96	6/ 49	47	28	28	(7/)	19	22	3	-	-	-	-	-
Israel	908	-	908	354	354	(7/)	476	671	195	78	398	47	339	29
Japan	4,222	1,635	2,587	2,266	2,266	-	321	1,236	915	(7/)	193	-	116	77

TABLE B-2. Summary of major U.S. Government foreign assistance, military and other, by area and country, postwar period, July 1, 1945, to December 31, 1963 1/

(In millions of dollars and equivalents)

Area and country	Total (net) 2/	Military supplies and services (net) (grants) 3/	Total (net)	Other aid (economic and technical assistance)											
				Net grants			Net credits			Other assistance (through net accumulation of foreign currency claims)					
											Currency claims acquired		Less: Claims used		
				Total	Gross grants 4/	Less: Reverse grants and returns	Total	New credits 4/	Less: Principal collections	Total	Through sale of farm products	From second stage operations 5/	For grants and credits in recipients' currency	For other purposes
Asia -- Continued															
Jordan	566	6/ 41	525	520	520	(7/)	3	5	2	4	6	-	1	1	
Korea	6,329	2,292	4,037	3,900	3,920	20	109	118	9	28	764	1	665	72	
Laos 8/	618	6/ 128	490	490	490	(7/)	-	-	-	(7/)	(7/)	-	(7/)	-	
Lebanon	95	6/ 9	86	80	80	-	6	9	3	(7/)	-	-	-	(7/)	
Macao	4	-	4	4	4	-	-	-	-	-	-	-	-	-	
Malaysia	35	-	35	22	22	-	13	20	7	(7/)	-	-	-	(7/)	
Nepal	99	6/ -	99	96	96	-	2	2	(7/)	(7/)	-	(7/)	(7/)	(7/)	
Pakistan	2,804	6/ -	2,804	1,567	1,599	33	1,105	1,206	101	132	1,038	39	851	93	
Philippines	1,632	481	1,151	1,013	1,019	6	122	309	187	16	140	2	104	22	
Ryukyu Islands	322	-	322	305	305	-	17	17	(7/)	-	-	-	-	-	
Saudi Arabia	44	6/ 32	12	31	31	-	-19	75	94	-	-	-	-	-	
Syria	57	-	57	33	33	-	14	14	1	10	35	2	12	14	
Thailand	792	6/ 408	384	307	310	3	78	99	21	(7/)	4	(7/)	2	3	
Vietnam 8/	4,125	1,294	2,831	2,665	2,665	-	83	87	4	83	344	(7/)	234	27	
Yemen	44	6/ -	44	44	44	-	-	-	-	-	-	-	-	-	
Other and Unspecified Asia	2,953	2,646	307	324	326	2	-15	1	16	-2	-	-	-	2	

TABLE B-2.—Summary of major U.S. Government foreign assistance, military and other, by area and country, postwar period, July 1, 1945, to December 31, 1966 1/

(In millions of dollars and equivalents)

Area and country	Total (net) 2/	Military supplies and services (net) grants) 3/	Other aid (economic and technical assistance) Total (net)	Net grants: Total	Net grants: Gross grants 4/	Net grants: Less: Reverse grants and returns	Net credits: Total	Net credits: New credits 4/	Net credits: Less: Principal collections	Other assistance (through net accumulation of foreign currency claims): Total	Currency claims acquired: Through sale of farm products	Currency claims acquired: From second stage operations 5/	Uses: Currency used: For grants and credits in recipient's currency	Uses: Currency used: For other purposes
Total, Latin America	7,352	1,018	6,334	2,137	2,139	3	3,891	6,476	2,585	306	892	38	455	169
Argentina	425	48	377	14	14	-	357	643	286	6	31	(7/)	15	10
Bolivia	387	13	374	265	266	1	88	99	11	20	66	1	39	8
Brazil	2,133	241	1,892	309	309	-	1,383	2,169	786	200	507	4	238	74
British Honduras	3	-	3	3	3	-	(7/)	(7/)	(7/)	-	-	-	-	-
Chile	929	107	822	148	148	(7/)	643	880	237	31	85	8	44	19
Colombia	548	74	474	115	115	(7/)	342	598	256	17	66	10	40	19
Costa Rica	109	2	107	69	69	-	38	56	18	-	-	-	-	-
Cuba	57	16	41	5	5	(7/)	36	40	3	-	-	-	-	-
Dominican Republic	237	13	224	149	149	(7/)	75	78	4	(7/)	(7/)	-	-	(7/)
Ecuador	186	42	144	68	68	(7/)	75	113	38	1	11	1	8	3
El Salvador	77	4	73	36	36	-	38	48	10	(7/)	(7/)	-	-	(7/)
Guatemala	176	11	165	142	142	-	23	33	10	(7/)	9	-	9	(7/)
Guyana	11	-	11	11	11	-	(7/)	(7/)	-	-	-	-	-	-
Haiti	103	4	99	73	73	(7/)	26	33	7	-	-	-	-	-
Honduras	66	4	62	41	41	-	22	28	6	-	-	-	-	-

TABLE B-2.- Summary of major U.S. Government foreign assistance, military and other, by area and country, latter period, July 1, 1945, to December 31, 1966 1/

(In millions of dollars and equivalents)

Area and country	Total (net) 2/	Military supplies and services (net) (grants) 3/	Other aid (economic and technical assistance) Total (net)	Net grants: Total	Net grants: Gross grants 4/	Net grants: Less: Reverse grants and returns	Net credits: Total	Net credits: New credits 4/	Net credits: Less: Principal collections	Other assistance (through net acquisition of foreign currency claims): Total	Currency claims acquired: Through sale of farm products	Currency claims acquired: From second stage operations 5/	Less: Other use: For grants and credits in recipient's currency	Less: Other use: For other purposes
Latin America -- Continued														
Jamaica	24	1	24	19	19	-	4	25	21	-	(7/)	-	-	(7/)
Mexico	458	1	457	147	147	(7/)	309	794	484	1	25	7	18	13
Nicaragua	85	7	78	53	53	-	25	41	16	-	-	-	-	-
Panama	134	1	133	73	73	-	60	72	11	(7/)	-	-	-	(7/)
Paraguay	75	4	71	39	39	(7/)	26	39	13	6	16	1	7	4
Peru	386	104	282	114	114	(7/)	163	368	205	6	40	2	22	14
Surinam	5	-	5	4	4	-	1	1	(7/)		-	-	-	-
Trinidad and Tobago	41	-	41	29	29	-	12	14	2	-	-	-	-	-
Uruguay	102	38	64	13	13	(7/)	34	50	16	18	36	3	16	5
Venezuela	200	11	189	36	36	(7/)	152	234	81	(7/)	-	-	-	(7/)
Central American Bank for Economic Integration	15	-	15	-	-	-	15	15	(7/)	-	-	-	-	-
Other and Unspecified Latin America	377	272	105	163	166	2	-58	4	62	-	-	-	-	-

TABLE B-2.--Summary of major U.S. Government foreign assistance, military and other, by area and country, postwar period, July 1, 1945, to December 31, 1966 1/

(In millions of dollars and equivalents)

Area and country	Total (net) 2/	Military supplies and services (net grants) 3/	Other aid (economic and technical assistance)							Other assistance (through net acquisition of foreign currency claims)				
			Total (net)	Net grants			Net credits			Total	Currency claims acquired		Less: Currency used	
				Total	Gross grants 4/	Less: Reverse grants and returns	Total	New credits 4/	Less: Principal collections		Through sale of farm products	From second stage operations 5/	For grants and credits in recipient's currency	For other purposes
Total, Africa	3,939	209	3,730	1,926	2,019	93	1,390	1,721	332	413	1,098	46	620	111
Algeria	158	-	158	146	146	-	12	13	1	(7/)	-	-	-	(7/)
Burundi	5		5	5	5	-	-	-	-	-	-	-	-	-
Cameroon	20	(7/)	20	14	14	-	6	6	-	-	-	-	-	-
Central African Republic	4	-	4	4	4	-	-	-	-	-	-	-	-	-
Chad	6	-	6	6	6	-	-	-	-	-	-	-	-	-
Congo (Brazzaville)	6	-	6	6	6	-	(7/)	(7/)	(7/)	-	-	-	-	-
Congo (Kinshasa)	288	11	277	208	208	-	42	43	2	28	84	(7/)	33	22
Dahomey	8	(7/)	8	8	8	-	-	-	-	-	-	-	-	-
Ethiopia	232	96	136	100	100	-	35	52	17	1	3	(7/)	3	-1
Gabon	5	-	5	5	5	-	-	-	-	-	-	-	-	-
Ghana	127	(7/)	127	23	23	-	98	98	(7/)	6	7	-	-	1
Guinea	71	-	71	38	38	-	4	4	-	30	33	(7/)	2	2
Ivory Coast	25	(7/)	25	9	9	-	15	16	1	1	3	(7/)	1	1
Kenya	50	-	50	34	34	-	16	16	(7/)	(7/)	-	-	-	(7/)
Liberia	187	3	184	72	72	-	112	135	23	(7/)	-	-	-	(7/)
Libya	217	9	208	202	202	-	6	7	1	(7/)				
Malagasy Republic	8	-	8	8	8	-	-	-	-	-	-	-	-	-
Malawi	8	-	8	8	8	-	-	-	-	-	-	-	-	-

TABLE B-2.--Summary of major U.S. Government foreign assistance, military and other, by area and country, postwar period, July 1, 1945, to December 31, 1966 1/

(In millions of dollars and equivalents)

Area and country	Total (net) 2/	Military supplies and services (net) (grants) 3/	Other aid (economic and technical assistance) Total (net)	Net grants: Total	Net grants: Gross grants 4/	Net grants: Less: Reverse grants and returns	Net credits: Total	Net credits: New credits 4/	Net credits: Less: Principal collections	Other assistance (through net accumulation of foreign currency claims): Total	Currency claims acquired: Through sale of farm products	Currency claims acquired: From second stage operations 5/	Less: Currency used: For grants and credits in recipient's currency	Less: Currency used: For other purposes
Africa -- Continued														
Mali	15	2	13	13	13	(7/)	(7/)	(7/)	-	(7/)	1	-	-	(7/)
Mauritania	1	-	1	1	1	-	-	-	-	-	-	-	-	-
Morocco	518	21	497	199	199	-	278	298	21	20	66	1	46 9/	2
Niger	7	(7/)	7	6	6	-	1	1	-	-	-	-	-	-
Nigeria	118	1	117	101	101	-	16	18	2	(7/)	-	-	-	(7/)
Rwanda	4	-	4	4	4	-	-	-	-	-	-	-	-	-
Senegal	19	2	17	15	15	-	(7/)	(7/)	(7/)	2	3	-	(7/)	1
Sierra Leone	27	-	27	17	17	-	10	10	-	(7/)	-	-	(7/)	(7/)
Somali Republic	48	-	48	45	45	-	3	3	(7/)	(7/)	-	-	1 9/	-1
South Africa	-85	-	-85	-92	-	92	7	154	147	(7/)	-	-	-	(7/)
Sudan	85	(7/)	85	62	62	-	18	18	-	6	22	(7/)	11	5
Tanzania	47	-	47	35	35	-	9	11	2	3	3	-	-	(7/)
Togo	10	-	10	10	10	(7/)	-	-	-	-	-	-	-	-
Tunisia	446	16	430	290	290	-	116	123	7	24	62	1	37 9/	2
Uganda	17	-	17	13	13	-	4	4	-	-	-	-	-	-
United Arab Republic	1,106	-	1,106	246	246	(7/)	568	617	49	292	809	44	486	76
Upper Volta	6	(7/)	6	6	6	-	-	-	-	-	-	-	-	-
Zambia	6	-	6	1	1	-	5	5	-	-	-	-	-	-
Other and Unspecified Africa	118	48	70	60	60	-	10	68	58	-	-	-	-	-

TABLE B-2. Summary of major U.S. Government foreign assistance, military and other, by area and country, postwar period, July 1, 1945, to December 31, 1966 1/

(In millions of dollars and equivalents)

Area and country	Total (net) 2/	Military supplies and services (net) grants) 3/	Other aid (economic and technical assistance) Total (net)	Net grants: Total	Net grants: Gross grants 4/	Net grants: Less: Repayments, grants and returns	Net credits: Total	Net credits: New credits 4/	Net credits: Less: Principal collections	Other assistance (through net accumulation of foreign currency claims): Total	Currency claims acquired: Through sale of farm products	Currency claims acquired: From second stage operations 5/	Less: Currencies used: For grants and credits in recipient's currency	Less: Currencies used: For other purpose
Total, Oceania	200	3	197	129	149	20	68	196	127	(7/)	-	-	-	(7/)
Australia	37	-	37	-7	13	20	45	148	104	(7/)	-	-	-	(7/)
New Caledonia	1	-	1	-	-	-	1	2	(7/)	-	-	-	-	-
New Zealand	28	3	25	2	2	-	22	45	23	-	-	-	-	-
Trust Territory of the Pacific Islands	134	-	134	134	134	-	(7/)	1	1	-	-	-	-	-
Other and Unspecified Oceania	(7/)	-	(7/)	(7/)	(7/)	-	-	-	-	-	-	-	-	-
Canada	2	9	-7	-	-	-	-7	163	170	(7/)	-	-	-	(7/)
Other international organizations and unspecified, all areas	3,492	490	3,002	2,810	2,816	6	191	268	77	-	-	-	-	-

Footnotes to TABLE B-2

1/ For important qualifications affecting this table and for definitions of terms, see the Explanatory Note.
2/ Includes "Investment in international financial institutions" not shown in separate column.
3/ Military supplies and services grant data under Public Laws 83-665 and 87-195 are generally not available by country and are thus shown only in area totals. However, special Defense Department releases indicating accomplishment of selected grant assistance to some countries, by fiscal years, have been published by the Defense Department. The amounts included in the Defense Department releases are not exactly equivalent to the amounts reported by the Defense Department for inclusion by area in these tables. Credits which finance the sale of military supplies and services are not included here; they are included as part of credits. The additional qualifications given in note 6 should be noted.

Footnotes continued on following page.

Footnotes to TABLE B-2 -- Continued

4/ New credits do not include $2,747 million representing settlements for postwar relief and other grants under agreements. New grants have not been adjusted for any part of these settlements. For major countries, these amounted to: Germany, $1 billion, United Kingdom, $562 million, Japan, $490 million, France, $353 million, and Netherlands, $47 million. Although settlements have not been reached with the following countries, for statistical convenience the amounts of postwar lend-lease credits for U.S.S.R. ($222 million) and China ($50 million) are included in the total of "settlements" noted here, and are thus reported in grants rather than credits.

5/ Includes foreign currencies acquired from triangular trade operations and principal and interest collections on credits, originally extended under Public Law 83-480, which -- since enactment of Public Law 87-128 -- are available for the same purpose as Public Law 83-480 currencies.

6/ Values of military aid have been included in the "Unspecified" category where data remain classified because of intergovernmental agreement or because of their sensitive nature. For India, Nepal, and Pakistan the Agency for International Development in "U.S. Foreign Assistance and Assistance from International Organizations, Obligations and Loan Authorizations," has indicated that military programs exist, but since the data are classified the amounts shown here are consequently known to be understated. Data for Laos and Thailand for recent years are classified and the amounts shown here do not include recent transactions. Because of security considerations, annual data in Tables B-3 and B-4 for military assistance to Afghanistan, India, Iran, Iraq, Jordan, Lebanon, Nepal, Pakistan, Saudi Arabia, and Yemen are not available and the amounts for these countries, along with those for Greece and Turkey are included in the data shown for Western Europe in the latter tables.

7/ Less than $500,000 (±).

8/ Separate detail data for Cambodia, Laos, and Vietnam became available during 1954. For earlier periods data for Indochina are included in "Unspecified Asia." Some unspecified transactions also occurred in 1955 and 1956.

9/ Currencies of one country used for intercountry transfers are included in uses for that country, but the equivalent amounts are deducted from uses for the second country, to which the U.S. transfers its claim.

Source: Compiled by Office of Business Economics, U.S. Department of Commerce, from information made available by operating agencies.

TABLE B-3. -- Summary of major U.S. Government net foreign assistance, July 1, 1945, to December 31, 1966, by area, type and country 1/

(In millions of dollars and equivalents)

Area, type, and country	Total (21-1/2 years)	Calendar years 1966	1965	1964	1963	1962	1961	July 1, 1945, to Dec. 31, 1960
Total, all areas 2/	105,735	4,535	5,038	4,792	5,086	4,416	4,067	77,803
Military supplies and services 3/	36,786	1,095	1,665	1,385	1,721	1,630	1,518	27,773
Other 4/	68,949	3,440	3,373	3,407	3,364	2,786	2,549	50,030
Total, Europe	51,240	223	619	924	890	306	304	47,974
Total, Western Europe	49,634	241	632	878	847	252	251	46,533
Military supplies and services	22,497	355	573	598	893	709	655	18,714
Other 4/	27,137	-114	59	281	-46	-457	-404	27,819
Austria	1,089	-2	4	-1	(5/)	-12	4	1,097
Belgium and Luxembourg	650	-6	-8	-8	-6	-18	-8	705
Cyprus	20	1	(5/)	1	2	7	6	3
Denmark	263	-2	-2	-2	-2	-2	-2	275
Finland	54	-6	-9	-6	-2	-6	-3	87
France	4,142	-97	-205	-38	-244	-541	-68	5,334
Germany	2,849	-207	(5/)	-5	-14	-3	-587	3,664
Greece	1,656	3	26	35	30	21	31	1,511
Iceland	67	(5/)	1	1	1	3	3	59
Ireland	126	-3	-3	-2	-2	-2	-2	141
Italy	2,793	-121	31	78	5	-176	-27	3,004
Liechtenstein	(5/)	(5/)	(5/)	-	1	-	-	-
Malta	3	(5/)	(5/)	-	(5/)	(5/)	(5/)	3
Netherlands	828	(5/)	-2	-1	-72	-12	-52	968
Norway	236	-3	-4	-5	-4	-4	-6	261
Portugal	162	3	12	30	17	20	1	80
San Marino	1	-	-	-	-	-	(5/)	5/

Footnotes at end of table.

TABLE B-3. -- Summary of major U.S. Government net foreign assistance, July 1, 1945, to December 31, 1966, by area, type and country 1/

(In millions of dollars and equivalents)

Area, type, and country	Total (21-1/2 years)	Calendar years 1966	1965	1964	1963	1962	1961	July 1, 1945, to Dec. 31, 1960
Western Europe - Continued								
Spain	910	30	19	-10	1	12	110	748
Sweeden	87	-	(5/)	-1	(5/)	-16	-1	105
Turkey	1,888	118	132	126	174	203	153	982
United Kingdom	6,450	60	-20	-14	-75	-77	-81	6,655
Yugoslavia	2,009	98	75	90	134	145	121	1,347
European Atomic Energy Community	73	22	20	19	12	-	-	-
European Coal and Steel Community	69	-4	-4	-4	-4	-3	-3	91
European Payments Union	238	-	-	-	-	-	-	238
Other Western Europe	17	-	-4	-5	3	4	6	13
Unspecified Western Europe	457	2	(5/)	3	1	(5/)	(5/)	450
Total, Other Europe (other than military) 4/	1,606	-18	-13	46	43	54	53	1,441
Albania	20	-	-	-	-	-	-	20
Czechoslovakia	191	-	-	-	-	-	-	191
East Germany	17	-	-	-	-	-	-	17
Hungary	22	-1	-1	-1	-1	-1	(5/)	26
Poland	969	-10	-6	52	48	61	57	767
Soviet Union	387	-7	-5	-5	-5	-6	-4	419
Total, Asia	39,513	2,573	2,977	2,632	2,795	2,615	2,318	23,603
Military supplies and services	12,563	539	1,006	677	706	789	689	8,158
Other 4/	26,950	2,034	1,971	1,955	2,089	1,826	1,629	15,446
Afghanistan	285	30	34	37	33	13	30	108
Burma	100	2	3	5	10	3	4	73

Footnotes at end of table.

TABLE B-3. -- Summary of major U.S. Government net foreign assistance, July 1, 1945, to December 31, 1966, by area, type and country 1/

(In millions of dollars and equivalents)

Area, type, and country	Total (21-1/2 years)	Calendar years 1966	1965	1964	1963	1962	1961	July 1, 1945, to Dec. 31, 1960
Asia - - Continued								
Cambodia 6/	256	(5/)	2	7	20	20	24	184
Ceylon	94	5	4	4	5	9	10	58
China - Taiwan	2,150	31	49	45	76	82	119	1,748
Hong Kong	39	1	2	(5/)	5	3	6	22
India	5,901	751	849	864	740	534	373	1,791
Indonesia	708	26	-4	32	78	89	54	434
Iran	687	(5/)	7	-6	20	46	129	492
Iraq	47	3	7	12	5	1	1	20
Israel	908	47	49	34	49	58	41	630
Japan	2,587	47	-57	-49	32	57	26	2,532
Jordan	525	44	37	45	55	53	61	230
Korea	4,037	165	165	158	240	238	230	2,841
Laos 6/	490	55	58	39	32	30	51	225
Lebanon	86	1	(5/)	-2	3	4	8	72
Macao	4	(5/)	(5/)	1	1	(5/)	1	1
Malaysia	35	4	4	2	7	12	2	3
Nepal	99	10	16	17	14	9	10	24
Pakistan	2,804	211	348	377	380	323	218	948
Philippines	1,151	22	45	49	11	26	12	987
Ryukyu Islands	322	12	19	22	8	11	5	246
Saudi Arabia	12	(5/)	-2	3	-2	-26	-8	47
Syria	57	-1	-1	(5/)	-3	13	21	27
Thailand	384	21	25	18	29	31	29	230
Vietnam 6/	2,831	499	300	221	212	157	151	1,291
Yemen	44	4	4	6	8	6	6	10
Other Asia	-15	(5/)	(5/)	(5/)	(5/)	(5/)	(5/)	-16
Unspecified Asia	322	44	9	15	23	26	18	187

Footnotes at end of table

TABLE B-3. -- Summary of major U.S. Government net foreign assistance, July 1, 1945, to December 31, 1966, by area, type and country 1/

(In millions of dollars and equivalents)

Area, type, and country	Total (21-1/2 years)	Calendar years						July 1, 1945, to Dec. 31, 1960
		1966	1965	1964	1963	1962	1961	
Total, Latin America	7,352	792	691	507	639	661	835	3,227
Military supplies and services	1,018	72	59	59	63	74	124	566
Other 4/	6,334	720	632	447	576	587	710	2,662
Argentina	377	-3	-3	5	11	66	41	260
Bolivia	374	22	30	33	45	29	23	191
Brazil	1,892	226	149	213	139	159	270	737
British Honduras	3	(5/)	(5/)	1	(5/)	1	(5/)	1
Chile	822	87	101	96	111	88	122	217
Colombia	474	59	34	38	69	45	53	176
Costa Rica	107	10	14	10	7	9	7	51
Cuba	41	-	-	-	(5/)	(5/)	(5/)	40
Dominican Republic	224	53	79	22	48	22	(5/)	5/
Ecuador	144	21	17	17	14	12	11	52
El Salvador	73	17	11	10	11	6	8	10
Guatemala	165	7	11	9	10	9	14	104
Guyana	11	3	3	1	1	1	1	1
Haiti	99	3	5	3	3	5	14	67
Honduras	63	7	10	4	5	4	8	25
Jamaica	23	5	4	3	3	2	1	4
Mexico	457	54	38	-55	-18	21	83	334
Nicaragua	78	10	7	7	7	7	9	30
Panama	133	21	21	10	19	11	9	43
Paraguay	71	4	5	7	9	4	10	33
Peru	282	28	32	17	4	5	-20	216
Surinam	5	(5/)	1	(5/)	(5/)	1	1	2
Trinidad and Tobago	41	6	17	8	9	(5/)	(5/)	1
Uruguay	64	4	2	(5/)	8	4	3	43
Venezuela	189	39	38	-40	43	64	32	14

Footnotes at end of table.

TABLE B-3. -- Summary of major U.S. Government net foreign assistance, July 1, 1945, to December 31, 1966, by area, type and country 1/

(In millions of dollars and equivalents)

Area, type, and country	Total (21-1/2 years)	Calendar years 1966	1965	1964	1963	1962	1961	July 1, 1945, to Dec. 31, 1960
Latin America - Continued								
Central American Bank for Economic Integration . . .	15	9	4	2	-	-	-	-
Organization of American States	19	(5/)	(5/)	2	3	1	1	12
Other Latin America	5	1	(5/)	(5/)	(5/)	(5/)	(5/)	3
Pan American Health Organization	21	3	1	2	3	1	2	9
Unspecificied Latin America..	60	24	3	18	12	8	7	-12
Total Africa	3,939	489	488	506	523	580	423	930
Military supplies and services	209	35	24	25	32	30	18	45
Other 4/	3,730	454	464	481	491	550	405	885
Algeria	158	23	7	39	40	42	2	3
Burundi	5	1	(5/)	(5/)	1	2	(5/)	-
Cameroon	20	4	7	3	3	2	1	(5/)
Central African Republic .	4	1	1	1	(5/)	(5/)	(5/)	-
Chad	6	1	1	1	(5/)	(5/)	(5/)	2
Congo (Brazzaville)	6	(5/)	3	1	2	1	(5/)	(5/)
Congo (Kinshasa)	277	34	48	39	43	73	30	11
Dahomey	8	1	1	1	1	2	1	1
Ethiopia	136	19	11	8	18	24	14	42
Gabon	5	1	1	2	1	(5/)	(5/)	(5/)
Ghana	127	63	33	8	13	3	2	5
Guinea	71	12	22	12	15	6	1	2
Ivory Coast	25	11	3	7	2	2	1	-
Kenya	50	16	13	2	3	5	6	4
Liberia	184	24	25	12	11	35	19	58
Libya	208	(5/)	3	6	16	20	23	140
Malagasy Republic	8	1	1	1	1	1	(5/)	1
Malawi	8	3	3	2	-	(5/)	(5/)	(5/)

Footnotes at end of table

TABLE B-3. -- Summary of major U.S. Government net foreign assistance, July 1, 1945, to December 31, 1966 by area, type and country 1/

(In millions of dollars and equivalents)

Area, type, and country	Total (21-1/2 years)	Calendar years 1966	1965	1964	1963	1962	1961	July 1, 1945, to Dec. 31, 1960
Africa - Continued								
Mali	13	3	3	2	2	2	2	(5/)
Mauritania	1	(5/)	(5/)	(5/)	(5/)	(5/)	(5/)	(5/)
Morocco	497	46	51	39	56	50	98	157
Niger	7	2	1	1	2	1	(5/)	(5/)
Nigeria	117	30	26	25	15	11	6	4
Rwanda	4	2	1	(5/)	(5/)	1	-	-
Senegal	17	2	1	5	4	5	(5/)	(5/)
Sierra Leone	27	5	13	3	3	2	1	(5/)
Somali Republic	48	7	8	6	7	9	4	7
South Africa	-85	-4	-13	-11	-16	-13	-13	-15
Sudan	85	2	10	10	9	11	16	27
Tanzania	47	12	9	6	4	9	5	2
Togo	10	1	1	2	2	2	1	1
Tunisia	430	38	54	44	38	54	77	125
Uganda	17	5	5	2	2	3	(5/)	(5/)
United Arab Republic	1,106	58	95	194	184	185	110	280
Upper Volta	6	1	1	1	2	1	(5/)	(5/)
Zambia	6	5	1	(5/)	-	-	-	-
Other Africa	5	4	1	(5/)	(5/)	(5/)	(5/)	(5/)
Unspecified Africa	65	20	12	6	5	-2	-5	27
Total Oceania (Other than military 4/	197	64	42	8	2	1	23	56
Australia	37	27	25	-1	-14	-6	18	-12
New Caledonia	1	-	-	-	-	-	-	1
New Zealand	25	21	-1	-2	-1	-1	-2	11
Trust Territory of the Pacific Islands	134	16	18	11	18	8	6	56

Footnotes at end of table.

TABLE B-3. -- Summary of major U.S. Government net foreign assistance, July 1, 1945, to December 31, 1966, by area, type and country 1/

(In millions of dollars and equivalents)

Area, type, and country	Total (21-1/2 years)	Calendar years 1966	1965	1964	1963	1962	1961	July 1, 1945, to Dec. 31, 1960
Oceania - Continued								
Other Oceania	(5/)	(5/)	(5/)	(5/)	(5/)	(5/)	-	-
Canada	2	-	-	(5/)	(5/)	-	9	-7
Military supplies and services	9	-	-	-	-	-	9	-
Other	-7	-	-	(5/)	(5/)	-	-	-7
Other international organizations and unspecified, all areas	3,492	394	221	215	237	253	156	2,017
Military supplies and services	490	94	3	26	27	28	22	289
Other 5/	3,002	300	217	189	210	224	133	1,728

Footnotes at end of table.

Footnotes to Table B-3.

1/ For important qualifications affecting this table and for definitions of terms, see the Explanatory Note. Military grant aid, for security reasons, is shown by area only; country detail is shown for other net grants utilized and for net credits.

2/ Does not include $1,190 million investment in international financial institutions, shown in tables B-1 and B-2.

3/ Includes contributions to the multilateral-construction program of the North Atlantic Treaty Organization and contributions to mutual special weapons projects.

4/ Includes development assistance technical assistance, and relief.

5/ Less than $500,000 (±)

6/ Separate detail data for Cambodia, Laos, and Vietnam became available during 1954. For earlier periods data for Indochina are included in "Unspecified Asia." Some unspecified transactions also occurred in 1955 and 1956.

Source: Compiled by Office of Business Economics, U. S. Department of Commerce, from information made available by operating agencies.

TABLE B-4. -- Summary of U.S. Government net foreign grants, July 1, 1945, to December 31, 1966, by area, type and country 1/

(In millions of dollars and equivalents)

Area, type and country	Total (21-1/2 years)	Calendar years 1966	1965	1964	1963	1962	1961	July 1, 1945 to Dec. 31, 1960
Total, all areas	85,235	3,010	3,464	3,271	3,638	3,546	3,373	64,933
Military supplies and services 2/.....	36,786	1,095	1,665	1,385	1,721	1,630	1,518	27,773
Other 3/.....	48,450	1,915	1,799	1,886	1,917	1,916	1,855	37,160
Total, Europe	45,364	392	644	676	1,034	927	897	40,794
Total, Western Europe	44,294	392	638	671	1,025	920	893	39,754
Military supplies and services 2/.....	22,497	355	573	598	893	709	655	18,714
Other 3/.....	21,797	37	66	73	132	212	238	21,040
Austria	1,045	-	(4/)	-	(4/)	(4/)	4	1,041
Belgium and Luxembourg..	581	-	-	-	(4/)	-	-	581
Cyprus	17	(4/)	(4/)	1	1	7	6	3
Denmark	234	-	-	-	-	-	-	234
Finland	4	-	-	-	-	-	-	4
France	4,183	-	(4/)	-	(4/)	(4/)	(4/)	4,182
Germany	3,830	2	3	4	2	4	3	3,812
Greece	1,465	8	9	12	20	17	26	1,372
Iceland	34	-	(4/)	(4/)	(4/)	3	2	29
Ireland	17	-	-	-	-	-	-	17
Italy	2,770	2	7	6	9	19	21	2,707
Malta	3	(4/)	(4/)	-	(4/)	(4/)	(4/)	3
Netherlands	844	-	-	-	-	-	1	844
Norway	217	-	-	-	-	-	-	217
Portugal	48	1	2	3	5	4	3	30
San Marino	1	-	-	-	-	-	(4/)	(4/)
Spain	379	1	3	3	16	37	40	280
Sweden	87	-	-	-	-	-	-	87
Turkey	1,011	13	14	23	66	107	96	693

TABLE B-4. -- Summary of U.S. Government net foreign grants, July 1, 1945 to December 31, 1966, by area, type and country 1/ -- (Continued)

(In millions of dollars and equivalents)

Area, type, and country	Total (21-1/2 years)	Calendar years 1966	1965	1964	1963	1962	1961	July 1, 1945 to Dec. 31, 1960
Western Europe - Continued								
Other 3/ - Continued								
United Kingdom	3,277	-	-	-	-	-	-	3,277
Yugoslavia	1,038	8	27	20	9	12	33	928
European Payments Union ..	238	-	-	-	-	-	-	238
Other Western Europe	17	-	-	-	1	1	1	13
Unspecified Western Europe	457	2	(4/)	3	1	(4/)	(4/)	450
Total, Other Europe (other than military 3/)	1,071	-	6	6	8	7	4	1,040
Albania	20	-	-	-	-	-	-	20
Czechoslovakia	186	-	-	-	-	-	-	186
East Germany	17	-	-	-	-	-	-	17
Hungary	16	-	-	-	-	-	-	16
Poland	404	-	6	6	8	7	4	373
Soviet Union	426	-	-	-	-	-	-	426
Total, Asia	31,142	1,734	2,001	1,819	1,782	1,833	1,747	20,225
Military supplies and services	12,563	539	1,006	677	706	789	689	8,158
Other 3/	18,579	1,195	996	1,142	1,076	1,044	1,058	12,067
Afghanistan	233	28	33	38	34	15	32	53
Burma	48	13	1	3	3	2	2	24
Cambodia	256	(4/)	2	7	20	21	23	184
Ceylon	70	4	5	5	5	6	6	39
China-Taiwan	1,858	14	27	29	58	58	89	1,583
Hong Kong	38	1	2	2	2	3	6	22
India	1,308	187	97	292	149	148	55	380
Indonesia	278	4	7	16	23	19	32	176
Iran	443	6	7	6	23	13	69	319
Iraq	28	1	1	4	1	1	1	20

TABLE B-4. -- Summary of U.S. Government net foreign grants, July 1, 1945, to December 31, 1966, by area, type and country 1/ -- Continued

(In millions of dollars and equivalents

Area, type and country	Total (21-1/2 years)	Calendar years 1966	1965	1964	1963	1962	1961	July 1, 1945 to Dec. 31, 1960
Asia - Continued								
Other 3/ - Continued								
Israel	354	3	5	9	6	11	13	307
Japan	2,266	-	(4/)	1	(4/)	2	3	2,261
Jordan	517	39	38	45	54	52	60	230
Korea	3,900	125	176	154	207	221	211	2,805
Laos 5/	490	55	58	39	32	30	51	225
Lebanon	80	1	(4/)	(4/)	1	2	5	71
Macao	4	(4/)	(4/)	1	1	(4/)	1	1
Malaysia	22	6	4	3	3	2	1	3
Nepal	96	10	15	16	13	8	10	24
Pakistan	1,567	130	166	161	172	192	162	582
Philippines	1,013	13	30	46	17	19	19	870
Ryukyu Islands	305	12	14	11	7	11	5	246
Saudi Arabia	31	(4/)	(4/)	(4/)	(4/)	(4/)	7	23
Syria	33	(4/)	2	1	1	7	11	11
Thailand	307	22	20	14	22	21	17	191
Vietnam 5/	2,665	472	273	218	191	149	145	1,218
Yemen	44	4	5	6	8	6	6	10
Other Asia	1	(4/)	(4/)	(4/)	(4/)	(4/)	(4/)	(4/)
Unspecified Asia	323	45	9	15	23	26	18	187
Total, Latin America	3,155	302	344	285	292	243	272	1,417
Military supplies and services	1,018	72	59	59	63	74	124	566
Other 3/	2,137	230	285	226	229	169	147	852
Argentina	14	3	2	3	2	2	1	2
Bolivia	265	12	15	17	28	21	22	149
Brazil	309	53	53	45	46	35	11	67
British Honduras	3	(4/)	(4/)	1	(4/)	1	(4/)	1

TABLE B-4. -- Summary of U.S. Government net foreign grants, July 1, 1945, to December 31, 1966, by area, type and country 1/ -- Continued

(In millions of dollars and equivalents)

Area, type, and country	Total (21-1/2 years)	Calendar years 1966	1965	1964	1963	1962	1961	July 1, 1945, to Dec. 31, 1960
Latin America - Continued								
Other 3/ - Continued								
Chile	148	11	17	14	9	15	27	55
Colombia	115	12	14	18	16	15	9	32
Costa Rica	69	4	5	6	4	3	5	41
Cuba	5	-	-	-	(4/)	-	(4/)	4
Dominican Republic	149	34	65	12	29	7	(4/)	3
Ecuador	68	8	8	12	8	5	4	22
El Salvador	36	5	5	6	5	4	1	11
French West Indies	1	(4/)	(4/)	-	(4/)	(4/)	(4/)	(4/)
Guatemala	142	5	5	6	5	8	16	99
Guyana	11	3	3	1	1	1	1	1
Haiti	73	3	2	3	3	4	11	47
Honduras	41	4	4	3	3	3	5	19
Jamaica	19	2	3	3	3	2	1	4
Mexico	147	(4/)	2	11	10	8	3	113
Nicaragua	53	4	5	5	4	4	4	27
Panama	73	7	9	5	8	6	6	32
Paraguay.....	39	3	3	3	4	3	4	20
Peru	114	15	13	14	11	6	5	50
Surinam	4	(4/)	(4/)	(4/)	(4/)	1	1	2
Trinidad and Tobago	29	5	15	4	3	(4/)	(4/)	1
Uruguay	13	3	2	2	1	1	(4/)	3
Venezuela	36	6	8	8	8	3	(4/)	3
Organization of American States	19	(4/)	(4/)	2	3	1	1	12
Pan American Health Organization	21	3	1	2	3	1	2	9
Other Latin America	4	1	(4/)	(4/)	(4/)	(4/)	(4/)	1
Unspecified Latin America	118	24	25	18	13	9	7	22
Total, Africa	2,135	230	245	269	292	339	284	477

TABLE B-4. -- Summary of U.S. Government net foreign grants, July 1, 1945, to December 31, 1966, by area, type and country 1/ -- (Continued)

(In millions of dollars and equivalents)

Area, type, and country	Total (21-1/2 years)	Calendar years 1966	1965	1964	1963	1962	1961	July 1, 1945, to Dec. 31, 1960
Africa -- Continued								
Military supplies and services	209	35	24	25	32	30	18	45
Other 3/	1,926	195	220	244	260	309	266	431
Algeria	146	11	7	39	40	42	2	3
Burundi	5	1	(4/)	(4/)	1	2	(4/)	-
Cameroon	14	2	3	3	3	2	1	(4/)
Central African Republic	4	1	1	1	(4/)	(4/)	(4/)	-
Chad	6	1	1	1	(4/)	(4/)	(4/)	2
Congo (Brazzaville)	6	(4/)	3	1	1	1	(4/)	(4/)
Congo (Kinshasa)	208	8	31	39	27	61	30	11
Dahomey	8	1	1	1	1	2	1	1
Ethiopia-Eritrea	100	12	11	8	8	11	12	40
Gabon	4	1	1	2	1	(4/)	(4/)	(4/)
Ghana	23	4	3	4	4	2	2	5
Guinea	38	8	10	8	9	1	(4/)	2
Ivory Coast	9	1	1	2	2	2	1	-
Kenya	34	7	6	3	3	5	6	4
Liberia	72	10	10	10	10	7	5	19
Libya	202	(4/)	3	7	16	19	21	135
Malagasy Republic	8	1	1	1	1	1	(4/)	1
Malawi	8	3	3	2	-	(4/)	(4/)	(4/)
Mali	13	3	3	2	2	2	2	(4/)
Mauritania	1	(4/)	(4/)	(4/)	(4/)	(4/)	(4/)	(4/)
Morocco	199	17	13	21	37	11	57	41
Niger	6	1	1	1	2	1	(4/)	(4/)
Nigeria	101	25	22	23	15	9	4	3

TABLE B-4. -- Summary of U.S. Government net foreign grants, July 1, 1945, to December 31, 1966, by area, type and country 1/ -- (Continued)

(In millions of dollars and equivalents)

Area, type and country	Total (21-1/2 years)	Calendar years 1966	1965	1964	1963	1962	1961	July 1, 1945 to Dec. 31, 1960
Africa -- Continued								
Other 4/ - Continued								
Rwanda	4	2	1	(4/)	(4/)	1	-	-
Senegal	15	2	2	2	3	5	(4/)	(4/)
Sierra Leone	17	4	4	4	3	2	1	(4/)
Somali Republic	45	6	7	6	7	9	4	7
South Africa	-93	-	-	-	-	-	-	-93
Sudan	62	5	6	6	5	7	11	21
Tanzania	35	7	6	4	4	8	6	(4/)
Togo	10	1	1	2	2	2	1	1
Tunisia	290	8	19	17	29	38	67	112
Uganda	13	3	3	2	2	3	(4/)	(4/)
United Arab Republic	246	17	20	12	12	47	26	111
Upper Volta	6	1	1	1	2	1	(4/)	(4/)
Zambia	1	(4/)	1	(4/)	-	-	-	-
Other Africa	6	4	1	(4/)	(4/)	(4/)	(4/)	(4/)
Unspecified Africa	54	17	12	9	7	4	3	2
Total, Oceania (other than military 3/)	129	16	18	11	18	8	6	51
Australia	-7	-	-	-	-	-	-	-7
New Zealand	2	-	-	-	-	-	-	2
Trust Territory of Pacific Islands	134	16	18	11	18	8	6	56
Other Oceania	(4/)	(4/)	(4/)	(4/)	(4/)	(4/)	-	-
Canada: (Military supplies & services)	9	-	-	-	-	-	9	-

TABLE B-4. -- Summary of U.S. Government net foreign grants, July 1, 1945, to December 31, 1966, by area, type and country 1/ -- Continued

(In millions of dollars and equivalents)

Area, type and country	Total (21-1/2 years	Calendar years 1966	1965	1964	1963	1962	1961	July 1, 1945, to Dec. 31, 1960
Other international organizations and unspecified, all areas	3,300	336	212	210	221	196	158	1,970
Military supplies and services	490	94	3	26	27	28	22	289
Other 3/.....	2,810	242	208	184	193	168	135	1,680

Footnotes to Table B-4

1/ For important qualifications affecting this table and for definitions of terms, see the Explanatory Note. Military grant aid, for security reasons, is shown by area only; country detail is shown for other grants utilized

2/ Includes contributions to the multilateral-construction program of the North Atlantic Treaty Organization and contributions to mutual special weapons projects.

3/ Includes development assistance, technical assistance, and relief.

4/ Less than $500,000 (±).

5/ Separate detail data for Cambodia, Laos, and Vietnam became available during 1954. For earlier periods data for Indochina are included in "Unspecified Asia." Some unspecified transactions also occurred in 1955 and 1956.

Note: Net grants have not been adjusted for $2,747 million representing settlements for postwar relief and other grants under agreements. For major countries, these amounted to: Germany, $1 billion; United Kingdom, $562 million; Japan, $490 million; and France, $353 million, as of December 31, 1965.

Source: Compiled by Office of Business Economics, U.S. Department of Commerce, from information made available by operating agencies.

TABLE B-5. -- Summary of U.S. Government net foreign credits, July 1, 1945, to December 31, 1966, by area and country 1/

(In millions of dollars and equivalents)

Area, type, and country	Total (21 1/2 years)	Calendar years						July 1, 1945, to Dec. 31, 1960
		1966	1965	1964	1963	1962	1961	
Total, all areas	16,966	1,324	1,597	1,549	1,160	731	503	10,103
Total, Europe	4,974	-115	69	315	-190	-616	-641	6,152
Total, Western Europe	4,930	-101	81	327	-180	-608	-635	6,046
Austria	45	-2	4	(2/)	(2/)	-10	4	48
Belgium and Luxembourg	69	-6	-8	-8	-8	-18	-8	123
Denmark	29	-2	-2	-2	-2	-2	-2	41
Finland	43	-4	-7	-5	-2	-6	-2	69
France	-43	-97	-204	-31	-244	-539	-65	1,137
Germany	-982	-207	-1	-1	-8	-2	-594	-170
Greece	187	6	23	22	7	5	6	117
Iceland	32	(2/)	(2/)	1	3	-1	2	27
Ireland	109	-3	-3	-2	-2	-2	-2	123
Italy	22	-123	27	77	-2	-164	-49	256
Liechtenstein	(2/)	(2/)	-	(2/)	1	-	-	-
Netherlands	-18	-	-2	(2/)	-73	-13	-52	122
Norway	18	-3	-4	-4	-4	-4	-6	44
Portugal	114	2	10	28	12	15	-1	48
Spain	444	32	24	3	50	57	71	208
Sweden	-	-	-	-	-	-16	-1	16
Turkey	792	108	128	144	119	79	36	178
United Kingdon	3,164	60	-10	-9	-74	-71	-69	3,337
Yugoslavia	759	118	91	103	40	85	95	227
European Atomic Energy Community	73	22	20	19	12	-	-	-
European Coal and Steel Community	69	-4	-4	-4	-4	-3	-3	91

TABLE B-5. -- Summary of U.S. Government net foreign credits, July 1, 1945, to December 31, 1966, by area and country 1/

(In millions of dollars and equivalents)

Area, type, and country	Total (21-1/2 years)	Calendar years						July 1, 1945, to Dec. 31, 1960
		1966	1965	1964	1963	1962	1961	
North Atlantic Treaty Organization	(2/)	-	-1	-5	-1	3	4	-
Other Western Europe	2	2	(2/)	-	-	-	-	-
Total, Other Europe	44	-14	-12	-12	-11	-8	-6	107
Czechoslovakia	5	-	-	-	-	-	-	5
Hungary	6	-1	-1	-1	-1	-1	(2/)	11
Poland	73	-6	-6	-5	-5	-2	-2	99
Soviet Union	-39	-7	-5	-5	-5	-6	-4	-8
Total, Asia	6,458	611	849	889	919	743	472	1,974
Afghanistan	46	(2/)	(2/)	-1	-1	-2	-2	51
Burma	41	7	4	3	3	4	7	13
Ceylon	15	5	(2/)	(2/)	(2/)	1	1	7
China-Taiwan	282	23	42	23	29	24	16	125
India	3,293	280	611	628	570	400	265	538
Indonesia	209	23	-12	-5	5	29	35	133
Iran	238	-3	5	-14	-5	34	48	172
Iraq	19	2	6	8	4	(2/)	(2/)	(2/)
Israel	476	45	32	43	35	40	24	257
Japan	321	47	-57	-47	33	59	28	258
Jordon	3	1	(2/)	-1	1	1	1	1
Korea	109	49	2	3	19	10	2	25
Lebanon	6	(2/)	(2/)	(2/)	1	2	3	(2/)
Malaysia	13	-2	(2/)	(2/)	3	10	1	1
Nepal	2	(2/)	1	1	(2/)	(2/)	-	-
Pakistan	1,105	114	180	204	202	151	59	195
Philippines	122	17	19	5	2	-4	-14	98
Ryukyu Islands	17	(2/)	5	11	1	-	-	-
Saudi Arabia	-19	-	-2	3	-2	-26	-15	24

TABLE B-5. -- Summary of U.S. Government net foreign credits, July 1, 1945, to December 31, 1966, by area and country 1/

(In millions of dollars and equivalents)

Area, type, and country	Total (21-1/2 years)	Calendar years 1966	1965	1964	1963	1962	1961	July 1, 1945, to Dec. 31, 1960
Asia -- Continued								
Syria	14	2	2	7	(2/)	(2/)	(2/)	3
Thailand	78	-1	6	5	7	10	12	40
Vietnam	83	1	7	12	12	1	(2/)	50
Other Asia	-15	1	-	(2/)	(2/)	(2/)	(2/)	-16
Total, Latin America	3,891	505	407	142	313	382	523	1,619
Argentina	357	-6	-5	3	10	68	42	244
Bolivia	88	9	9	10	15	9	1	36
Brazil	1,383	194	163	82	63	82	232	568
Chile	643	67	81	85	102	77	79	152
Colombia	342	48	19	23	54	30	42	127
Costa Rica	38	6	8	4	3	6	2	9
Cuba	36	-	-	-	-	(2/)	(2/)	36
Dominican Republic	75	19	14	10	19	15	-	-3
Ecuador	75	13	9	7	6	7	5	27
El Salvador	38	12	6	4	7	3	7	-1
Guatemala	23	2	6	4	5	2	(2/)	4
Haiti	26	(2/)	3	(2/)	(2/)	1	3	19
Honduras	22	3	6	1	1	1	2	7
Jamaica	4	3	1	(2/)	(2/)	(2/)	(2/)	-
Mexico	309	53	36	-61	-30	12	82	217
Nicaragua	25	6	2	2	3	3	5	4
Panama	60	14	12	4	11	5	3	11
Paraguay	26	2	2	3	3	3	(2/)	13
Peru	163	16	21	2	-7	-5	-24	158
Surinam	1	-	1	(2/)	(2/)	(2/)	(2/)	-
Trinidad and Tobago	12	1	1	4	6	-	-	-
Uruguay	34	1	(2/)	(2/)	7	4	9	13
Venezuela	152	33	29	-48	35	61	32	10

TABLE B-5. -- Summary of U.S. Government net foreign credits, July 1, 1945, to December 31, 1966, by area and country 1/

(In millions of dollars and equivalents)

Area, type, and country	Total (21-1/2 years)	Calendar years						July 1, 1945, to Dec. 31, 1960
		1966	1965	1964	1963	1962	1961	
Latin America -- Continued								
Central American Bank for Economic Integration. . . .	15	9	4	2	-	-	-	-
Other Latin America	(2/)	-	-	(2/)	(2/)	(2/)	(2/)	(2/)
Unspecified Latin America . .	-58	-	-22	(2/)	-1	-1	(2/)	-34
Total, Africa	1,390	217	238	200	118	171	135	311
Congo (Kinshasa).	42	32	10	-	-	-	-	-
Ethiopia	35	7	(2/)	(2/)	10	14	3	2
Ghana	98	53	31	5	9	(2/)	-	-
Guinea	4	1	2	-	1	-	-	-
Ivory Coast	15	11	3	1	-	-	-	-
Kenya	16	9	7	-	-	-	-	(2/)
Liberia	112	14	15	1	1	28	13	38
Libya	6	(2/)	(2/)	-1	(2/)	1	3	4
Morocco	278	25	36	18	16	37	36	109
Nigeria	16	5	4	2	(2/)	3	1	1
Sierra Leone.	10	1	9	-	-	-	-	-
Somali Republic	3	1	1	(2/)	(2/)	(2/)	(2/)	(2/)
South Africa.	7	-4	-13	-11	-16	-13	-13	78
Sudan	18	(2/)	7	(2/)	-	1	4	5
Tanzania	9	2	3	2	1	1	-1	2
Tunisia	116	27	28	29	10	11	3	9
Uganda.	4	2	2	(2/)	-	-	-	-
United Arab Republic	568	8	90	156	88	93	94	39
Other Africa	21	20	(2/)	(2/)	1	-	-	(2/)
Unspecified Africa	10	3	-1	-2	-1	-6	-8	25
Total, Oceania	68	48	24	-3	-16	-7	17	6
Australia	45	27	25	(2/)	-15	-6	18	-4

TABLE B-5. -- Summary of U.S. Government net foreign credits, July 1, 1945, to December 31, 1966, by area and country 1/

(In millions of dollars and equivalents)

Area, type, and country	Total (21-1/2 years)	Calendar years						July 1, 1945, to Dec. 31, 1960
		1966	1965	1964	1963	1962	1961	
Oceania -- Continued								
New Caledonia	1	-	-	-	-	-	-	1
New Zealand	22	21	-1	-2	-1	-1	-2	9
Canada	-7	-	-	-	-	-	-	-7
Other international organizations:								
United Nations	100	-5	-5	-4	11	57	-3	47
Unspecified, all areas	92	63	14	9	5	(2/)	(2/)	(2/)

Footnotes to Table B-5

1/ For important qualifications affecting this table and for definitions of terms, see the Explanatory Note.

2/ Less than $500,000 (±).

Note: Net credits do not include $2,747 million representing settlements for postwar relief and other grants under agreements. For major countries, these amounted to: Germany, $1 billion; United Kingdom $562 million; Japan $490 million; and France, $353 million, as of December 31, 1966. Returns (principal collections) on these settlements, however, are included.

Source: Compiled by Office of Business Economics, U.S. Department of Commerce, from information made available by operating agencies.

TABLE B-6. -- Summary of U. S. Government foreign assistance through net accumulation of foreign currency claims, July 1, 1945, to December 31, 1966, by area and country 1/ - Cont'd.

(In millions of dollars and equivalents)

Area and Country	Total (21-1/2 years)	Calendar years						1945 to 1960 2/
		1966	1965	1964	1963	1962	1961	
Total, all areas	3,533	201	-23	-28	287	138	191	2,767
Total, Europe	901	-54	-94	-67	46	-6	48	1,028
Total, Western Europe	410	-50	-88	-119	1	-61	-7	733
Austria	(3/)	(3/)	(3/)	-1	(3/)	-2	-4	7
Belgium and Luxembourg	(3/)	(3/)	-1	-1	1	(3/)	(3/)	1
Cyprus	(3/)	-1	(3/)	1	1	(3/)	-	-
Finland	8	-2	-2	-1	(3/)	-1	-2	15
France	2	(3/)	-1	-7	(3/)	-2	-3	15
Germany	(3/)	-2	-3	-8	-8	-4	-4	21
Greece	4	-11	-5	1	2	-2	-2	20
Iceland	1	(3/)	(3/)	-1	-2	1	-1	2
Italy	1	(3/)	-2	-5	-3	-31	1	41
Netherlands	1	(3/)	(3/)	-1	1	(3/)	-1	3
Norway	(3/)	(3/)	(3/)	-1	(3/)	1	(3/)	(3/)
Portugal	(3/)	-	(3/)	-1	(3/)	(3/)	-1	2
Spain	86	-3	-8	-16	-65	-81	-1	261
Sweden	(3/)	-	(3/)	-1	(3/)	(3/)	(3/)	1
Switzerland	(3/)	-	-3	(3/)	3	(3/)	1	(3/)
Turkey	85	-3	-10	-40	-11	17	21	111
United Kingdom	9	(3/)	-10	-4	-1	-5	-12	41
Yugoslavia	213	-28	-43	-34	84	48	-7	192
Other Western Europe	(3/)	-	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
Other Europe: Poland	492	-4	-6	52	45	55	55	295
Total, Asia	1,913	228	126	-76	94	39	99	1,404
Afghanistan	6	2	(3/)	(3/)	(3/)	(3/)	(3/)	4

Footnotes at end of table.

TABLE B-6. -- Summary of U. S. Government foreign assistance through net accumulation of foreign currency claims, July 1, 1945, to December 31, 1966, by area and country 1/ - Cont'd.

(In millions of dollars and equivalents)

Area and Country	Total (21-1/2 years)	Calendar years						1945 to 1960 2/
		1966	1965	1964	1963	1962	1961	
Asia - Continued								
Burma	10	-18	-1	-1	3	-3	-4	35
Cambodia	(3/)	-	-	-	-	-2	1	(3/)
Ceylon	10	-4	(3/)	-1	(3/)	2	2	11
China-Taiwan	9	-6	-20	-7	-11	(3/)	14	40
Hong Kong	(3/)	(3/)	(3/)	-2	3	(3/)	(3/)	(3/)
India	1,301	284	142	-56	21	-14	52	872
Indonesia	222	-1	1	21	50	40	-13	124
Iran	7	-3	-4	1	1	-1	11	2
Israel	78	-1	11	-18	8	7	3	67
Japan	(3/)	(3/)	-1	-3	-1	-3	-4	13
Korea	28	-9	-14	1	14	7	17	11
Lebanon	(3/)	(3/)	(3/)	-2	2	-	-	-
Malaysia	(3/)	(3/)	-	-1	(3/)	(3/)	-	(3/)
Pakistan	132	-33	1	11	6	-20	-3	170
Philippines	16	-8	-4	-2	-8	11	7	19
Syria	10	-3	-4	-8	-4	6	10	13
Thailand	(3/)	-	(3/)	-1	(3/)	(3/)	(3/)	(3/)
Vietnam	83	26	20	-8	9	7	6	22
Other Asia	2	2	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
Total, Latin America	306	-15	-60	80	33	35	40	192
Argentina	6	(3/)	(3/)	(3/)	-1	-4	-3	14
Bolivia	20	1	6	6	2	-1	1	6
Brazil	200	-21	-67	86	30	42	28	102
Chile	31	9	3	-2	-1	-4	15	10
Colombia	17	-1	2	-3	-1	1	3	17
Ecuador	1	(3/)	(3/)	-2	(3/)	(3/)	2	1
Guatemala	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	-2	2
Mexico	1	1	(3/)	-4	2	1	-2	5
Paraguay	6	-1	(3/)	1	2	-2	6	(3/)
Peru	6	-3	-2	(3/)	(3/)	4	-1	7

Footnotes at end of table.

TABLE B-6. -- Summary of U. S. Government foreign assistance through net accumulation of foreign currency claims, July 1, 1945, to December 31, 1966, by area and country 1/ - Cont'd.

(In millions of dollars and equivalents)

Area and Country	Total (21-1/2 years)	Calendar years						1945 to 1966 2/
		1966	1965	1964	1963	1962	1961	
Latin America - Continued								
Uruguay	18	(3/)	-1	-1	(3/)	-1	-7	27
Venezuela	(3/)	(3/)	(3/)	-1	(3/)	(3/)	(3/)	(3/)
Other Latin America	(3/)	-	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
Total, Africa	413	42	5	37	113	70	4	142
Congo (Kinshasa	28	-6	8	(3/)	15	11	-	-
Ethiopia	1	(3/)	(3/)	(3/)	(3/)	-1	(3/)	(3/)
Guinea	30	3	11	4	6	5	1	-
Ivory Coast	1	-1	-1	3	-	-	-	-
Morocco	20	4	1	(3/)	2	2	5	6
Nigeria	(3/)	(3/)	(3/)	-1	(3/)	(3/)	(3/)	(3/)
Senegal	2	((3/)	-1	3	-	-	-	-
Sudan	6	-3	-4	4	4	3	2	-
Tunisia	24	3	7	-1	-1	5	7	4
United Arab Republic	292	33	-16	25	85	45	-10	131
Other Africa	9	9	(3/)	-1	1	(3/)	(3/)	(3/)
Oceania: Australia	(3/)	(3/)	(3/)	-1	11	-	-	(3/)
Canada	(3/)	(3/)	-	(3/)	(3/)	-	-	-

1/ For important qualifications affecting this table and for definitions of terms, see the Explanatory Note.
2/ Activity under these programs did not begin until calendar year 1953.
3/ Less than $500,000 (*).

Source: Compiled by Office of Business Economics, U.S. Department of Commerce, from information made available by operating agencies.

TABLE B-7.--Summary of U.S. Government foreign credits, July 1, 1945 to December 31, 1966, and principal and interest due and unpaid for 90 days or more, as of December 31, 1966, by program, and by area and country 1/

(In millions of dollars and equivalents)

Major program, and area and country	July 1, 1945 to December 31, 1966				Due and unpaid 90 days or more 2/	
	Utilized	Repaid	Exchange adjustments (+ or -) and principal charged off as uncollectible (-) 3/	Interest and commissions collected	Principal	Interest 4/
Total, all programs and all areas	33,084	12,986	-672	5,629	195	78
By credit program:						
Under Export-Import Bank Act	10,859	6,828	-3	2,195	47	31
Under Foreign Assistance (and related) Acts:						
Country program loans	8,515	1,087	(5/)	1,032	8	4
Social Progress Trust Fund	296	15		14		
Deficiency and basic materials development	147	124	-10	31		
Financing of military sales	189	233		7	(5/)	(5/)
Under Agriculture Trade Development and Assistance Act:						
Currency loans to:						
Foreign governments	3,543	123	-613	403	(5/)	1
Private enterprise	245	57	-39	35	4	1
Long-term dollar credits	598	55		18	(5/)	(5/)
Lend-lease, surplus property, and grant settlements	4,309	3,021	-4	957	135	38
Other credits	4,382	1,442	-3	938		

TABLE B-7.--Summary of U.S. Government foreign credits, July 1, 1945 to December 31, 1966; and principal and interest due and unpaid for 90 days or more, as of December 31, 1966, by program, and by area and country 1/

(In millions of dollars and equivalents)

Major program, and area and country	July 1, 1945 to December 31, 1966				Due and unpaid 90 days or more 2/	
	Utilized	Repaid	Exchange adjustments (+ or -) and principal charged off as uncollectible (-) 3/	Interest and commissions collected	Principal	Interest 4/
By area and country:						
Total, Europe	14,721	7,377	-35	3,269	75	2
Total, Western Europe	14,331	7,253	-35	3,109	3	1
Austria	119	69		17		
Belgium and Luxembourg	266	186		66		
Cyprus	1		(5/)	(5/)		
Denmark	57	27		18		
Finland	141	98	(5/)	61		
France	2,555	2,224		746		
Germany	1,360	1,341	(5/)	258		
Greece	307	119	-1	65	(5/)	(5/)
Iceland	41	9	(5/)	8		
Ireland	128	20		45		
Italy	902	747	(5/)	125		
Liechtenstein	1	(5/)		(5/)		
Netherlands	440	411		104		

TABLE B-7.--Summary of U.S. Government foreign credits, July 1, 1945 to December 31, 1966, and principal and interest due and unpaid for 90 days or more, as of December 31, 1966, by program, and by area and country 1/

(In millions of dollars and equivalents)

Major program, and area and country	July 1, 1945 to December 31, 1966				Due and unpaid 90 days or more 2/	
	Utilized	Repaid	Exchange adjustments (+ or -) and principal charged off as uncollectible (-) 3/	Interest and commissions collected	Principal	Interest 4/
Western Europe -- Continued						
Norway	142	118	(5/)	33		
Portugal	143	28	-1	29		
Spain	596	146	(5/)	105		
Sweden	24	24		5		
Turkey	883	92	-1	69	3	1
United Kingdom	5,175	1,449	(5/)	1,189		
Yugoslavia	866	107	-28	123		
European Atomic Energy Community	74			5		
European Coal and Steel Community	100	31		39		
North Atlantic Treaty Organization	9	9				
Total Other Europe	390	124	(5/)	160	72	2
Czechoslovakia	13	8		1	3	2
Hungary	16	11		5	3	
Poland	139	66	(5/)	51		
Soviet Union	222	40		102	66	

TABLE B-7.--Summary of U.S. Government foreign credits, July 1, 1945 to December 31, 1966, and principal and interest due and unpaid for 90 days or more, as of December 31, 1966, by program, and by area and country 1/

(In millions of dollars and equivalents)

Major program, and area and country	July 1, 1945 to December 31, 1966				Due and unpaid 90 days or more 2/	
	Utilized	Repaid	Exchange adjustments (+ or -) and principal charged off as uncollectible (-) 3/	Interest and commissions collected	Principal	Interest 4/
Total, Asia	9,497	2,344	-334	1,064	99	60
Afghanistan	57	11		20		
Bahrain		16		1		
Burma	47	6		7		
Ceylon	16	1		2		
China-Taiwan	484	153	(5/)	49	50	35
India	3,640	344	-303	350	3	1
Indonesia	333	125	-15	68	19	7
Iran	392	133	(5/)	59	24	9
Iraq	22	3		1		
Israel	692	202	-11	126		
Japan	1,829	916		184		
Jordan	20	3	(5/)	1		
Korea	119	9	-1	5		6
Lebanon	9	4		2		
Malaysia	20	7		2		

TABLE B-7.--Summary of U.S. Government foreign credits, July 1, 1945 to December 31, 1966, and principal and interest due and unpaid for 90 days or more, as of December 31, 1966, by program, and by area and country 1/

(In millions of dollars and equivalents)

Major program, and area and country	July 1, 1945 to December 31, 1966				Due and unpaid 90 days or more 2/	
	Utilized	Repaid	Exchange adjustments (+ or -) and principal charged off as uncollectible (-) 3/	Interest and commissions collected	Principal	Interest 4/
Asia, -- Continued						
Nepal	3	(5/)	(5/)	(5/)		
Pakistan	1,205	102	-1	105	(5/)	
Philippines	312	187	(5/)	42	2	1
Ryukyu Islands	18	(5/)		1		
Saudi Arabia	78	94		3		
Syria	15	1	(5/)	1		
Thailand	100	22		19		
Vietnam	87	4	(5/)	15	(5/)	1
Other Asia	(5/)	(5/)		(5/)		
Total, Latin America	6,597	2,590	-194	1,079	20	15
Argentina	645	287	-13	139	4	(5/)
Bolivia	100	11	-2	14	(5/)	(5/)
Brazil	2,179	788	-131	396		
Chile	877	233	-8	110		
Colombia	599	255	-21	75	(5/)	(5/)
Costa Rica	57	18		11	(5/)	(5/)

TABLE B-7.--Summary of U.S. Government foreign credits, July 1, 1945 to December 31, 1966, and principal and interest due and unpaid for 90 days or more, as of December 31, 1966, by program, and by area and country 1/

(In millions of dollars and equivalents)

Major program, and area and country	July 1, 1945 to December 31, 1966				Due and unpaid 90 days or more 2/	
	Utilized	Repaid	Exchange adjustments (+ or -) and principal charged off as uncollectible (-) 3/	Interest and commissions collected	Principal	Interest 4/
Latin America, -- Continued						
Cuba	45	3		8	14	13
Dominican Republic	79	4		3	(5/)	(5/)
Ecuador	114	39	(5/)	19	(5/)	(5/)
El Salvador	47	10		3		
Guatemala	32	9		3	(5/)	
Haiti	33	8	(5/)	10	(5/)	(5/)
Honduras	28	6		3		
Jamaica	25	21	(5/)	5		
Mexico	806	484	-3	146	(5/)	(5/)
Nicaragua	41	16		5		
Panama	72	12		8		
Paraguay	39	13		8	1	(5/)
Peru	370	206	(5/)	62		(5/)
Surinam	1	(5/)		(5/)		
Trinidad and Tobago	14	3		2		

TABLE B-7.--Summary of U.S. Government foreign credits, July 1, 1945 to December 31, 1966, and principal and interest due and unpaid for 90 days or more, as of December 31, 1966, by program, and by area and country 1/

(In millions of dollars and equivalents)

Major program, and area and country	July 1, 1945 to December 31, 1966				Due and unpaid 90 days or more 2/	
	Utilized	Repaid	Exchange adjustments (+ or -) and principal charged off as uncollectible (-) 3/	Interest and commissions collected	Principal	Interest 4/
Latin America, -- Continued						
Uruguay	50	16	-14	8	(5/)	(5/)
Venezuela	303	89	(5/)	28		
Central American Bank for Economic Integration	15	(5/)		(5/)		
Other Latin America	1	(5/)	-1	(5/)		
Unspecified Latin America	26	59		11		
Total, Africa	1,722	332	-109	198	1	(5/)
Algeria	12	1	(5/)	(5/)		
Cameroon	6			(5/)		
Congo (Brazzaville)	2	2		(5/)		
Congo (Kinshasa)	41			(5/)		
Ethiopia	53	18	(5/)	7		
Ghana	96	(5/)		4		
Guinea	3			(5/)		
Ivory Coast	10	1		(5/)		
Kenya	14	(5/)	(5/)	(5/)		
Liberia	135	23		22	(5/)	(5/)
Libya	7	1		1		
Morocco	299	22	-1	42		

TABLE B-7.--Summary of U.S. Government foreign credits, July 1, 1945 to December 31, 1966, and principal and interest due and unpaid for 90 days or more, as of December 31, 1966, by program, and by area and country 1/

(In millions of dollars and equivalents)

Major program, and area and country	July 1, 1945 to December 31, 1966				Due and unpaid 90 days or more 2/	
	Utilized	Repaid	Exchange adjustments (+ or -) and principal charged off as uncollectible (-) 3/	Interest and commissions collected	Principal	Interest 4/
Africa, -- Continued						
Nigeria	19	3		1		
Sierra Leone	12			(5/)		
Somali Republic	3	(5/)		(5/)		(5/)
South Africa	163	147	(5/)	40		
Sudan	18		(5/)	1		(5/)
Tanzania	11	2	-1	1		
Tunisia	122	7	-2	6	(5/)	(5/)
Uganda	3			(5/)		
United Arab Republic	616	49	-103	56	1	(5/)
Zambia	5	(5/)		(5/)		
East African Common Services Organization	2					
Other Africa	1	(5/)	(5/)	(5/)		(5/)
Unspecified Africa	69	57	-1	15		
Total, Oceania	211	127	-1	9		
Australia	163	104		6		
New Caledonia	2	(5/)	-1			
New Zealand	45	23		3		
Trust Territory of the Pacific Islands.	1	1		(5/)		

TABLE B-7.--Summary of U.S. Government foreign credits, July 1, 1945 to December 31, 1966, and principal and interest due and unpaid for 90 days or more, as of December 31, 1966, by program, and by area and country 1/

(In millions of dollars and equivalents)

Major program, and area and country	July 1, 1945 to December 31, 1966				Due and unpaid 90 days or more 2/	
	Utilized	Repaid	Exchange adjustments (+ or -) and principal charged off as uncollectible (-) 3/	Interest and commissions collected	Principal	Interest 4/
Canada	163	170		6		
Other international organizations: United Nations	141	42		4		
Unspecified, all areas	29	8	(5/)	1		

1/ For important qualifications affecting this table and for definitions of terms, see the Explanatory Note. Includes only Export-Import Bank loans since 1934 and other credits extended since 1940.

2/ As reported by the operating agencies. Does not include principal or interest for which revised, deferred terms, have been agreed upon for example, interest and principal on the British loan and lend-lease, surplus property, and settlements for grants due from the United Kingdom in 1956, 1957, and 1964, and deferred by agreement of March 6, 1957, and Public Law 85-21, until December 31, 2002, or later. Does not include amounts reported charged off as uncollectible.

Footnotes continued on next page.

Footnotes to TABLE B-7 -- Continued

3/ "Exchange adjustments" generally occur on loans extended in foreign currency with repayment scheduled in foreign currency when devaluation occurs in the exchange rate after disbursement. Some adjustments result from currency appreciation and increase the value of the indebtness outstanding. If the credit was denominated in dollars and a rate specified in the credit agreement, although different from the current exchange value, was used for collections no adjustment has been computed. In particular, data on exchange adjustments have not been reported by the Agency for International Development on foreign currency loans subject to so-called "maintenance of value" provisions.

All principal charged off as uncollectible has been on loans to nongovernmental foreign entities. Amounts of accrued interest charged off as uncollectible are not included.

4/ Amounts reported are known to be understated; in several instances agencies have stopped reporting accruals of interest when credits have gone into default.

5/ Less than $500,000 (±).

Source: Compiled by Office of Business Economics, U.S. Department of Commerce, from information made available by operating agencies.

TABLE B-8.--Outstanding indebtedness of foreign countries on U.S. Government credits, as of December 31, 1966, by area, country, and major program 1/

(In millions of dollars and equivalents)

Area and country	Total	Under Export-Import Bank Act	Under Foreign Assistance (and related) Acts	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To foreign governments	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To private enterprises	Under Agricultural Trade Development and Assistance Act: Long-term dollar credits	Lend lease, surplus property, and grant settlements	Other credits
Total, all areas	19,758	3,751	7,679	2,807	150	543	1,594	3,235
Total, Europe	7,513	639	1,666	732	47	290	1,013	3,126
Total, Western Europe .	7,244	626	1,614	732	47	290	809	3,126
Austria	45	20		25			(2/)	
Belgium and Luxembourg	69	17	47				5	
Cyprus	1			(2/)	(2/)			
Denmark	30		30					
Finland	67	39		18	3		6	
France	308	3	4		1		299	
Germany	18	2	14				2	
Greece	186	18	84	54	3	21	6	
Iceland	33	1	18	11		3	(2/)	
Ireland	109		109					
Italy	22	13	(2/)		1		8	
Netherlands	66		66					
Norway	24	1	23					
Portugal	115	72	25	3		15		
Spain	446	184	61	201		1		
Turkey	791	14	582	156	39			
United Kingdom	4,043	141	329				483	3,089
Yugoslavia	732	63	154	264		250	(2/)	
European Atomic Energy Community ..	74	37						36
European Coal and Steel Community....	69		69					
Other Western Europe.	(2/)	(2/)	(2/)					

TABLE B-8.--Outstanding indebtedness of foreign countries on U.S. Government credits, as of December 31, 1966, by area, country, and major program 1/

(In millions of dollars and equivalents)

Area and country	Total	Under Export-Import Bank Act	Under Foreign Assistance (and related) Acts	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To foreign governments	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To private enterprises	Under Agricultural Trade Development and Assistance Act: Long-term dollar credits	Lend lease, surplus property, and grant settlements	Other credits
Total, Other Europe	**269**	**12**	**52**				**205**	
Czechoslovakia	**5**						**5**	
Hungary	**5**						**5**	
Poland	**76**	**12**	**52**				**12**	
Soviet Union	**183**						**183**	
Total, Asia	**6,930**	**995**	**3,675**	**1,502**	**95**	**99**	**554**	**10**
Afghanistan	**46**	**29**	**17**					
Burma	**42**		**27**	**14**				
Ceylon	**15**		**4**	**10**				
China-Taiwan	**381**	**28**	**165**	**33**	**4**	**34**	**116**	
India	**3,084**	**301**	**1,883**	**836**	**61**		**2**	
Indonesia	**193**	**81**	**43**	**13**		**22**	**33**	
Iran	**259**	**31**	**158**	**26**	**3**	**16**	**24**	
Iraq	**19**	**9**				**10**		
Israel	**478**	**51**	**204**	**205**	**11**	**8**		
Japan	**810**	**351**		**102**			**358**	
Jordan	**17**	**1**	**15**	**1**				
Korea	**108**		**87**		**(2/)**		**21**	
Lebanon	**5**	**2**	**3**					
Malaysia	**13**		**13**					
Nepal	**3**		**(2/)**	**2**				
Pakistan	**1,143**	**27**	**871**	**233**	**11**			

TABLE B-8.--Outstanding indebtedness of foreign countries on U.S. Government credits, as of December 31, 1966, by area, country, and major program 1/

(In millions of dollars and equivalents)

Area and country	Total	Under Export-Import Bank Act	Under Foreign Assistance (and related) Acts	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To foreign governments	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To private enterprises	Under Agricultural Trade Development and Assistance Act: Long-term dollar credits	Lend lease, surplus property, and grant settlements	Other credits
Asia -- Continued								
Philippines	122	63	43	11	4		(2/)	
Ryukyu Islands	17					8		10
Saudi Arabia	2		2					
Syria	14		2	11		(2/)		
Thailand	77	22	51	3				
Vietnam	83		83		(2/)			
Total, Latin America ...	**3,829**	**1,700**	**1,860**	**162**	**6**	**92**	**8**	
Argentina	344	264	78	1				
Bolivia	89	34	39	11	(2/)	4		
Brazil	1,275	659	519	67		28	1	
Chile	636	194	381	30	(2/)	31		
Colombia	329	41	266	13	2	6		
Costa Rica	44	14	29					
Cuba	36	36						
Dominican Republic ..	78	12	53			13		
Ecuador	80	9	59	6	1	6		
El Salvador	38	3	35			(2/)		
Guatemala	22	6	17					
Haiti	34	29	5				(2/)	
Honduras	22	1	21					
Jamaica	4	1	3					

TABLE B-8.--Outstanding indebtedness of foreign countries on U.S. Government credits, as of December 31, 1966, by area, country, and major program 1/

(In millions of dollars and equivalents)

Area and country	Total	Under Export-Import Bank Act	Under Foreign Assistance (and related) Acts	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To foreign governments	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To private enterprises	Under Agricultural Trade Development and Assistance Act: Long-term dollar credits	Lend lease, surplus property, and grant settlements	Other credits
Latin America - Continued								
Mexico	306	235	61	11				
Nicaragua	28	4	24					
Panama	61	19	41					
Paraguay	31	7	15	5	1	3		
Peru	165	70	74	17	2	1		
Surinam	1		1					
Trinidad and Tobago ...	12	12						
Uruguay	20	3	16	1	(2/)			
Venezuela	154	46	108					
Central American Bank for Economic Integration..	15		15					
Other Latin America ...	(2/)		(2/)					
Unspecified Latin America	7						7	
Total, Africa	1,280	183	605	411	1	62	19	
Algeria	12					12		
Cameroon	6		6					
Congo (Kinshasa)	41		22	19				
Ethiopia	39	8	27	(2/)		4		
Ghana	96	43	53					
Guinea	3		3	(2/)				
Ivory Coast	9	2	2	1		5		
Kenya	14		1			13		

TABLE B-8.--Outstanding indebtedness of foreign countries on U.S. Government credits, as of December 31, 1966, by area, country, and major program 1/

(In millions of dollars and equivalents)

Area and country	Total	Under Export-Import Bank Act	Under Foreign Assistance (and related) Acts	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To foreign governments	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To private enterprises	Under Agricultural Trade Development and Assistance Act: Long-term dollar credits	Lend lease, surplus property, and grant settlements	Other credits
Africa - Continued								
Liberia	116	71	25			1	19	
Libya	6		6					
Morocco	276	2	252	13		8		
Nigeria	16	5	11					
Sierra Leone	12	10				2		
Somali Republic	3		3					
South Africa	7	7						
Sudan	18		10	7	(2/)			
Tanzania	8		8					
Tunisia	113	3	91	20	(2/)			
Uganda	3		3					
United Arab Republic.	464	23	75	351	(2/)	14		
Zambia	4	4						
East African Common Services Organization	2					2		
Other Africa	1	(2/)	(2/)					
Unspecified Africa .	12	5	6					
Total, Oceania	79	50	28				(2/)	
Australia	57	29	28					
New Zealand	22	22	1				(2/)	

TABLE B-8.--Outstanding indebtedness of foreign countries on U.S. Government credits, as of December 31, 1966, by area, country, and major program 1/

(In millions of dollars and equivalents)

Area and country	Total	Under Export-Import Bank Act	Under Foreign Assistance (and related) Acts	Under Agricultural Trade Development and Assistance Act			Lend lease, surplus property, and grant settlements	Other credits
				Loans of foreign currencies		Long-term dollar credits		
				To foreign governments	To private enterprises			
Other international organizations:								
United Nations	100	-						100
Unspecified, all areas ...	27	184	-157					

1/ For important qualifications affecting this table and for definitions of terms, see the Explanatory note. Includes only transactions since 1934. Includes estimates for the U.S. dollar equivalent of receivables denominated in other than dollars and/or payable at the option of the debtor in foreign currencies, goods or services. The total amount of such estimates approximates $5,257 million.

2/ Less than $500,000.

Source: Compiled by Office of Business Economics, U.S. Department of Commerce, from information made available by operating agencies.

TABLE B-9.--Unutilized balances of U.S. Government foreign credits as of December 31, 1966, by area, country and major program 1/

(In millions of dollars and equivalents)

Area and country	Total 2/	Under Export-Import Bank Act	Under Foreign Assistance (and related) Acts	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To foreign governments	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To private enterprises	Under Agricultural Trade Development and Assistance Act: Long-term dollar credits	Other
Total, all areas.....	5,977	2,080	2,887	694	48	218	52
Total, Europe.....	1,106	675	228	116	7	60	20
Total, Western Europe.....	1,106	675	228	116	7	60	20
Austria.....	13	13	-	-	-	-	-
Belgium and Luxembourg...	18	18	1	-	-	-	-
Cyprus.....	1	-	-	1	(3/)	-	-
Finland.....	18	18	-	(3/)	-	-	-
France.....	11	11	(3/)	-	-	-	-
Germany.....	5	5	-	-	-	-	-
Greece.....	25	10	6	-	4	5	-
Iceland.....	7	6	-	(3/)	-	1	-
Ireland.....	20	20	(3/)	-	-	-	-
Italy.....	207	207	-	-	-	-	-
Portugal.....	6	6	-	-	-	-	-
Spain.....	137	99	-	2	-	36	-
Turkey.....	272	2	211	55	3	-	-
United Kingdom.....	253	253	-	-	-	-	-
Yugoslavia.....	86	(3/)	9	58	-	18	-
European Atomic Energy Community.....	27	8	-	-	-	-	20
North Atlantic Treaty Organization	1	-	1	-	-	-	-
Total, Asia.....	2,241	374	1,363	376	37	83	8
Afghanistan.....	12	-	10	1	-	1	-
Burma.....	25	-	7	18	-	-	-
Ceylon.....	11	-	8	4	-	-	-
China-Taiwan.....	115	57	31	-	3	25	-
India.....	940	45	589	284	22	-	-
Indonesia.....	25	-	1	-	-	24	-

TABLE B-9.--Unutilized balances of U.S. Government foreign credits, as of December 31, 1966, by area, country and major program 1/-- (Continued)

(In millions of dollars and equivalents)

Area and country	Total 2/	Under Export-Import Bank Act	Under Foreign Assistance (and related) Acts	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To foreign governments	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To private enterprises	Under Agricultural Trade Development and Assistance Act: Long-term dollar credits	Other
Asia -- Continued							
Iran	144	28	103	6	(3/)	6	-
Iraq	6	4	-	-	-	2	-
Israel	75	18	34	20	1	1	-
Japan	129	129	-	-	-	-	-
Jordan	16	-	11	3	-	2	-
Korea	170	4	166	-	(3/)	-	-
Lebanon	24	24	-	-	-	-	-
Malaysia	4	-	4	-	-	-	-
Nepal	3	-	1	2	-	-	-
Pakistan	318	4	278	26	10	-	-
Philippines	73	46	2	4	1	20	-
Ryukyu Islands	12	-	-	-	-	3	8
Saudi Arabia	73	-	73	-	-	-	-
Syria	23	-	15	8	-	-	-
Thailand	41	15	26	-	-	-	-
Vietnam	5	-	5	-	-	-	-
Total, Latin America	1,752	498	1,157	40	1	56	-
Argentina	121	28	93	-	-	-	-
Bahamas	13	13	-	-	-	-	-
Bolivia	86	-	69	15	1	1	-
Brazil	414	26	342	11	-	35	-
Chile	171	52	112	7	-	-	-
Colombia	92	12	65	(3/)	-	15	-
Costa Rica	34	15	19	-	-	-	-
Dominican Republic	56	17	39	-	-	1	-
Ecuador	65	14	47	(3/)	-	4	-
El Salvador	20	3	17	-	-	-	-
Guatemala	28	10	18	-	-	-	-
Guyana	10	-	10	-	-	-	-
Honduras	16	(3/)	15	-	-	-	-

TABLE B-9.--Unutilized balances of U.S. Government foreign credits, as of December 31, 1966, by area, country and major program 1/-- (Continued)

(In millions of dollars and equivalents)

Area and country	Total 2/	Under Export-Import Bank Act	Under Foreign Assistance (and related) Acts	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To foreign governments	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To private enterprises	Under Agricultural Trade Development and Assistance Act: Long-term dollar credits	Other
Latin America -- Continued							
Jamaica	15	7	8	-	-	-	-
Mexico	254	214	40	-	-	-	-
Nicaragua	34	3	31	-	-	-	-
Panama	32	3	29	-	-	-	-
Paraguay	19	-	17	2	(3/)	(3/)	-
Peru	85	24	55	6	(3/)	-	-
Surinam	5	5	-	-	-	-	-
Trinidad and Tobago	3	3	-	-	-	-	-
Uruguay	21	4	17	-	-	-	-
Venezuela	112	45	67	-	-	-	-
Central American Bank for Economic Integration	48	-	48	-	-	-	-
Total, Africa	569	92	297	161	2	18	-
Algeria	1	-	-	-	-	1	-
Cameroon	7	-	7	-	-	-	-
Congo (Kinshasa)	31	-	12	10	-	9	-
Ethiopia	47	8	36	(3/)	-	4	-
Ghana	52	23	28	-	-	-	-
Guinea	23	-	5	17	-	-	-
Ivory Coast	9	3	5	1	-	(3/)	-
Kenya	3	-	2	-	-	1	-
Liberia	45	20	25	-	-	(3/)	-
Malagasy Republic	3	-	3	-	-	-	-
Mali	3	-	3	-	-	-	-
Morocco	59	23	22	11	(3/)	2	-
Niger	2	-	2	-	-	-	-
Nigeria	57	(3/)	56	-	-	-	-
Senegal	3	(3/)	1	2	-	-	-
Sierra Leone	1	-	-	1	-	-	-

TABLE B-9.--Unutilized balances of U.S. Government foreign credits, as of December 31, 1966, by area, country and major program 1/ -- (Continued)

(In millions of dollars and equivalents)

Area and country	Total 2/	Under Export-Import Bank Act	Under Foreign Assistance (and related) Acts	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To foreign governments	Loans of foreign currencies: To private enterprises	Long-term dollar credits	Other
Africa -- Continued							
Somali Republic.....	4	-	4	-	-	-	-
Sudan.....	19	2	16	-	1	-	-
Tanzania.....	4	-	4	-	-	-	-
Tunisia.....	59	1	41	17	1	-	-
Uganda.....	3	-	3	-	-	-	-
United Arab Republic.....	121	-	17	103	-	(3/)	-
Zambia.....	10	10	-	-	-	-	-
East African Common Services Organization...	1	-	-	-	-	1	-
Unspecified Africa.....	4	-	4	-	-	-	-
Other Africa.....	(3/)	-	(3/)	-	-	-	-
Total, Oceania.....	171	147	23	-	-	-	-
Australia.....	164	141	23	-	-	-	-
Other Oceania.....	7	6	(3/)	-	-	-	-
Other International Organizations:							
United Nations.....	24	-	-	-	-	-	24
Unspecified, all areas.....	113	293	-180	-	-	-	-

1/ For important qualifications affecting this table and for definitions of terms see the Explanatory Note.
2/ Excludes uncommitted lending authorities.
3/ Less than $500,000.

Source: Compiled by Office of Business Economics, U.S. Department of Commerce, from information made available by operating agencies.

TABLE B-10.--Summary of U.S. Government foreign assistance through net accumulation of foreign currency claims, July 1, 1953, to December 31, 1966, by program, and by area and country 1/

(In millions of dollars and equivalents)

Program, and area and country	Net assistance	Currency claims acquired: Through farm products sales	Currency claims acquired: From second stage operations 2/	Inter-country and inter-program transfers	Currency disbursed for: Economic assistance in recipient's currency: Grants	Currency disbursed for: Economic assistance in recipient's currency: Credits	Currency disbursed for: All other
Total, all programs and all areas...	3,535	12,827	454	-	3,615	4,072	2,060
By (farm products sales) program:							
Under Agriculture Trade Development and Assistance Act...	3,493	10,762	454	1	2,368	3,779	1,578
Under Mutual Security Acts.....	42	2,030	-	-	1,247	293	449
Under Commodity Credit Corporation charter.....	(31)	33	-	-1	-	-	33
By Area and Country:							
Total, Europe.....	901	3,699	126	15	772	1,038	1,128
Total, Western Europe	410	3,179	126	20	772	1,038	1,105
Austria.....	(3/)	56	-	-1	1	25	29
Belgium and Luxembourg.....	(3/)	2	-	6	-	-	8
Cyprus.....	(3/)	2	(3/)	(3/)	-	(3/)	2
Denmark.....	(3/)	4	-	1	-	-	5
Finland.....	8	48	5	(3/)	-	23	21
France.....	2	251	5	-14	40	6	193
Germany.....	(3/)	163	-	14	95	-	81
Greece.....	4	202	15	-2	57	96	59
Iceland.....	1	16	1	(3/)	(3/)	11	5
Italy.....	1	237	4	-1	24	96	118
Netherlands.....	1	9	-	7	7	-	8
Norway.....	(3/)	2	-	1	1	-	3

TABLE B-10.--Summary of U.S. Government foreign assistance through net accumulation of foreign currency claims, July 1, 1953, to December 31, 1966, by program, and by area and country 1/

(In millions of dollars and equivalents)

Program, and area and country	Net assistance	Currency claims acquired: Through farm products sales	Currency claims acquired: From second stage operations 2/	Inter-country and inter-program transfers	Currency disbursed for: Economic assistance in recipient's currency: Grants	Currency disbursed for: Economic assistance in recipient's currency: Credits	Currency disbursed for: All other
Western Europe - Continued							
Portugal	(3/)	7	-	1	-	3	4
Spain	86	710	20	-1	158	222	263
Sweden	(3/)	-	-	2	-	-	2
Switzerland	(3/)	-	-	13	-	-	13
Turkey	85	526	33	-7	94	224	149
United Kingdom	9	218	-	7	96	-	120
Yugoslavia	213	727	44	-7	201	329	21
Other Western Europe	(3/)	-	-	(3/)	-	-	(3/)
Other Europe: Poland	492	520	-	-5	-	-	23
Total, Asia	1,913	7,137	244	-25	2,701	2,101	642
Afghanistan	6	8	-	(3/)	(3/)	-	2
Burma	10	46	6	(3/)	14	13	14
Cambodia	(3/)	9	-	-	9	-	-
Ceylon	10	34	1	(3/)	8	10	8
China-Taiwan	9	437	4	-3	277	99	52
Hong Kong	(3/)	-	-	4	-	-	4
India	1,301	3,325	138	-18	702	1,249	193
Indonesia	222	292	2	-2	32	27	11
Iran	7	64	4	(3/)	9	29	23
Israel	78	398	47	-7	76	263	22
Japan	(3/)	193	-	11	10	106	88
Jordan	4	6	-	-	-	1	1
Korea	28	764	1	-1	663	2	71
Lebanon	(3/)	-	-	3	-	-	3
Malaysia	(3/)	-	-	2	-	-	2
Nepal	(3/)	-	(3/)	1	(3/)	-	1

TABLE B-10.--Summary of U.S. Government foreign assistance through net accumulation of foreign currency claims, July 1, 1953, to December 31, 1966, by program, and by area and country 1/

(In millions of dollars and equivalents)

Program, and area and country	Net assistance	Currency claims acquired: Through farm products sales	Currency claims acquired: From second stage operations 2/	Inter-country and inter-program transfers	Currency disbursed for: Economic assistance in recipient's currency: Grants	Currency disbursed for: Economic assistance in recipient's currency: Credits	Currency disbursed for: All other
Asia - Continued							
Pakistan	132	1,038	39	-13	603	249	80
Philippines	16	140	2	(3/)	64	40	21
Syria	10	35	2	-1	-	12	14
Thailand	(3/)	4	(3/)	1	-	2	4
Vietnam	83	344	(3/)	-1	234	1	26
Other Asia	-2	-	-	(3/)	(3/)	-	2
Total, Latin America	306	892	38	(3/)	77	378	169
Argentina	6	31	(3/)	1	-	15	11
Bolivia	20	66	1	(3/)	28	11	8
Brazil	200	507	2	-4	41	197	70
Chile	31	85	8	-	-	44	19
Colombia	17	66	10	1	-	40	20
Ecuador	1	11	1	1	-	8	4
Guatemala	(3/)	9	-	(3/)	9	-	(3/)
Mexico	1	25	7	1	-	18	14
Paraguay	6	16	1	(3/)	-	7	4
Peru	6	40	2	-1	(3/)	22	14
Uruguay	18	36	3	(3/)	-	16	5
Venezuela	(3/)	-	-	1	-	-	1
Other Latin America	(3/)	-	-	(3/)	-	-	(3/)
Total, Africa	413	1,098	46	8	64	556	119
Congo (Kinshasa)	28	84	(3/)	(3/)	15	18	22
Ethiopia	1	3	(3/)	1	3	(3/)	1
Ghana	6	7	-	1	-	-	2

TABLE B-10.--Summary of U.S. Government foreign assistance through net accumulation of foreign currency claims, July 1, 1953, to December 31, 1966, by program, and by area and country 1/

(In millions of dollars and equivalents)

Program, and area and country	Net assistance	Currency claims acquired: Through farm products sales	Currency claims acquired: From second stage operations 2/	Inter-country and inter-program transfers	Currency disbursed for: Economic assistance in recipient's currency: Grants	Currency disbursed for: Economic assistance in recipient's currency: Credits	Currency disbursed for: All other
Africa - Continued							
Guinea	30	33	(3/)	(3/)	1	-	2
Ivory Coast	1	3	(3/)	-	-	1	1
Libya	(3/)	-	-	1	1	-	-
Mali	(3/)	1	-	-	-	-	(3/)
Morocco	20	66	1	10	-	46	12
Nigeria	(3/)	-	-	1	-	-	1
Senegal	2	3	-	(3/)	(3/)	-	1
Somali Republic	(3/)	-	-	1	1	-	-
Sudan	6	22	(3/)	2	3	8	7
Tanzania	3	3	-	-	-	-	(3/)
Tunisia	24	62	1	6	14	23	8
United Arab Republic	292	809	44	-15	27	459	61
Other Africa	(3/)	-	-	1	(3/)	-	1
Oceania: Australia	(3/)	-	-	1	-	-	1
Canada	(3/)	-	-	1	-	-	1

1/ For important qualifications affecting this table and for definitions of terms, see the Explanatory Note.
2/ Includes foreign currencies acquired from triangular trade operations, and principal and interest collections on credits, originally extended under Public Law 83-480, which -- since enactment of Public Law 87-128 are available for the same purpose as Public Law 83-480 currencies.
3/ Less than $500,000 (+).
Source: Compiled by Office of Business Economics, U. S. Department of Commerce, from information made available by operating agencies.

APPENDIX C

TABLE C-1. -- U.S. Government loan commitments 1/to less developed countries in calendar year 1966, by maturity period and interest rate

The following table includes loans reported in the U.S. submission for the OECD Development Assistance Committee Annual Aid Review. "Number of credits" is an approximation, since a single commitment may be confirmed in several individual loans, or, conversely, one loan agreement may be augmented by subsequent additional commitments. Number of credits is in units; dollar amount is in millions of dollars and totals do not add due to rounding.

Maturity period (years) and program	Total		Interest rate per annum 3/ 2-1/2%		3%		3-1/2%		4-4-7/8%		5-5-1/8%		5-1/2%		5-3/4%		6%	
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
Total	190	1,922	108	1,266	--	34	13	148	5	7	2	5	32	216	2	1	28	245
Export-Import Bank Act .....EIB	60	458	--		--	34	--	4/-25	--	4/-9	--	--	30	212	2	1	28	245
Foreign Assistance Act 2/.....FAA	98	1,171	87	1,106	--	--	6	56	3	6	--	--	2	3	--	--	--	--
Agricultural Trade Development and Assistance Act (Title IV).....IV	32	293	21	161	--	--	7	117	2	11	2	5	--	--	--	--	--	--
1+ to 5, total.....EIB	4	5	--	--	--	--	--	--	--	4/-4	--	--	1	5	1	6/	2	5
5+ to 10, total	34	228	--	--	--	--	--	4/-25	1	4	1	2	18	78	--	--	14	168
EIB	32	217	--	--	--	--	--	4/-25	--	4/-5	--	--	18	77	--	--	14	168
IV	2	11	--	--	--	--	--	--	1	7/ 9	1	8/2	--	--	--	--	--	--
10+ to 15, total	23	256	--	--	--	--	2	68	2	5	--	--	9	121	--	--	10	61
EIB	19	182	--	--	--	--	--	--	--	--	--	--	9	121	--	--	10	61
FAA	1	4	--	--	--	--	--	--	1	9/ 4	--	--	--	--	--	--	--	--
IV	3	70	--	--	--	--	2	68	1	10/2	--	--	--	--	--	--	--	--
15+ to -20, total.....	8	38	1	3	--	--	1	11	--	--	1	3	3	12	--	--	2	10
EIB	3	18	--		--	--	--	--	--	--	--	--	1	8	--	--	2	10
FAA	2	3	--		--	--	--	--	--	--	--	--	2	3	--	--	--	--
IV	3	16	1	3	--	--	1	11	--	--	1	11/3	--	--	--	--	--	--
20 to -25, total	31	262	21	166	--	34	6	58	2	2	--	--	1	1	1	1	--	--
EIB	2	36	--	--	--	34	--	--	--	--	--	--	1	1	1	1	--	--
FAA	5	30	1	8	--	--	2	20	2	12/2	--	--	--	--	--	--	--	--
IV	24	196	20	158	--	--	4	38	--	--	--	--	--	--	--	--	--	--
25 .....FAA	2	14	--	--	--	--	2	14	--	--	--	--	--	--	--	--	--	--
30 .....FAA	2	22	--	--	--	--	2	22	--	--	--	--	--	--	--	--	--	--
40 .....FAA	86	1,098	86	1,098	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Footnotes to TABLE C-1

1/ Includes only credits repayable in dollars. Excludes credits financing sales of military equipment.
2/ Maturity period includes any grace period (generally in the first 10 years of 40 year loans) during which time principal installments are nil.
3/ Interest rate specified is that generally prevailing over the greater part of the maturity period; for many credits stated at 2-1/2 percent, interest rate during the grace period may be 1 percent.
4/ Less than $500,000.
5/ Includes activities of the Agency for International Development.
6/ Commitments for consolidation credits are shown as an increase in the new maturity period and as a deduction to the maturity period of the original credits; negative entries result when the extent of the deductions for consolidation credits exceeds other new commitments in the stated maturity period. The number of consolidation credits is not counted.
7/ At 4-7/8 percent.
8/ At 5-1/8 percent.
9/ At 4-1/2 percent.
10/ At 4-5/8 percent.
11/ At 5 percent.
12/ At 4 percent.

Source: Compiled by Office of Business Economics, U.S. Department of Commerce, from information made available by operating agencies.

APPENDIX D

Table D-1.--Membership and quotas in the International Monetary Fund (IMF), and membership and subscriptions in the International Bank (IBRD), and the International Finance Corporation (IFC) as of June 30, 1967

(Expressed in thousands of U.S. dollars)

Membership	IMF	IBRD	IFC
TOTAL	20,971,250	22,849,800	99,929
Afghanistan	29,000	30,000	111
Algeria	66,000	80,000	-
Argentina	350,000	373,300	1,662
Australia	500,000	533,000	2,215
Austria	175,000	186,700	554
Belgium	422,000	450,000	2,492
Bolivia	29,000	21,000	78
Brazil	350,000	373,300	1,163
Burma	30,000	40,000	166
Burundi	15,000	15,000	-
Cameroon	16,600	20,000	-
Canada	740,000	792,000	3,600
Central African Republic	8,500	10,000	-
Ceylon	78,000	82,700	166
Chad	8,500	10,000	-
Chile	100,000	93,300	388
China	550,000	750,000	-
Colombia	125,000	93,300	388
Congo (Brazzaville)	8,500	10,000	-
Congo (Dem. Rep. of)	57,000	60,000	-
Costa Rica	25,000	10,700	22
Cyprus	15,000	15,000	83
Dahomey	8,500	10,000	-
Denmark	163,000	173,000	753
Dominican Republic	27,800	13,300	22
Ecuador	25,000	17,100	35
El Salvador	25,000	10,700	11
Ethiopia	19,000	10,000	33
Finland	125,000	133,300	421
France	985,000	1,050,000	5,815
Gabon	8,500	10,000	-
Germany (Fed. Rep. of)	1,200,000	1,280,000	3,655
Ghana	69,000	46,700	166
Greece	100,000	66,700	277
Guatemala	25,000	10,700	22

Table D-1.--Membership and quotas in the International Monetary Fund (IMF), and membership and subscriptions in the International Bank (IBRD), and the International Finance Corporation (IFC), as of June 30, 1967 -- Continued

(Expressed in thousands of U.S. dollars)

Membership	IMF	IBRD	IFC
Guinea	19,000	20,000	-
Guyana	15,000	16,000	89
Haiti	15,000	15,000	22
Honduras	19,000	8,000	11
Iceland	15,000	15,000	11
India	750,000	800,000	4,431
Indonesia	207,000	220,000	-
Iran	125,000	128,600	372
Iraq	80,000	64,000	67
Ireland	80,000	85,300	332
Israel	90,000	95,900	50
Italy	625,000	666,000	1,994
Ivory Coast	16,600	20,000	111
Jamaica	30,000	32,000	148
Japan	725,000	772,600	2,769
Jordan	13,750	16,300	33
Kenya	32,000	33,300	184
Korea	24,000	25,000	139
Kuwait	50,000	66,700	369
Laos	7,500	10,000	-
Lebanon	9,000	9,000	50
Liberia	20,000	21,300	83
Libya	19,000	20,000	55
Luxembourg	15,800	20,000	111
Malagasy Republic	19,000	20,000	111
Malawi	11,250	15,000	83
Malaysia	110,000	133,300	277
Mali	17,000	17,300	-
Mauritania	8,500	10,000	-
Mexico	270,000	208,000	720
Morocco	79,200	96,000	388
Nepal	10,000	10,000	55
Netherlands	520,000	550,000	3,046
New Zealand	157,000	166,700	923
Nicaragua	19,000	8,000	9
Niger	8,000	10,000	-
Nigeria	63,000	66,700	369
Norway	150,000	160,000	554
Pakistan	188,000	200,000	1,108
Panama	11,250	9,000	2

Table D-1.--Membership and quotas in the International Monetary Fund (IMF), and membership and subscriptions in the International Bank (IBRS), and the International Finance Corporation (IFC), as of June 30, 1967 -- Continued

(Expressed in thousands of U.S. dollars)

Membership	IMF	IBRD	IFC
Paraguay	15,000	6,000	16
Peru	85,000	35,000	194
Philippines	110,000	100,000	166
Portugal	75,000	80,000	443
Rwanda	12,800	15,000	-
Saudi Arabia	90,000	96,000	111
Senegal	25,000	33,300	184
Sierra Leone	15,000	15,000	83
Singapore	30,000	32,000	-
Somalia	15,000	15,000	83
South Africa	200,000	213,300	1,108
Spain	250,000	266,700	1,108
Sudan	57,000	60,000	111
Sweden	225,000	240,000	1,108
Syria	38,000	40,000	72
Tanzania	32,000	33,300	184
Thailand	95,000	101,300	139
Togo	11,250	15,000	83
Trinidad and Tobago	25,000	26,700	-
Tunisia	35,000	30,000	133
Turkey	108,000	115,000	476
Uganda	32,000	33,300	184
United Arab Republic	150,000	142,100	590
United Kingdom	2,440,000	2,600,000	14,400
United States	5,160,000	6,350,000	35,168
Upper Volta	8,500	10,000	-
Uruguay	30,000	28,000	-
Venezuela	250,000	186,700	116
Viet-Nam	29,000	30,000	-
Yugoslavia	150,000	106,700	-
Zambia	50,000	53,300	295

Source: International Monetary Fund, International Bank and International Finance Corporation.

Table D-2 IDA statement of subscriptions and supplementary resources, as of June 30, 1967

(In thousands of U.S. dollars)

Member Country 1/	Subscriptions 2/	Supplementary Resources		Total: Subscriptions and Supplementary Resources
		Amounts paid in	Amounts not yet due 3/	
Grand Total.....	999,955	519,625	248,245	1,767,825
Total, Part I Members.	751,345	519,625	248,245	1,519,215
Australia.....	20,180	13,200	6,600	39,980
Austria.....	5,040	3,360	1,680	10,080
Belgium.....	8,250	5,500	2,750	16,500
Canada.....	37,830	27,800	13,900	79,530
Denmark.....	8,740	5,000	2,500	16,240
Finland.....	3,830	1,532	766	6,128
France.....	52,960	41,248	20,624	114,832
Germany, Fed. Rep. of	52,960	48,400	24,200	125,560
Italy.....	18,160	20,000	10,000	48,160
Japan.....	33,590	27,500	13,750	74,840
Kuwait.....	3,360	2,240	1,120	6,720
Luxembourg.....	375	250	125	750
Netherlands.....	27,740	11,000	5,500	44,240
Norway.....	6,720	4,400	2,200	13,320
South Africa.....	10,090	2,660	1,330	14,080
Sweden.....	10,090	33,135	5,000	48,225
United Kingdom.....	131,140	64,400	32,200	227,740
United States.....	320,290	208,000	104,000	632,290
Total, Part II Members.	248,610	-	-	248,610
Afghanistan.....	1,010	-	-	1,010
Algeria.....	4,030	-	-	4,030
Argentina.....	18,830	-	-	18,830
Bolivia.....	1,060	-	-	1,060
Brazil.....	18,830	-	-	18,830
Burma.....	2,020	-	-	2,020
Burunda.....	760	-	-	760
Cameroon.....	1,010	-	-	1,010
Central African Rep..	500	-	-	500
Ceylon.....	3,030	-	-	3,030
Chad.....	500	-	-	500
Chile.....	3,530	-	-	3,530
China.....	30,260	-	-	30,260
Colombia.....	3,530	-	-	3,530
Congo (Brazzaville)..	500	-	-	500
Congo (Dem. Rep. of).	3,020	-	-	3,020
Costa Rica.....	200	-	-	200
Cyprus.....	760	-	-	760
Dahomey.....	500	-	-	500
Dominican Rep.....	400	-	-	400

Continued on following page.

Table D-2 IDA statement of subscriptions and supplementary resources, as of June 30, 1967 — Continued

(In thousands of U.S. dollars)

Member Country 1/	Subscriptions 2/	Supplementary Resources		Total: Subscriptions and Supplementary Resources
		Amounts paid in	Amounts not yet due 3/	
Part II Members — Contd.				
Ecuador	650	-	-	650
El Salvador	300	-	-	300
Ethiopia	500	-	-	500
Gabon	500	-	-	500
Ghana	2,360	-	-	2,360
Greece	2,520	-	-	2,520
Guatemala	400	-	-	400
Guyana	810	-	-	810
Haiti	760	-	-	760
Honduras	300	-	-	300
Iceland	100	-	-	100
India	40,350	-	-	40,350
Iran	4,540	-	-	4,540
Iraq	760	-	-	760
Ireland	3,030	-	-	3,030
Israel	1,680	-	-	1,680
Ivory Coast	1,010	-	-	1,010
Jordan	300	-	-	300
Kenya	1,680	-	-	1,680
Korea	1,260	-	-	1,260
Laos	500	-	-	500
Lebanon	450	-	-	450
Liberia	760	-	-	760
Libya	1,010	-	-	1,010
Malagasy Rep	1,010	-	-	1,010
Malawi	760	-	-	760
Malaysia	2,520	-	-	2,520
Mali	870	-	-	870
Mauritania	500	-	-	500
Mexico	8,740	-	-	8,740
Morocco	3,530	-	-	3,530
Nepal	500	-	-	500
Nicaragua	300	-	-	300
Niger	500	-	-	500
Nigeria	3,360	-	-	3,360
Pakistan	10,090	-	-	10,090
Panama	20	-	-	20
Paraguay	300	-	-	300
Peru	1,770	-	-	1,770
Philippines	5,040	-	-	5,040
Rwanda	760	-	-	760

Continued on following page.

Table D-2 IDA statement of subscriptions and supplementary resources, as of June 30, 1967 — **Continued**

(In thousands of U.S. dollars)

Member Country 1/	Subscriptions 2/	Supplementary Resources		Total: Subscriptions and Supplementary Resources
		Amounts paid in	Amounts not yet due 3/	
Part II Members Contd.				
Saudi Arabia.....	3,700	-	-	3,700
Senegal.....	1,680	-	-	1,680
Sierra Leone.....	760	-	-	760
Somalia.....	760	-	-	760
Spain.....	10,090	-	-	10,090
Sudan.....	1,010	-	-	1,010
Syrian Arab Republic..	950	-	-	950
Tanzania.....	1,680	-	-	1,680
Thailand.....	3,030	-	-	3,030
Togo.....	760	-	-	760
Tunisia.....	1,510	-	-	1,510
Turkey.....	5,800	-	-	5,800
Uganda.....	1,680	-	-	1,680
United Arab Republic..	5,080	-	-	5,080
Upper Volta.....	500	-	-	500
Viet-Nam.....	1,510	-	-	1,510
Yugoslavia.....	4,040	-	-	4,040
Zambia.....	2,690	-	-	2,690

1/ Members whose subscriptions may be freely used or exchanged by the Association and who have participated in the replenishment of IDA's resources are included in Part I. All other members are included in Part II.

2/ Paid in full except Belgium and Luxembourg.

3/ These supplementary resources are to be paid in freely convertible currencies on or before November 8, 1967. In addition, Sweden has made a further contribution equivalent to $5 million payable to the IDA in August 1967.

Source: International Development Association.

APPENDIX E

Executive Order 11334

ENJOYMENT OF CERTAIN PRIVILEGES, EXEMPTIONS, AND IMMUNITIES BY THE ASIAN DEVELOPMENT BANK AND COORDINATION OF UNITED STATES POLICIES WITH REGARD TO THE BANK

By virtue of the authority vested in me by Reorganization Plan No. 4 of 1965 (30 F.R. 9353), by section 4 of the Asian Development Bank Act, approved March 16, 1966 (Public Law 89-369), and by section 1 of the International Organizations Immunities Act (59 Stat. 669; 22 U.S.C. 288), and as President of the United States, it is ordered as follows:

SECTION 1. (a) The Asian Development Bank, an organization in which the United States participates under the authority of the Asian Development Bank Act, is hereby designated as a public international organization entitled to enjoy the privileges, exemptions, and immunities conferred by the International Organizations Immunities Act.

(b) The foregoing designation shall not be (1) deemed to abridge in any respect privileges, exemptions, and immunities which that organization may have acquired or may acquire by treaty or congressional action, or (2) construed to affect in any way the applicability of the provisions of Article 50 of the Agreement Establishing the Asian Development Bank as adopted by the Congress in the Asian Development Bank Act.

SEC. 2. Executive Order No. 11269 of February 14, 1966, is amended as follows:

(1) By adding at the end of section 2 the following new subsection:

"(c) The Council shall perform with respect to the Asian Development Bank, the same functions as those delegated to it by subsections (a) and (b) of this section with respect to other international financial institutions."

(2) By adding at the end of section 3 thereof the following new subsection:

"(d) The Secretary of the Treasury shall perform, with respect to the Asian Development Bank, the same functions as those delegated to him by subsections (a) and (b) of this section with respect to other international financial institutions."

Lyndon B. Johnson

THE WHITE HOUSE,
March 7, 1967.
[F.R. Doc. 67-2704; filed, Mar. 8, 1967; 1:21 p.m.]