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Sales of U. S. Surplus Agricultural Commodities for Foreign Currencies — 16 pages

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October 8, 1957.
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Sales of U. S. Surplus Agricultural Commodities for Foreign Currencies

The programs of selling U. S. surplus agricultural commodities abroad for foreign currencies rather than for dollars were initiated in order to help solve two problems. One was created by the steadily accumulating stocks of agricultural commodities resulting from the U. S. farm price-support program. Commodity Credit Corporation inventories continued to increase until February 1956 and have not been greatly reduced since then. The other problem is the competitive disadvantage which confronts U. S. producers of agricultural commodities in world markets by reason of U. S. farm prices being supported at levels higher than world market prices and by reason of discriminatory restrictions on imports of U. S. products enacted in many foreign countries because of fears of an alleged "dollar shortage".

The major program for sales of surplus agricultural commodities for foreign currencies is authorized under Title I of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480).1/ Another program for such sales, first authorized under Section 550 of the Mutual Security Act of 1953, is conducted under Section 402 of the Mutual Security Act of 1954.2/

For the past four years U. S. agricultural exports have indeed expanded rapidly, and sales of surplus agricultural commodities for foreign currencies have accounted for an ever-increasing proportion of such exports.3/ These sales have become an important element in the U.S. balance of international payments, and large amount of foreign currencies have been received and disbursed under the programs.4/ Most of the foreign currencies received have been loaned to the purchasing countries; however, in August 1957, Congress passed the so-called Cooley Amendment in order to increase the flow of foreign currency funds to U. S. firms.

Sales for foreign currencies have to some extent been additional to normal exports of agricultural products; however, in some cases, they have displaced U. S. dollar sales as well as exports of other countries. Moreover, they have created a continuous problem of disposing of an inflow of local currency funds.

1/ Originally, the Commodity Credit Corporation was authorized to incur costs totaling $700 million, including the Corporation's investment in commodities moved out of its own stocks, in financing such sales. On August 12, 1955 the amount was increased to $1.5 billion; on August 3, 1956 to $3 billion; and on August 13, 1957 to $4 billion.

2/ Mutual Security funds earmarked for such transactions amounted to minima of $100 million for the fiscal year 1954, $350 million for the fiscal year 1955, $300 million for the fiscal year 1956, $250 million for the fiscal year 1957, and $175 million for the fiscal year 1958.

3/ See Table I.

4/ See Table II.

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Procedure under Title I of P. L. 480

Title I of P. L. 480 authorizes the President to enter into agreements with friendly nations 1/ for the sale of surplus agricultural commodities for foreign currencies. "Reasonable precautions" are to be taken to "safeguard usual marketings of the United States and to assure that sales will. . . not unduly disrupt world prices." The President has assigned initial responsibility for such sales to the Secretary of Agriculture. The Department of State negotiates the sales agreements and has -- in effect -- the power of veto over proposals which originate in the Department of Agriculture.

A foreign country may purchase the agricultural commodities through private importers as its agents, or through a mission in the United States, but in either case, private U. S. firms are the suppliers.2/ Except for wheat, private U. S. firms may buy from Commodity Credit Corporation inventories, if the commodity is in stock, or from the open market. In the case of wheat, the firms purchase in the open market and receive a subsidy in kind from the Commodity Credit Corporation. The Commodity Credit Corporation is presently selling some commodities below the domestic price. However, since wheat is the major commodity sold for foreign currencies and some of the other commodities are not available in Commodity Credit Corporation stocks, most of the purchases are made in the open market at the present time.3/ The purchasing country deposits the foreign currency price of the commodities to the account of the U. S. Government abroad, while suppliers are paid in dollars by U. S. banks in the United States which in turn are reimbursed by the Commodity Credit Corporation.

Disposition of foreign currencies

All of the foreign currencies received under the Mutual Security Act of 1953 the most of the foreign currencies received under the Mutual Security Act of 1954 have been used or allocated for use for some form of foreign aid.

Foreign currencies received under Title I of P. L. 480 have been used for ten purposes spelled out in Section 104 of the Act as amended4/ and also for military housing.5/ These ten purposes are as follows:

1/ The Secretary of State has recently ruled that Poland is a "friendly nation" for purposes of sales of U.S. agricultural commodities for foreign currencies under Title I of P. L. 480.

2/ This has also been true under the Mutual Security Act of 1954.

3/ Most of the purchases of commodities sold for foreign currencies under the Mutual Security Act of 1954 are also made in the open market at the present time.

4/ See Table III.

5/ Authorized by Public Law 765, 83rd Congress, Public Law 161 and Public Law 968, 84th Congress.

(a) Agricultural market development.
(b) Purchase of strategic materials.
(c) Military procurement.
(d) Purchase of goods for other countries.
(e) Grants for balanced economic development and trade among nations.
(f) Payment of obligations.
(g) Loans for multilateral trade and economic development.
(h) International educational exchange programs.1/
(i) Translation, publication, and distribution of books and periodicals.2/
(j) Assistance to American-sponsored schools, libraries, and community centers.3/

The sales agreements concluded under Title I with purchasing nations specify the amounts of funds to be used for various purposes. The amount for U. S. use under Section 104, (a), (b), (d), (f), (h), (i), and (j) is frequently provided for in a lump sum to afford greater flexibility in using these funds. U. S. agencies desiring to use currencies apply to the Bureau of the Budget for an allocation, but must await apportionment of currencies by the Bureau before incurring actual obligations against such allocations. The responsibility for administering the expenditure of foreign currencies is assigned by executive order to various agencies as follows:

Currency use	Responsible agency
Agricultural market development	Department of Agriculture
Purchase of strategic materials	Office of Defense Mobilization
Military procurement	ICA and Department of Defense
Purchase of goods for other countries	ICA
Grants for balanced economic development and trade among nations	ICA
Payment of obligations	Agency responsible for discharge of obligation
Loans for multilateral trade and economic development	ICA
International educational exchange	Department of State
Translation, publication, and distribution of books and periodicals	USIA
Assistance to American-sponsored schools, libraries, and community centers .	Department of State and USIA

1/ Authorized under Public Law 584, 79th Congress (The Fulbright Act).
2/ This foreign currency use was established in July 1956. Not more than $5 million equivalent may be used for this purpose during any fiscal year.
3/ This foreign currency use was established in August 1956.

As of June 30, 1957, agreements for the sale of agricultural commodities for foreign currencies under Title I had been signed with 34 countries; the estimated cost of financing such sales was $2,997.4 million, and their export market value was the equivalent of $2,094.4 million.1/ Actual shipments totaled about 12 million metric tons with an export market value equal to about $1,400 million as of June 30, 1957, of which approximately 4.5 million metric tons valued at about $500 million was shipped during the first six months of the calendar year 1957.

The Administration has broken down the expected sales proceeds of Title I transactions into four categories: (1) "country uses" for the benefit of the purchasing country; (2) "non-reimbursable agency use" for U. S. agencies; (3) uses for U. S. agencies chargeable to budget appropriations; and (4) uses for the construction of facilities for U. S. personnel abroad.

The first, and by far the largest, category includes development loans under Section 104(g) of P. L. 480, military aid under Section 104(c), and development grants under Section 104(e). Under agreements signed through June 30, 1957, $1,474.5 million in foreign currencies is to be used for these purposes. The International Cooperation Administration takes account of the prospective availability of "country use" funds in developing economic and defense assistance programs.

The second category includes the uses for certain U. S. purposes under Section 104, (a), (b), (d), (h), (i), and (j) and travel expenses of Congressional committees under Section 104(f). Such use permits an expansion of certain agency programs beyond current appropriations without reimbursement by the agency concerned. Through June 30, 1957, $48.9 million had been allocated for these uses.

The various market development projects under Section 104(a) include trade fairs, market surveys, promotion of better nutrition demonstrations, exchange of trade personnel, and commodity or product-promotion including advertising. A market development project may be initiated by a trade group, a private research organization, an institution such as a land-grant college, an international organization, or by the Department of Agriculture. As of June 30, 1957, market development projects were in operation in 26 countries.

The purchase of goods for export to third countries under Section 104(d) is generally authorized without requiring reimbursement to the Commodity Credit Corporation. The sales agreement may specify the amount to be used to purchase goods for export to third countries or it may provide that an unspecified amount of currencies reserved for U. S. purposes may be used to buy goods for other countries. By June 30, 1957, plans had been developed for using $31.3 million equivalent of these funds.2/ Usually,

1/ See Table IV.
2/ See Table V.

the United States makes no advance commitment to use these funds for purchases of specific commodities or to buy goods for a specific country. The ICA has attempted to assure that these purchases are made at competitive prices and to avoid undue disruption of normal trade patterns.

The third category includes mainly the payment of U. S. obligations under Section 104(f). These funds are transferred to the Treasury for sale for dollars to any agency for any purpose for which an appropriation has been provided. Through June 30, 1957, the Treasury was authorized to sell $177 million equivalent of currency proceeds. The largest uses of foreign currency for payment of U. S. obligations have been in Spain and Turkey where U. S. expenditures are very high because of defense activities.

Finally, Public Law 765, 83rd Congress, and Public Laws 161 and 968, 84th Congress, authorize the use of up to $250 million worth of foreign currencies generated by Title I sales or other transactions of the Commodity Credit Corporation for the construction, rent, or procurement of military family housing and related community facilities abroad to supplement current construction appropriations. Dollar reimbursement of the capital cost of the housing will be made to the Commodity Credit Corporation out of the appropriations for the quarters allowances of the personnel occupying the housing. The Commodity Credit Corporation will not receive interest for this advance, and it is estimated that between 15 and 20 years will be needed to effect full reimbursement. Out of $106.3 million earmarked for this purpose, $94.9 million in foreign currencies had been allocated through June 30, 1957.

As of June 30, 1957, $293.1 million equivalent of expected sales proceeds had not been placed in one of the four categories. Included in this total are foreign currencies to be generated under recent agreements, small amounts held awaiting the completion of negotiations concerning proposed uses or the determination of the final amount of sales proceeds, and amounts held for eventual sale by the Treasury.

Loans for multilateral trade and economic development -- As of June 30, 1957, $1,169.3 million of local currency funds had been earmarked for loans to 26 nations. This constituted 56 per cent of the total planned uses of foreign currency. By June 30, 1957, loan agreements had been negotiated with 18 countries providing for loans of $651.7 in local currencies. A country-breakdown of the loan agreements follows:

Country	Amount (Million dollar equivalent)
Austria	16.0
Brazil	149.2
Burma	17.3
Chile	4.0
Colombia	10.0
Ecuador	6.3
Greece	8.5
Iceland	2.2
India	234.1
Israel	31.3
Italy	30.0
Japan	108.9
Paraguay	2.2
Peru	7.8
Portugal	3.4
Spain	10.5
Thailand	1.0
Yugoslavia	9.0
Total	651.7

The loan agreements provide for the establishment of lines of credit up to the amount stated. Shortfalls in deliveries of commodities, and thus in the amount of local currencies deposited, may result in a decrease in the amounts which will actually become available for loans. The loan agreements specify terms and conditions of repayment which have been approved by the National Advisory Council on International Monetary and Financial Problems. Strategic materials, services, foreign currencies, or dollars may be accepted in payment of the loans. If the borrowing country chooses to repay in dollars, the interest rate is now 4 per cent; if local currency is used, the rate is now 5 per cent.1/ Interest now accrues from the date of disbursement without the waiting period provided by loan contracts made under previous fiscal year authorizations. Repayment does not begin until 3 years after the loan is made, and may continue for as long as 40 years thereafter. Until July 1955, a policy was followed of depositing foreign currency sales agreement proceeds reserved for U. S. official uses and for economic development loans in an account denominated in dollars at the exchange rate on the date on which they were deposited. At that time, the policy was changed in order to facilitate sales by relieving the purchasing government of this obligation to maintain a constant value of the proceeds. In all recent cases, however, the local-currency values have been required to be maintained in terms of dollars from the time of disbursement of funds under the loan agreement until their repayment under the amortization schedule.

1/ Prior to September 10, 1957, the interest rates were 3 and 4 per cent, respectively.

The United States is cooperating with the various countries in developing programs to utilize the local currencies. As of June 30, 1957, projects involving expenditures of $338.8 million equivalent had been approved, including $157.8 million equivalent in the first half of the calendar year 1957. Coordination with long term development programs, such as those planned by India and Brazil, has been emphasized. In the case of Brazil, for instance, loan projects have been approved for expansion of power, iron, and steel production; extension and rehabilitation of railways; production of metallurgical works, cold storage plants, and agricultural silo facilities; and improvement of river navigation and ports. Emphasis has also been placed upon the use of these funds to cover some of the local costs of projects for which foreign exchange costs are financed by the Export-Import Bank and the International Bank for Reconstruction and Development. For example, $1.6 million equivalent was approved for coal mine projects in Chile for which $21.8 million was provided by the International Bank for Reconstruction and Development.

Loans to private enterprise -- Until the end of the fiscal year 1957, the United States negotiated with the nations receiving loan funds to reach agreement that a portion of the funds be set aside for relending to private enterprise. As a result of negotiations conducted concurrently with negotiations of sales agreements, at least $150 million equivalent, or a minimum of 25 per cent of the loan funds that will become available from fiscal year 1957 sales agreements, will be used for relending to private enterprise in Austria, Bolivia, Brazil, Colombia, Ecuador, Greece, Iceland, India, Israel, Italy, Pakistan, Peru, Philippines, Spain, Thailand, and Turkey. The amounts to be reserved for relending to private borrowers are usually specified in the sales agreements; sometimes, however, foreign governments agree to channel unspecified amounts to private investors. As a result of negotiations with countries with which the United States had signed sales agreements but had not negotiated loan agreements, 11 countries had either re-lent or agreed to make available for relending to private borrowers about $98 million equivalent as of June 30, 1957.

The foreign currencies are to be re-lent by foreign governments to private investors through established banking facilities of the borrowing country. Foreign governments have agreed that these foreign currencies are to be made available to its citizens, U. S. nationals, and nationals of other friendly nations on a non-discriminatory basis as to interest rates and other loan terms and conditions. Loan terms are to be based upon existing conditions in the money market of the foreign country and the policy of its monetary authorities and will be no less favorable than the usual terms of the local foreign agencies.

In 1957, the use of foreign currencies for lending to private enterprise, and especially to U. S. enterprises, was extended by the Cooley Amendment. Under this amendment not more than 25 per cent of the currencies received under each sales agreement will be available, through the Export-Import Bank, for loans, mutually agreeable to the Export-Import Bank and the country with which the agreement is made, to U. S. business firms and their branches, subsidiaries, or affiliates for business development and trade expansion in such countries, and for loans to domestic or foreign firms for the establishment of facilities for increasing the consumption of, and markets for, U. S. agricultural products. These loans are not to be made for the manufacture of any product to be exported to the United States in competition with products produced in the United States, or for the manufacture or production of any commodity to be marketed in competition with U. S. agricultural commodities and their products. Foreign currencies may be accepted in repayment of these loans. These loans will be made on the following terms:

(a) Interest rates to be approximately equivalent to those for comparable loans prevailing in the country whose currency is loaned.

(b) Maturities to correspond approximately to Export-Import Bank dollar loans to foreign private enterprises.

(c) No maintenance-of-value clause to be required.

While U. S. nationals are not given preferential treatment when foreign governments re-lend local currencies, under the Cooley Amendment only U. S. firms may receive loans for business development and trade expansion; loans for the establishment of facilities for increasing the consumption of, and markets for, U. S. agricultural products, however, may be made to foreign as well as to U. S. firms. Presumably, most of the foreign currency loans to be administered by the Export-Import Bank will be made for the purpose of business development and trade expansion and thus will go to U. S. firms. Nevertheless, since all loans under the Cooley Amendment must receive the approval of the foreign government with which the sales agreement is made, the foreign government has a veto power over such use of the funds.

Economic effects of sales for foreign currencies

The U. S. price of surplus agricultural commodities is unaffected by the sales since it is largely set by price supports and protected by import restrictions.

The central economic problem connected with sales for foreign currencies is: how far are these sales really additional? The availability of supplies from the United States without the expenditure of foreign exchange enables a number of underdeveloped countries to maintain higher levels of agricultural commodity imports than would otherwise have been possible. To this extent, sales for foreign currencies have resulted in a net addition to world trade in the commodities involved. In developed countries with relatively high levels of food consumption, however, sales for foreign currencies will to a greater extent displace other sources of supply, including U. S. dollar sales.

Other producer countries maintain that an offer to lend a large proportion of the sales proceeds to the purchasing country is an inducement which makes it almost impossible for the purchasing country to refuse, and point out that they cannot afford to underwrite this type of foreign aid. They have therefore complained of "unfair competition", and similar complaints are also beginning to emanate from U. S. exporters of agricultural commodities.

Sales for foreign currencies assume the nature of a gift insofar as the local currency is made available to the foreign government as a grant; they assume the nature of a loan insofar as the currency is made available to the foreign government under a repayment obligation; and they assume the nature of barter insofar as the United States in effect exchanges surplus commodities for foreign goods and services. Since some of these exchanges displace U. S. dollar purchases and reduce other countries' dollar earnings, they lessen the United States' chances of making sales of both agricultural and non-agricultural products through normal export channels. Critics of the Title I program make much of this point.

In some sales for foreign currency agreements the purchaser is committed to buy specified amounts of U. S. agricultural commodities for dollars at later dates. The United States obtains these assurances in order to provide safeguards against displacement of usual U. S. marketings. Other countries, the most vocal of which is Canada, have complained about these so-called "tie-in" sales and argue that they are really more than only a safeguard of normal sales. Other countries frequently go one step further and argue that if the United States agrees to sales for foreign currency, it should be willing to take its chance in competition with other producer countries for whatever additional markets exist.

Concluding comments

Sales of U. S. surplus agricultural commodities for foreign currencies have successfully disposed of large quantities of these commodities. However, whereas Commodity Credit Corporation inventories and commitments stood at $1.4 billion in June 1952, they reached a high of $8.9 billion in February 1956, and were reduced only to $7.3 billion as of July 1957. Thus, the surplus disposal program, the major part of which is sales for foreign currencies, has not solved the agricultural surplus problem.

Furthermore, the disposal program has added a new problem to those that continue to beset the U. S. authorities. Despite the "maintenance-of-value" provision and the lower interest rate offered to attract repayment in dollars, virtually all repayment of local currency loans to foreign governments and all repayment of loans under the Cooley Amendment will be made in local currency. Thus, the United States will continuously be faced with the problem of disposing of an inflow of local currency funds. This inflow could be minimized if a larger percentage of foreign currency funds received under Title I were not loaned to foreign governments or private enterprises but used for other purposes. Moreover, if the spread between the interest rates charged for repayment in dollars and for repayment in local currencies were increased, some foreign governments might possibly prefer to repay their loans in dollars.

TABLE I

Exports of United States Agricultural Products

(In millions of dollars)

Program	1954-55	1955-56	1956-57 1/
Public Law 480:			
Title I	$73	$427	$900
Title II	83	91	100
Title III:			
Barter	123	299	380
Donations	126	179	150
Total, P. L. 480	405	996	1,530
Total agricultural exports	3,144	3,493	4,700

1/ Partly estimated.

Source: The President's Sixth Semiannual Report on Activities Carried on under Public Law 480, 83rd Congress, as Amended.

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TABLE II

Status of Foreign Currencies Under Title I, Public Law 480
(Million dollars equivalent)

Country	Agreement amounts as of 6-30-57	Deposits as of 4-30-57	Allocated as of 6-30-57	Apportioned as of 6-30-57
Argentina	31.1	29.3	29.5	9.2
Austria	43.3	22.7	31.4	14.4
Bolivia	6.8	--	5.4	--
Brazil	180.2	39.7	160.5	41.5
Burma	22.7	12.3	18.9	1.5
Chile	40.1	26.8	34.3	6.5
China (Taiwan)	9.8	7.7	4.2	3.4
Colombia	29.2	15.9	15.0	4.4
Ecuador	8.1	3.4	7.0	3.0
Egypt	19.6	19.2	17.8	4.2
Finland	27.7	21.7	15.3	3.0
France	2.1	.6	.6	.6
Germany	1.2	1.2	1.1	1.1
Greece	46.2	39.1	37.6	20.4
Iceland	2.8	--	2.2	--
India	360.1	97.4	251.6	17.5
Indonesia	98.7	57.3	80.3	2.3
Iran	12.9	5.7	12.0	5.1
Israel	52.0	50.2	37.7	28.5
Italy	127.9	60.9	103.5	21.1
Japan	150.3	133.2	139.3	136.6
Korea	81.6	36.3	61.7	22.9
Netherlands	.3	.1	.2	.2
Pakistan	120.5	75.3	85.6	18.3
Paraguay	3.0	1.0	2.8	1.8
Peru	15.3	10.1	9.8	8.0
Philippines	10.3	--	5.2	--
Poland	18.7	--	--	--
Portugal	7.1	7.1	5.3	5.0
Spain	184.2	148.5	141.2	42.1
Thailand	4.6	2.0	2.2	1.2
Turkey	111.6	57.2	66.8	44.2
United Kingdom	35.6	27.4	27.2	27.2
Yugoslavia	222.8	170.6	140.9	67.2
Total	1/2,088.4	1,179.9	2/1,554.1	562.4

1/ Total agreement amounts differs from total export market value in Table IV by the $6 million estimated for ocean freight differential in the Indian agreement for which no rupee deposits will be required.

2/ Does not include $241.2 million equivalent which, under the terms of sales agreements, is to be used for common defense or economic development, for which formal allocations had not been issued as of June 30, 1957.

Source: The President's Sixth Semiannual Report on Activities Carried on under Public Law 480, 83rd Congress, as Amended.

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TABLE III

Planned Uses of Foreign Currency under Title I, Public Law 480 Agreements

Signed from Beginning of Program through June 30, 1957.1/

(Million dollars equivalent)

Country	Total amount programmed	Market development	Purchase of strategic material	Military procurement	Purchase of goods for other countries 2/	Grants	Payment of U.S. obligations 3/	Loans	Int. ed. exchange	Translation and publication	Information and education
		(104 a)	(104 b)	(104 c)	(104 d)	(104 e)	(104 f)	(104 g)	(104 h)	(104 i)	(104 j)
Argentina	31.1	0.6	--	--	2/	--	9.8	20.0	0.7	--	--
Austria	43.3	1.0	--	--	2.9	--	12.4	26.3	--	.1	.6
Bolivia	6.8	.3	--	--	--	--	.7	5.4	.2	--	.2
Brazil	180.2	2.7	3.2	2.0	--	--	19.6	149.2	2.1	.5	.9
Burma	22.7	.5	--	--	2/	--	4.1	18.1	--	--	--
Chile	40.1	.8	--	.1	--	--	6.9	31.7	.6	--	--
China (Taiwan)	9.8	.7	--	4.9	--	--	3.4	--	.8	--	--
Colombia	29.2	.8	--	.1	2/	--	4.7	22.2	.6	4/	.8
Ecuador	8.1	.4	--	--	--	--	.8	6.3	.4	--	.2
Egypt	19.6	.5	--	--	--	--	4.7	13.6	.8	--	--
Finland	27.7	.5	--	--	2/13.0	--	13.9	--	.2	4/	.1
France	2.1	1.2	--	--	.6	--	.3	--	--	--	--
Germany	1.2	1.1	--	--	--	--	.1	--	--	--	--
Greece	46.2	1.9	--	--	--	7.5	9.3	26.4	.6	--	.5
Iceland	2.8	.1	--	--	--	--	.5	2.2	--	--	--
India	5/360.1	4.0	--	--	2/ 5.0	54.0	61.2	234.1	1.8	--	--
Indonesia	98.7	1.0	2.0	--	--	--	16.5	78.9	.3	--	--
Iran	12.9	.2	--	5.9	--	--	3.3	2.5	.7	--	.3
Israel	52.0	.4	--	--	2/	--	14.8	36.8	--	--	--
Italy	127.9	2.7	1.0	--	2/10.0	--	25.2	88.0	--	--	1.0
Japan	150.3	3.3	--	6/	10.9	--	6/25.1	108.9	2.1	--	--
Korea	81.6	.5	--	65.4	--	--	14.2	--	.9	--	.6
Netherlands	.3	.3	--	--	--	--	4/	--	--	--	--
Pakistan	120.5	1.7	--	74.3	--	--	18.6	23.6	1.0	.3	1.0
Paraguay	3.0	.2	--	--	--	--	.5	2.2	.1	--	--
Peru	15.3	.9	--	.1	--	--	2.5	11.0	.4	.1	.3
Philippines	10.3	.8	--	2.1	--	--	1.5	5.2	.7	--	--
Poland	18.7	--	--	--	--	--	18.7	--	--	--	--

(Continued)

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TABLE III (Continued)

Planned Uses of Foreign Currency under Title I, Public Law 480 Agreements
Signed from Beginning of Program through June 30, 1957.1/
(Million dollars equivalent)

Country	Total amount programmed	Market development	Purchase of strategic material	Military procurement	Purchase of goods for other countries 2/	Grants	Payment of U.S. obligations 3/	Loans	Int. ed exchange	Translation and publication	Information and education
		(104 a)	(104 b)	(104 c)	(104 d)	(104 e)	(104 f)	(104 g)	(104 h)	(104 i)	(104 j)
Portugal	7.1	.3	--	--	--	--	3.1	3.4	.3	--	--
Spain	184.2	3.0	1.0	--	--	--	65.1	113.0	1.1	.5	.5
Thailand	4.6	.7	--	--	--	--	.3	2.1	..6	.1	.3
Turkey	111.6	.3	--	--	--	--	51.2	55.5	1.4	.1	2.8
United Kingdom	35.6	.3	--	6/	--	--	6/ 35.3	--	--	--	--
Yugoslavia	222.8	1.0	--	88.8	--	--	50.0	82.7	--	.3	--
Total agreements	5/ 2,088.4	35.0	7.2	243.7	42.4	61.5	498.8	1,169.3	18.4	2.0	10.1
Uses as per cent of total	100.0	1.7	.3	11.7	2.0	2.9	23.9	56.0	.9	.1	.5

1/ Amounts shown on this table are subject to adjustment when actual purchases and allocations have been made.

2/ Amounts shown in this column indicate a specified amount in the agreement for this use. Footnote 2/ only shows an unspecified amount for possible procurement for third countries. A footnote and an amount indicate more than one agreement including both specified and unspecified amounts.

3/ In order to provide flexibility in the use of funds, many agreements provide that a specified amount of local currency proceeds may be used under secs. 104 (a), (b), (f), (h), and (i). In some instances, possible uses under sec. 104 (d) are also included in this category. Therefore, estimates based on the best information now available are indicated above under subsecs. (a), (b), (h), and (i). Balances not otherwise distributed are included under subsec. (f). This distribution is subject to revision when allocations have been completed.

4/ Less than $100,000.

5/ Total market value differs from total in Table IV by the $6 million estimated for ocean freight differential in the Indian agreement for which no rupee deposits will be required.

6/ The Japanese agreement for the July-June year 1955-56 provides for the use of $8.1 million and the U.K. agreements provide for approximately $35.1 million under subsec. 104 (c). However, since in return for this currency use, these countries will construct and make available to the U.S. armed forces an equivalent value of dependent housing, the amounts are shown under 104 (f).

Source: The President's Sixth Semiannual Report on Activities Carried on under Public Law 480, 83rd Congress, as Amended.

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TABLE IV

Commodity Composition of All Agreements Signed
through June 30, 1957

Commodity	Unit	Approximate quantity	Export market value	CCC cost
			(In millions of dollars)	
Wheat and wheat flour	Bu.	1/ 453,951,000	760.1	1,307.5
Feed grains	Bu.	2/ 75,048,000	95.5	150.0
Rice	Cwt.	22,733,000	145.8	260.3
Cotton	Bale	2,665,700	404.2	566.6
Cotton linters	Bale	16,700	.3	.3
Meat products	Lb.	156,125,000	40.9	40.9
Tobacco	Lb.	160,426,000	110.4	110.4
Dairy products	Lb.	116,438,000	24.9	40.2
Fats and oils	Lb.	1,774,617,000	277.9	286.7
Poultry	Lb.	3,000,000	1.2	1.2
Dry edible beans	Cwt.	44,000	.3	.4
Fruits and vegetables	Lb.	123,932,000	5.5	5.5
Seeds	Cwt.	55,000	2.5	2.5
Total commodities			1,869.5	2,772.5
Ocean transportation			224.9	224.9
Total			2,094.4	2,997.4

1/ Wheat and wheat equivalent of flour.
2/ Corn: 29,941,000
Oats: 5,474,000
Barley: 32,025,000
Grain sorghums: 5,795,000
Feed wheat: 1,813,000

Source: The President's Sixth Semiannual Report on Activities Carried on under Public Law 480, 83rd Congress, as Amended.

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TABLE V

Purchases of Goods for Other Countries Program, as of June 30, 1957

(Million dollars equivalent)

Sales proceeds from		Purchases programmed for	
Country	Amount	Country	Amount
Austria	2.9	Burma	5.0
France	.6	Ceylon	2.5
Finland	13.0	India	2.0
India	5.0	Indonesia	2.0
Italy	10.0	Israel	5.0
Japan	10.9	Korea	2.5
		Pakistan	2.0
		Ryukyu Islands	3.3
		Spain	2.0
		Taiwan	1.2
		Thailand	2.0
		Vietnam	1.8
Total	42.4	Total	31.3

Source: The President's Sixth Semiannual Report on Activities Carried on under Public Law 480, 83rd Congress, as Amended.

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