

UNITED STATES-USE CURRENCIES

"United States-use" currencies may be divided into two categories: excess currencies and nonexcess currencies.

Excess currencies are the currencies of countries for which the Treasury Department determines that the supply is great enough to more than cover our requirements for the next 2 or 3 years. Separate appropriations for special foreign currency programs which are limited to the use of excess currencies have been provided for several years. In fiscal year 1966, such appropriations totaled \$34 million.

Nonexcess currencies are those of all countries for which the supply is not designated as "excess." In many of these countries, the supply of currencies is far below United States needs and it is necessary to purchase currencies commercially to meet United States requirements. Although it is estimated that the United States will have about \$2.2 billion available for its programs in fiscal year 1968, less than \$500 million will be in nonexcess currencies. This indicates a need to purchase about \$1.7 billion in foreign currencies to meet total requirements.

The following table summarizes fiscal year 1966 transactions of United States-use foreign currencies.

Summary of Foreign Currency Transactions
for United States Use
Fiscal Year 1966

(Millions of dollar
equivalents)

Cash balances brought forward:	
Excess currencies	\$1,345
Nonexcess currencies	91
Collections:	
Public Law 480 sales	158
Foreign assistance programs	116
Interest on public deposits	26
Other nonloan collections	55
Loan repayments	252
Net transfer to country use	<u>-27</u>
Total available	<u>\$2,017^a</u>
Expenditures:	
Foreign currency expenditure authorization	\$ 13
With dollar credits to:	
Foreign assistance programs	113
Miscellaneous receipts of general fund	136
Commodity Credit Corporation	133
Other	15
Deposits for replacement currencies	-3
Adjustments due to changes in exchange rate	325
Cash balances carried forward to fiscal year 1967	<u>1,282</u>
Total	<u>\$2,017^a</u>

^aDetails do not total due to rounding.