Yugoslavia, in lieu of entering into the program several years ago, agreed to purchase with dollars $250,000 in U.S.-owned local currency. In view of the heavy level of U.S. tourist and business travel to Yugoslavia and the heavy inventory of U.S.-owned currency, this would seem to be a bargain much to the advantage of Yugoslavia. It would be interesting to determine just why this compromise was accepted by our officials in consummating the Public Law 480 soft-currency transaction in question.

In 33 other countries our Government has local currency holdings, most of them acquired under postwar programs other than Public Law 480, and under conditions which make the currencies of little or no prospective value to the United States.

Here is the inventory, as of January 1, 1967:

	Million		*Million*
Afghanistan	$2.4	Iran	$2.0
Australia	0.1	Italy	6.5
Belgium	0.1	Japan	25.2
Cambodia	0.3	Jordan	0.4
Cameroon	0.1	Korea	1.1
Chile	9.4	Laos	4.5
China	7.7	Libya	0.1
Costa Rica	0.1	Mali	1.5
Cyprus	0.4	Nigeria	0.1
Czechoslovakia	1.0	Peru	2.2
Dominican Republic	0.6	Philippines	5.4
Ecuador	0.1	Senegal	0.3
Ethiopia	1.1	Somali	0.1
Ghana	4.1	South Africa	0.1
Greece	0.4	Thailand	1.3
Guatemala	0.3	Vietnam	32.6
Iceland	0.2		
		(33)	111.8

RECOMMENDATIONS

I recommend that, in formulating legislation on travel tax or restriction, you exempt travel which utilizes the tourist-dollar exchange program; further, that you encourage the Treasury Department to inaugurate the tourist-dollar exchange program in each of the 21 countries where the program has been accepted by the local government and where the United States owns currencies.

In my view, the monetary crisis is so grave that this should be done regardless of whether our Government considers our holdings of local currency to be excess, near excess or nonexcess. If the United States owns local currencies in any of these countries they should be made available to U.S. visitors.

In addition, I urge that you exempt travel in countries which cooperate in a debt-credit or currency-credit arrangement.

Under this proposal, the local government would be required to redeem with dollars $5 worth of U.S.-owned local currency—or apply a like amount on past due debts—for each day a U.S. citizen travels in that country.

I have just listed 33 countries in which the United States now owns $111,800,000 in a local currency. In addition, a number of countries owe us large sums dating from World War I. To illustrate, Britain