

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

# Office Correspondence

Date May 28, 1947

To Chairman Eccles

Subject: \_\_\_\_\_

From Mr. Knapp

Reference is made to my memorandum of May 19 relating to Mr. Acheson's speech in which Mr. Acheson emphasized the necessity of retaining certain controls over our foreign trade in order to carry out our foreign policy objectives.

Congress already has before it a bill providing for the extension of the general Export Control Act, as well as a bill to extend the Administration's powers over the allocation of railway transportation for exports.

On May 23 the President sent a message to Congress requesting the extension after June 30 of certain limited war powers relating to allocations and priorities for exports and imports, as follows:

- (1) Powers required to maintain the stability of our economy
  - (a) allocation of imported materials: tin, manila fibers, antimony, cinchona bark, and quinine
  - (b) export priorities for materials needed to stimulate foreign production of urgently needed imports (details not specified)
- (2) Powers needed to promote recovery abroad
  - (a) import controls on fats and oils, rice and rice products, and nitrogenous fertilizers, for use in restricting our imports of these commodities in accordance with international allocation agreements
  - (b) export priorities for "key industrial items that are vitally required for reconstruction and rehabilitation" (details not specified).

With respect to the last item, the President commented:

"The Congress has already recognized the importance of supporting our foreign policy with financial assistance. Financial assistance alone, without occasional priority backing, may be useless in instances where speedy aid in concrete form is essential. The use of the priority powers that I am recommending would be limited to cases certified by the Secretary of State to be of high public importance and essential to the successful carrying out of the foreign policy of the United States."