

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date November 28, 1947

To Chairman Eccles

Subject: Export-Import Bank credit to

From Mr. Knapp 

Belgium

In my memorandum of November 24 concerning the proposed 50 million dollar Export-Import Bank credit to Belgium, I pointed out that the Belgians had been pursuing a very liberal import policy and concluded that:

"In view of the competitive demands for Export-Import Bank funds, and in view of the general problem of the impact of foreign requirements upon our economy, I must conclude that in this case the Belgians should be encouraged to restrict their imports from the United States rather than be granted credits to permit their continuation."

The National Advisory Council has now approved the 50 million dollar credit to Belgium, and the Export-Import Bank has described this credit in its press release as "for the purpose of maintaining purchases of essential raw materials and equipment in the United States which would permit the continuation of the high level of industrial production in Belgium". However, I feel I should call your attention to the following excerpt from a recent newspaper dispatch from Brussels indicating what seems to me nothing short of extravagance in the Belgian import program:

"During the first eight months of the year Belgium imported United States nylon hosiery valued at 518,260,000 francs (about \$11,827,328), Foreign Trade Minister Baron Francois-Xavier Van Der Straten-Waillet declared here today. He added that rayon hosiery imported during the same period was valued at 36,292,000 francs (about \$827,457).

"Many protests have been made since August by Belgian hosiery manufacturers to their Government with regard to excessive imports of United States nylon hosiery and the consequent idleness of many Belgian plants, but so far no results have been obtained."