

# FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 70-72  
March 20, 1970

## 1970 VOLUNTARY FOREIGN CREDIT RESTRAINT PROGRAM

To the Banks, Nonbank Financial Institutions  
and Other Firms Addressed in the Eleventh  
Federal Reserve District:

There is quoted below an amendment issued by the Board of Governors of the Federal Reserve System to the guidelines for the 1970 Voluntary Foreign Credit Restraint Program. This revision, which is effective immediately, amends the guidelines issued by this Bank on December 22, 1969, Circular No. 69-309.

Guideline provision II-A-3-b, which calls for a special restraint on certain loans to residents of developed countries of continental Western Europe, has been amended to read as follows:

b. Restraint on new nonexport term loans. A bank should not make new term loans to such residents, except loans that finance U.S. exports.

The amended language, "except loans that finance U.S. exports," replaces the narrower language, "except loans that qualify as Export Term Loans."

The amendment was made in order to rectify an inadvertent tightening last December of the restraint on certain credits to Western Europe. Under the pre-December 17 provision, export loans of any amount had been permissible although chargeable against a bank's ceiling; under the guidelines as revised on December 17, export loans of less than \$250,000 each were not permissible since they did not meet the definition of export term loans.

The amendment restores the previous provision. It is intended to include announcement of the amendment in a future issue of the Bulletin.

Yours very truly,

P. E. Coldwell

President