

December 20, 1946

My dear Mr. President:

I want to thank you on behalf of the Directors of the Export-Import Bank for the kindness and courtesy you showed us today at our meeting with you, the Secretary and Under Secretaries of State and the Secretary of the Treasury.

I feel, however, that so far as there are any issues between the Secretary of State and the Directors of the Bank they have not been made clear to you. Certainly they were not made clear today. Most of Mr. Clayton's statements and the implications of those of Mr. Byrnes are and have been accepted by the Board -- and acted upon faithfully. The proof of this is in the fact that, as stated by Mr. Clayton, based on the policy declared by him we have committed nearly three billions of dollars of the funds entrusted to us by the Congress a year and a half ago for the purpose of stimulating world recovery.

In many cases we have had to resolve in favor of the judgment of others serious doubts as to the wisdom of some of the credits proposed and acted upon. We have been placed repeatedly in the position of being called upon to ratify decisions made by others and of which the recipients were aware before we were consulted.

We have at length found it necessary to ask ourselves whether this is the status that you and the Congress desired us to occupy when the Export-Import Bank Act of 1945 was enacted and whether we are or are not under the responsibility of exercising some judgment of our own as to the dispersal of the funds placed in our care.

You were kind enough to say that you wished us to reach our own decision. This is the problem that we have to decide, rather than the question whether some risks were justified in a program for world recovery. That question, argued so persuasively by Mr. Clayton, is not at issue at all. The answer is in the record of the loans and commitments already made.

But the situation now is greatly different from that of a year ago. The funds granted to us for emergency loans are

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Practically exhausted. Selections have to be made of many competing claims upon us. We think that such funds as remain should be husbanded carefully and distributed with the maximum benefit to the world economy. I think further that in the light of the great responsibility you have placed upon us we ought to make ourselves heard as to the use of these funds, and that we have no right to feel ourselves bound by decisions made without consulting us, particularly when we regard those decisions as economically unwise. I do not think it within our province to question purely political decisions and objectives of the Secretary of State, but I do think that the recovery of Europe is, at least in part, an economic matter and that the Directors of the Bank have been especially charged by you to consider the economic aspect of loans and credits.

You may feel assured that the Directors will continue to study this problem in the light of the views you expressed to us this morning.

Faithfully yours,

Wm. McC. Martin, Jr.,  
Chairman

The President

The White House