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United States of America
Economic Cooperation Administration
Special Mission to Netherlands
Benoordenhoutseweg 6 - The Hague
September 8, 1949.

by IRHP
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renewed

Dr. E.H. van der Beugel
Bureau van de Regeringscommissaris voor het
Europese Herstel Programma
Smidswater 2
's-Gravenhage.

Dear Dr. van der Beugel:

I have received your letter of September 1 regarding the preparation by your Government, for submission to the OEEC before October 1, of lists of commodities placed or to be placed on general license or global quota. Your letter states that these lists are presently being prepared by a Working Group which will submit its recommendations to the Director-General of the Department of Foreign Economic Relations, Mr. Spierenburg, who will then take the matter up on a Cabinet level. You have very kindly offered to discuss with the officers of this Mission the broad outline of your Government's policy regarding these lists after they have been approved by Mr. Spierenburg.

I should like to emphasize to you, and to the other officials of your Government who are concerned with the preparation of these lists, the critical importance which the Economic Cooperation Administration attaches to them. In our opinion, it is an urgent necessity that the lists be as extensive as you find it possible to make them and that they include items which make up a substantial part of your European trade. Mr. Paul Hoffman has stressed the significance of this trade liberalization work in a statement which he made on August 16 in Paris at a meeting with the heads of delegations to the OEEC. He stated in part:

"If I have any one message to tell to-day it is this; the time has come when we must have evidence of the determination and successful culmination of the European efforts to make good on their pledge of mutual aid. It must be specific. I know that the Council took steps to make a specific recommendation that by October 1st there be a list of goods with which there would be no quantitative restrictions of trade among the nations. That is a good start. It is significant if the list itself is significant. It will not be significant if the list consists of a few items that are not traded in. I cannot tell you how important it is that the announcement that there would be such a list of goods be a list of importance. That is the first, in my opinion, of the specific steps to be taken by Europe that will constitute the kind of dramatic proof that is needed that Europe is serious about this matter of European Economic Cooperation".

Substantial encouragement and assistance has been provided or is contemplated by the Economic Cooperation Administration and by the OEEC for the submission of extensive lists. As you know, the new payments agreement provides for a revision of drawing rights when necessary as the result of trade liberalization measures; the Economic Cooperation Administration is establishing a reserve fund of approximately one-hundred and fifty million dollars, the largest part of which may be used to encourage measures to liberalize trade; and there has been proposed to the OEEC the establishment of a special fund of European currencies which may be used to promote trade liberalization measures.

sin (While these initial commodity lists are a first step in a program for the complete elimination of quantitative restrictions by 1951 and are to be followed by additional action before the end of 1949, I cannot overstate the urgency that this initial undertaking constitute a significant accomplishment. I am sure that you are aware of the importance that the Congress and the American people set upon the integration of the European economy and its development into a single market, and that you realize the need for tangible evidence of progress in this direction during the remaining months of 1949 if wide support in America of the Recovery Program is to be maintained. The removal of quantitative restrictions on an extensive list of imports at this time is an opportunity to realize such progress.

Sincerely yours

(sgd) C.E. Hunter

Clarence E. Hunter
Chief of Mission.