

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date July 22, 1946.

To Chairman Eccles

Subject: Joint Resolution on Philippine

From Mr. Knapp

Loan introduced by Congressman Bell.

On July 16, the day following the last National Advisory Council meeting, Congressman Bell introduced a Joint Resolution in the House of Representatives along the lines of the draft approved by the N.A.C. However, there were two changes:

(1) The amount has been raised from 75 to 100 million dollars. Apparently Congressman Bell insisted on the latter figure, since he had been assured by President Roxas and Mr. McNutt that this was the amount required, and he pointed out that in any case the actual disbursement of the funds would be controlled by this Government. I still think 50 million dollars should prove enough if the Philippine Government takes reasonable steps to deal with its own problem.

(2) The funds are to be disbursed "upon such terms and conditions as the Secretary of the Treasury after consultation with the National Advisory Council shall deem to be warranted by the financial position of the Philippine Government" (in the previous draft, the underlined language was "with the approval of").

This bill has been referred to the Banking and Currency Committee, which has requested a report from the State and Treasury Departments. Mr. Glasser informs me that this report will simply take the form of transmission to the Committee of the N.A.C. action taken last Monday, i.e. the Administration will support the bill only to the extent of 75 million dollars.