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BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date December 31, 1947

To Chairman Eccles

Subject: _____

From Mr. Knapp

You will recall that on December 18 the National Advisory Council authorized Secretary Snyder to exercise his influence on behalf of the Council in opposing the House's reduction of the Interim Aid appropriations for France, Italy, and Austria from 597 million dollars to 509 million dollars. The basis for this action by the House was its feeling that 88 million dollars consisting mainly of **external** debt payments should be eliminated from the "external budget" of France and Italy.

The Senate, which acted on this appropriation late in the day on December 18, approved an appropriation of 550 million dollars, the reduction from 597 million being attributable not to the elimination of any foreign payments but to a more optimistic estimate of the prices of imports than had been made by the Department of State.

In the House-Senate Conference which followed, agreement was finally reached on the figure of 522 million dollars with no specific reasons being assigned for the 75 million dollar reduction from the original request.

It is recalled that both Houses approved an authorization bill for the full 597 million dollars so that the remaining 75 million may possibly be appropriated in the regular session next year.