

ERP Bill

From Allen  
Approval

mll  
Frozen Foreign Funds

11/20/47

1. Question of frozen foreign funds should now be tied in with the Marshall Plan, not with reduced appropriations for foreign funds control.
2. Take new census of holdings to provide up to date information, and to avoid charge of violating understanding in connection with use of figures obtained in earlier census.
3. Negotiate agreements with foreign governments participating in Marshall Plan, and desiring such information, to make available the record of the dollar holdings of their nationals, provided:
  - (a) Penalties for prior non-declaration are reduced to, say, 25 percent.
  - (b) Dollar holdings will be used as security for stabilization loans under Marshall Plan.
  - (c) When such loans are repaid, or are no longer necessary, original holder of dollar assets will have option of recording his net holding (gives less penalty for prior non-declaration)

Added later:

- (d) Make provision for emergency conversion of net dollar holdings of foreign nationals into their domestic currencies at any time.