

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 2091]
July 2, 1940

**Netherlands Royal Decree of May 24, 1940, and Power of Attorney issued thereunder
to the Minister of the Netherlands, Washington, D. C.**

*To all Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:*

We enclose, printed in a separate pamphlet, copies of the following:

A letter from the Secretary of State dated June 27, 1940, addressed to the Secretary of the Treasury, with reference to the Netherlands Royal Decree dated May 24, 1940, relating to certain property of individuals and companies resident in the Kingdom of the Netherlands.

An English translation of such Decree, certified by the Minister for the Netherlands, which was enclosed with the letter from the Secretary of State.

The letter from the Secretary of State sets forth the exchange of notes between the State Department and the Minister of the Netherlands in Washington, D. C., relative to such Royal Decree and to a power of attorney executed by the Royal Netherlands Government in favor of the Netherlands Minister at Washington, D. C.

We have been requested by the Treasury Department to furnish copies of the letter of the Secretary of State, and of the English translation of the Netherlands Royal Decree, to all interested banks or other interested parties, for their information. Accordingly we are issuing this circular and enclosing copies of such letter and translation of Decree, for the information of such banks and other parties as may be interested.

Additional copies of this circular and the enclosures will be furnished to interested parties upon request.

GEORGE L. HARRISON,
President.

**Netherlands Royal Decree of May 24, 1940, and
Power of Attorney issued thereunder
to the Minister of the Netherlands,
Washington, D. C.**

(Copy of letter dated June 27, 1940, from the Secretary of State to the Secretary of the Treasury setting forth the exchange of notes between the State Department and the Minister of the Netherlands relative to such Decree and Power of Attorney; and copy of English translation of such Decree, certified by the Minister of the Netherlands.)

Copy of Letter to the Secretary of the Treasury.

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D. C.



DEPARTMENT OF STATE
WASHINGTON

In reply refer to
Eu 840.51 Frozen Credits/174

June 27, 1940

My dear Mr. Secretary:

Reference is made to the Department's letter to you dated May 28, 1940 with which was enclosed a copy of a note from the Netherlands Minister in Washington, regarding the promulgation of a Royal Decree dated May 24, 1940 relating to certain properties of individuals and companies resident in the Kingdom of the Netherlands. In this connection I have the honor to advise you of the following:

Under date of June 11, 1940 the Department received a telegram from the American Ambassador in London the contents of which were transmitted to Dr. Alexander Loudon, the Minister of the Netherlands in Washington in a note dated June 13, 1940, reading as follows:

“June 13, 1940

“Sir:

“I have the honor to quote for your information the following text, received through the United States Ambassador in London, of a power of attorney executed by the Royal Netherlands Government now temporarily exercising its functions in London, together with its texts of two documents annexed to such power of attorney:

“‘The Royal Netherlands Government, temporarily residing and exercising its functions in London, acting through the undersigned: P. S. Gerbrandy, Minister of Justice, C. H. Welter, Minister for the Colonies, E. N. Van Kleffens, Minister for Foreign Affairs, hereby authorizes the Netherlands Minister at Washington, D. C., Dr. Alexander Loudon, to operate, control and otherwise exercise complete dominion over all accounts and all other property and interests of any nature whatever in the United States of America, its territories and possessions, including the Philippine Islands and the Canal Zone, vested by the Royal Decree of May 24, 1940, in the State of the Netherlands as represented by the Royal Netherland Government temporarily residing and exercising its functions in London. The Netherlands Minister at Washington, D. C., is further authorized to make certifications to any interested party of exemptions under the aforementioned Royal Decree. The Netherlands Minister at Washington, D. C., may from time to time delegate any or all of the authority vested in him hereunder with power of revocation or substitution. London, June 11, 1940. The Minister of Justice, (signed) P. S. Gerbrandy the Minister of the Colonies, (signed) C. H. Welter, the Minister for Foreign Affairs, (signed) E. N. Van Kleffens.’

“The Ambassador reports that affixed to the above-mentioned document is a further document reading as follows:

“‘I, Jonkheer E. Michiels Van Verduynen, Envoy Extraordinary and Minister Plenipotentiary of Her Majesty the Queen of the Netherlands to the

Court of St. James hereby certifies that P. S. Gerbrandy, who has signed the annexed document, was at the time of signing the Minister of Justice of the Royal Netherlands Government, that C. H. Welter, who has signed the annexed document, was at the time of signing the Minister for the Colonies of the Royal Netherlands Government, that E. N. Van Kleffens, who has signed the annexed document, was at the time of signing the Minister for Foreign Affairs of the Royal Netherlands Government, and that the signatures affixed on the annexed document are the genuine signatures of the Ministers of Justice, Colonies and Foreign Affairs respectively, and that they, having countersigned the Royal Decree of May 24, 1940, Staatsblad number A (Nederlandsche Staatscourant number 151, 1940) are the competent Ministers of the Royal Netherlands Government to sign such a document on behalf of the Royal Netherlands Government, temporarily residing and exercising its function in London. London, 11th June 1940. (signed and sealed) E. Michiels Van Verduynen.'

"The Ambassador also reports that affixed to the above-mentioned documents is a third document reading as follows:

" 'Certificate of acknowledgment of execution of document Great Britain and Northern Ireland London, England, Consulate General of the United States of America, I, John J. Coyle, Vice Consul of the United States of America at London, England, duly commissioned and qualified, do hereby certify that on this eleventh day of June, 1940, before me personally appeared

" 'Jonkheer E. Michiels Van Verduynen, to me personally known, and known to me to be the individual described in, whose name is subscribed to, and who executed the annexed instrument, and being informed by me of the contents of said instrument he duly acknowledged to me that he executed the same freely and voluntarily for the uses and purposes therein mentioned. In witness whereof I have hereunto set my hand and official seal the day and year last above written. (signed and sealed) John J. Coyle, Vice Consul of the United States of America. No fee prescribed service number 4880.'

"The Ambassador reports that the foregoing documents are in his possession and will be transmitted to the Department of State by diplomatic pouch.

"Accept, Sir, the renewed assurances of my highest consideration.

"For the Secretary of State:

"A. A. BERLE, JR."

In reply to the Department's note of June 13, 1940 the Netherlands Minister addressed to the Department his note no. 4934 dated June 14, 1940, the text of which is as follows:

"ROYAL NETHERLANDS LEGATION

"No. 4934

Washington, D. C. June 14, 1940

"Sir,

"I have the honor to acknowledge the receipt of your note, dated June 13th, 1940, concerning a power of attorney which has been granted me by the Royal Netherlands Government to operate, control and otherwise exercise complete dominion over all accounts and all other property and interests of any nature whatever in the United States, and its territories and possessions, including the Philippine Islands and the Canal Zone, vested by the Royal Decree of May 24, 1940, in the State of the Netherlands as represented by the Royal Netherlands Government, temporarily residing and exercising its functions in London.

"The power of attorney in question is dated London, June 11, 1940, and is signed by P. S. Gerbrandy, the Netherlands Minister of Justice, Ch. Welter, the Minister for

the Colonies, and by E. N. van Kleffens, the Minister for Foreign Affairs. The power of attorney is authenticated by Jonkheer E. Michiels van Verduynen, Envoy Extraordinary and Minister Plenipotentiary of Her Majesty, the Queen of the Netherlands to the Court of St. James, who has thereby certified that Mr. P. S. Gerbrandy, Mr. Ch. Welter, and Mr. E. N. van Kleffens are Minister of Justice, Minister for the Colonies, and Minister for Foreign Affairs, respectively, of the Royal Netherlands Government; that the signatures affixed to the said power of attorney are the genuine signatures of the Ministers of Justice, Colonies and Foreign Affairs, respectively, and that they are the Ministers of the Royal Netherlands Government competent to sign such a document on behalf of the Royal Netherlands Government.

“I have been informed of the execution of the abovementioned power of attorney by the Royal Netherlands Foreign Office in a telegram, dated June 11th, 1940, in which it was stated that such power of attorney had been delivered to the United States Ambassador in London for transmission to the Department of State in Washington. The text of such power of attorney and the texts of the documents annexed thereto, which were received by you in a telegram from the United States Ambassador in London, and which you quoted to me in your note dated June 13th, 1940, are accepted by me as the authentic and binding texts of the said power of attorney and of its annexed documents.

“An official English translation of the Royal Decree of May 24, 1940, Staatsblad number A (Nederlandsche Staatscourant number 151, 1940) was transmitted to you with my note No. 4259 of June 1, 1940. An additional copy of the official English translation is enclosed herewith.

“Under instruction of my Government I now have the honor to certify to Your Excellency:

“1) That the foregoing Royal Decree is a valid and binding act of the Royal Netherlands Government, and, pursuant to the terms thereof, claims, rights, property and interests referred to therein are, under the laws of the Netherlands, vested in the State of the Netherlands, as represented by the Royal Netherlands Government temporarily residing and exercising its functions in London.

“2) That P. S. Gerbrandy, as Minister of Justice, Ch. Welter, as Minister for the Colonies, and E. N. van Kleffens, as Minister for Foreign Affairs, respectively, of the Royal Netherlands Government, are duly and legally authorized and empowered to sign documents of the nature of the above-mentioned power of attorney, and that Jonkheer E. Michiels van Verduynen is the duly accredited Envoy Extraordinary and Minister Plenipotentiary of Her Majesty, the Queen of the Netherlands to the Court of St. James, and as such has full authority to authenticate such power of attorney on behalf of the Royal Netherlands Government temporarily residing and exercising its functions in London.

“3) That under the above described power of attorney I am duly and legally authorized and empowered to operate, control and otherwise exercise complete dominion over the accounts, property and interests referred to therein; to make certifications of exemptions under the Royal Decree of May 24, 1940; and to delegate the authority vested in me under such power of attorney, with power of revocation and substitution.

“I have the honor to request you to furnish a copy of this note to the appropriate authorities of the United States Government and to take any steps which you deem necessary to bring the contents of the Royal Decree of May 24, 1940, and of my power of attorney, to the attention of interested persons and institutions in the United States.

“Please accept, Sir, the renewed assurances of my highest consideration.

“A. LOUDON”

The enclosure mentioned in the above-quoted note from the Netherlands Minister (a copy of an official translation of the Royal Decree of May 24, 1940) is enclosed herewith.

It will be noted that the Minister states that he had been informed of the execution of the above-mentioned power of attorney by the Royal Netherlands Foreign Office in a telegram dated June 11, 1940 and that he accepts as the authentic and binding texts of the said power of attorney and of the documents annexed thereto, the texts which were communicated to him in the Department's note of June 13, 1940.

The Department of State is satisfied that the power of attorney referred to above has been delivered to its representatives in London, is in course of transmission to the Department, and presumably will reach this country in due course by diplomatic pouch from the American Embassy in London. Accordingly, such power of attorney may be treated as having been exhibited and delivered to the Government of the United States and as having such legal effect as a document so executed would have were it physically in the United States.

The Department is further satisfied that the individuals who signed such power of attorney, which, as stated above, may be treated as being now in the possession of this Department, are P. S. Gerbrandy, C. H. Welter, and E. N. van Kleffens, who are, respectively, the Minister of Justice, the Minister for the Colonies, and the Minister for Foreign Affairs, of the Royal Netherlands Government; that their signatures thereon are genuine; and that they are duly and legally authorized and empowered to sign such power of attorney on behalf of the Royal Netherlands Government. The Department is also satisfied that such power of attorney is duly authenticated by Jonkheer E. Michiels van Verduynen, the duly accredited Envoy Extraordinary and Minister Plenipotentiary of Her Majesty the Queen of the Netherlands to the Court of St. James; that his signature thereon is genuine; and that he has full authority to authenticate such power of attorney on behalf of the Royal Netherlands Government, temporarily residing and exercising its functions in London.

The Government of the United States continues to recognize as the Government of the Kingdom of the Netherlands the Royal Netherlands Government, which is temporarily residing and exercising its functions in London, and continues to recognize Dr. Alexander Loudon as the duly accredited Envoy Extraordinary and Minister Plenipotentiary of the Netherlands to the United States.

The Department of State has taken official cognizance of the Royal Decree of May 24, 1940 which has been notified to it by the duly accredited Minister of the Netherlands.

The Department of State, recognizing Dr. Alexander Loudon as the duly accredited Minister of the Netherlands to the United States, and, having in mind the documents and circumstances above set forth, accepts his authority to operate all accounts and other assets in the United States belonging to the Royal Netherlands Government.

Sincerely yours,

For the Secretary of State:

A. A. BERLE, JR.
Assistant Secretary

Enclosure:

Official translation
of the Royal Decree of
May 24, 1940.

ROYAL NETHERLANDS LEGATION

Netherlands Royal Decree of May 24, 1940

Royal Decree of May 24, 1940 (recorded in the Netherlands State Law Record of May 24, 1940) containing measures to prevent that property of and claims belonging to persons living in the Kingdom of the Netherlands, notably in the Realm in Europe, will be used in a manner which must be deemed to conflict with the interests of the country and of the inhabitants, particularly of those who remain in the territory occupied by the enemy.

We Wilhelmina, by the grace of God, Queen of the Netherlands, Princess of Orange Nassau, etc., etc., etc.

As submitted by our Ministers of Justice, of Colonies and of Foreign Affairs, on May 24, 1940 No. 1;

Considering, that it is necessary to take measures in order to prevent that property of and claims belonging to persons, residing in the Kingdom of the Netherlands, notably in the Realm in Europe, will be applied in a manner, which must be deemed to conflict with the interests of the country and of the inhabitants, particularly of those who reside in the territory occupied by the enemy; and that it is required to that end, as long as is necessary, to entrust this property and claims to the State of the Netherlands;

HAVE APPROVED AND ORDERED:

ARTICLE 1.

1. Title to claims against persons, partnerships, companies, corporations, firms, institutions and public bodies, which claims belong to natural or legal persons domiciled in the Kingdom of the Netherlands, as well as to all claims of the aforesaid persons for the delivery of gold deposited, in so far as these claims are in any form whatsoever capable of being encumbered, pledged, transferred or sold or the like, outside of the Realm in Europe, is hereby vested in the State of the Netherlands, as represented by the Royal Netherlands Government, temporarily resident in London and exercising Its functions there, subject always to the provisions of Article 5.

2. The foregoing is also applicable to all claims resulting from confirmed credits, participation in the capital of and loans to companies, corporations and firms (regardless of whether these claims are evidenced by stock certificates, bonds or other securities or commercial paper) in so far as the aforementioned claims belong to natural or legal persons within the Kingdom of the Netherlands and, in so far as these claims are in any form whatsoever capable of being encumbered, pledged, transferred or sold, or the like, outside of the Realm in Europe.

3. The proprietary rights vested in the State of the Netherlands, by virtue of the provisions of the preceding paragraphs, shall only be exercised for the conservation of the rights of the former owners.

ARTICLE 2.

1. Exempt from the transfer of ownership, mentioned in the previous article, are those claims, as previously defined, in regard to which proof is presented pursuant to Article 3 to the effect that, on May 15, 1940, they were the property of:

- a. either Netherlanders or Netherlands subjects or of subjects of powers not at war with the Kingdom;
- b. either legal persons or institutions, domiciled in the territory of the Kingdom or in the territory of powers not at war with the Kingdom,

provided always that the aforementioned natural or legal persons and institutions are or were domiciled before or on that date outside of the territory of the Kingdom now occupied by the enemy.

2. Natural persons who have left, after May 9, 1940 and before May 15, 1940, the territory of the Kingdom in Europe, otherwise than for enemy territory, as well as legal persons which in accordance with the provisions of the Act of April 26, 1940 (State Law Record No. 200), have transferred their seat to another territory of the Kingdom, shall for the application of this article be deemed to be domiciled on May 15, 1940 outside of the territory of the Kingdom occupied by the enemy, on condition that the transfer of the seat of the said legal persons has been approved beforehand by our Minister of Justice, or is subsequently ratified by the Governor General of the Netherlands Indies, by the Governor of Surinam or by the Governor of Curacao.

ARTICLE 3.

1. The Governor-General of the Netherlands Indies, the Governor of Surinam and the Governor of Curacao, each in so far as concerns the territory under his general administration, are empowered to make regulations concerning the manner in which the proof, mentioned in the previous article, must be presented.

2. In so far as not covered by the provisions in the previous paragraph, the making of these regulations shall be effected by our Minister of Justice.

ARTICLE 4.

This decree is also binding for the Netherlands Indies, Surinam and Curacao.

ARTICLE 5.

1. Three months after the present emergency conditions shall in Our judgment have ceased to exist, restitution shall be made of the claims mentioned in Article 1 to the former owners.

2. In deviation from the provisions in the previous paragraph Our Ministers of Justice and of Colonies are jointly empowered to make restitution in advance of the time mentioned in the previous paragraph to the former owners, provided it be proven to their satisfaction that direct or indirect use of these claims in behalf of the enemy is excluded.

ARTICLE 6.

This decree becomes operative beginning with the day of its recording in the State Law Record on this day, May 24, 1940.

London, May 24, 1940

WILHELMINA

The Minister of Justice
P. S. Gerbrandy

The Minister of Colonies
Ch. Welter

The Minister of Foreign Affairs
E. N. van Kleffens

Issued May twenty-four 1940

The Minister of Justice
P. S. Gerbrandy

I, Dr. Alexander Loudon, Minister for the Netherlands at Washington, D. C., certify that the above is a true translation of the official text in the Netherlands language of the Netherlands Royal Decree of May 24, 1940.

Washington, D. C.
June 1, 1940



A. LOUDON,
Minister for the Netherlands