

**FEDERAL RESERVE BANK
OF DALLAS**

Dallas, Texas, November 12, 1941

**To All Banking Institutions, and Others Concerned,
in the Eleventh Federal Reserve District:**

The Secretary of the Treasury has issued the following amendment to General License No. 58 and press statement relative thereto:

"GENERAL LICENSE NO. 58, AS AMENDED, UNDER EXECUTIVE ORDER NO. 8389 of April 10, 1940, as amended, and Regulations issued pursuant thereto, relating to transactions in foreign exchange, etc.*

General License No. 58 is amended to read as follows:

(1) A general license is hereby granted licensing all transactions ordinarily incident to the importing and exporting of goods, wares and merchandise between the United States and any part of China other than Manchuria, **provided** the following terms and conditions are complied with:

- (a) Such transaction shall not involve property in which any one of the following has at any time on or since the effective date of the Order had any interest and shall not be by, or on behalf of, or pursuant to the direction of any one of the following:
 - (i) any blocked country other than China, or
 - (ii) any person within Manchuria, or
 - (iii) any national of any blocked country other than China unless such national is within China;
- (b) Exports from the United States to China having a value in excess of \$100 shall be effected only **provided both** of the following conditions are satisfied:
 - (i) payment therefor has been or will be made through a domestic bank and such domestic bank has been notified by an appointed bank that the importer within China has paid or has completed arrangements to pay therefor with United States dollars acquired from such appointed bank, or in lieu of the foregoing, a domestic bank has been notified by an appointed bank that the shipment has been otherwise approved by the Stabilization Board of China; and
 - (ii) on each shipment the domestic bank referred to in (i) shall execute Form TFR-158 in quadruplicate. The original of such executed form shall be transmitted by the domestic bank directly to the collector of customs at the port of exportation and shall be received by such collector of customs prior to the exportation of the shipment. The duplicate of such executed form shall be delivered by the domestic bank to the exporter or his agent who shall present and, if requested, deliver such copy to the collector of customs at the port of exportation at the time the Shipper's Export Declaration is filed. The remaining two copies of such executed form shall be filed promptly by the domestic bank with the appropriate Federal Reserve bank.
- (c) Imports into the United States from China having a value in excess of \$100 shall be effected only **provided both** of the following conditions are satisfied:
 - (i) payment therefor in United States dollars has been or will be made through a domestic bank and the exporter within China has sold or has completed arrangements for selling such United States dollars to an appointed bank, or in lieu of the foregoing, the shipment has been otherwise approved by the Stabilization Board of China; and
 - (ii) prior to the release of any such shipment from customs custody the collector of customs of the port of entry through which the shipment is imported shall have received a consular invoice covering such shipment and such consular invoice shall bear the certification of a

United States consul in China that an appointed bank has duly notified the consul that the exporter within China has sold or has completed arrangements for selling the United States dollar proceeds from such shipment to such appointed bank or that the shipment has been otherwise approved by the Stabilization Board of China.

- (d) The conditions prescribed in (b) and (c) shall not apply with respect to any import or export:
- (i) if the shipment was in transit between the United States and China on November 12, 1941; or
 - (ii) if the consignee or consignor of the shipment is the United States Government or the Chinese National Government or a recognized agency or political instrumentality of either government; or
 - (iii) if payment for the shipment was fully effected prior to November 12, 1941, and the following reporting procedure is followed: On each such shipment a domestic bank participating in financing the shipment shall execute Form TFR-158A in quadruplicate. The original of such executed form shall be transmitted by such domestic bank directly to the collector of customs at the port of importation or exportation as the case may be and shall be received by such collector of customs prior to the release of such shipment from customs custody or prior to the exportation of such shipment as the case may be. The duplicate of such executed form shall be delivered by the domestic bank to the importer or exporter or their respective agents who shall present and, if requested, deliver such copy to the collector of customs at the time the shipment is released from customs custody or the Shipper's Export Declaration is filed, as the case may be. The remaining two copies of such executed form shall be filed promptly by the domestic bank with the appropriate Federal Reserve bank.
- (e) Any domestic bank prior to issuing, confirming or advising letters of credit, or accepting or paying drafts drawn, or reimbursing themselves for payments made, under letters of credit, or making any other payment or transfer of credit, in connection with any importation or exportation pursuant to this general license, or engaging in any other transaction herein authorized, shall satisfy itself (from the shipping documents or otherwise) that:
- (i) any such transaction is incident to a bona fide importation or exportation and is customary in the normal course of business, and that the value of such importation or exportation reasonably corresponds with the sums of money involved in financing such transaction; and
 - (ii) such importation or exportation is or will be made pursuant to all the terms and conditions of this license.
- (2) As used in this general license:
- (a) The term 'appointed bank' shall mean any of those banks cooperating with the Stabilization Board of China and buying and selling foreign exchange with the permission of, and subject to the conditions prescribed by, such Board, the names of which appear on Schedule A of this general license at the time the transaction is effected.
 - (b) A person shall not be deemed to be 'within China' unless such person was situated within and doing business within China on and since June 14, 1941.

E. H. FOLEY, JR.
Acting Secretary of the Treasury"

November 12, 1941

*Part 131—Sec. 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; 54 Stat. 179; Ex. Order 8389, April 10, 1940, as amended by Ex. Order 8785, June 14, 1941, and Ex. Order 8832, July 26, 1941; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941.

Yours very truly,

R. R. GILBERT

President

SCHEDULE A OF GENERAL LICENSE NO. 58

The offices within Hong Kong and any part of China, except Manchuria, of the following are hereby licensed as 'appointed banks' within the meaning of General License No. 58:

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| (a) The Chase Bank | (n) Nederlandsche Handel Maatschappij |
| (b) National City Bank of New York | (o) Shanghai Commercial and Savings Bank, Ltd. |
| (c) Underwriters Bank for the Far East | (p) Bank of East Asia, Ltd. |
| (d) American Express Company | (q) National Commercial Bank, Ltd. |
| (e) Moscow Narodny Bank, Ltd. | (r) Chekiang Industrial Bank, Ltd. |
| (f) Thos. Cook & Son (Bankers) Ltd. | (s) Bank of Canton, Ltd. |
| (g) Hongkong & Shanghai Banking Corporation | (t) Oversea-Chinese Banking Corporation, Ltd. |
| (h) Mercantile Bank of India, Ltd. | (u) Kincheng Banking Corporation |
| (i) David Sassoon & Co., Ltd. | (v) China Banking Corporation |
| (j) E. D. Sassoon & Co., Ltd. | (w) Bank of China |
| (k) E. D. Sassoon Banking Co., Ltd. | (x) Bank of Communications |
| (l) Chartered Bank of India, Australia & China,
Ltd. | (y) Farmers Bank of China |
| (m) Nederlandsch Indische Handelsbank | (z) Central Bank of China |

E. H. FOLEY, JR.
Acting Secretary of the Treasury

PRESS STATEMENT

“The Secretary of the Treasury today announced amendments to General License No. 58 relating to trade between the United States and China under the freezing control and the issuance of a new general license covering remittances to China.

“Under today’s amendment to General License No. 58 trade between the United States and China will be cleared through the Stabilization Board of China or its authorized agents. U. S. Customs authorities have been instructed before clearing shipments to require proof that this condition has been satisfied. The dollars accruing from exports from China to the United States will be made available to China, and the National Government of China will be aided in controlling imports.

“The foreign exchange position of China will also be strengthened by the new General License No. 75 covering remittances to China. Pursuant to this license remittances in any amount are permitted to any part of China, except Manchuria, as long as the United States dollars arising from such remittances are made available to the Stabilization Board of China upon its demand. Dollars in Chinese blocked accounts as well as unblocked dollars may be employed in making such remittances.

“Under General License No. 75 any domestic bank in the United States can accept orders for remittances to China. Such remittances are then effected by a domestic bank paying the dollar amount of the remittance to a designated agent of the Central Bank of China for the account of an ‘appointed bank.’ These dollars will in turn be made available to the Stabilization Board of China upon demand against delivery of an equivalent amount of Chinese national currency. The Chinese Government has announced that the Bank of China and the Philippine Bank of Communications have been named as designated agents of the Central Bank of China.

“Both the United States and Great Britain have previously entered into stabilization agreements with China whereby dollar and sterling exchange have been made available to the Stabilization Board of China. Such Board was established recently by China and consists of three Chinese, an American appointed by China on the recommendation of the Secretary of the Treasury, and a British national appointed on the recommendation of the British Treasury.

“The term ‘appointed bank’ is defined in General License No. 58 as ‘any of those banks cooperating with the Stabilization Board of China and buying and selling foreign exchange with the permission of, and subject to the conditions prescribed by, such Board, the names of which appear on Schedule A of this general license at the time the transaction is effected.’ The offices within Hong Kong and any part of China except Manchuria of the following banks have been named ‘appointed banks’:

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| (a) The Chase Bank | (n) Nederlandsche Handel Maatschappij |
| (b) National City Bank of New York | (o) Shanghai Commercial and Savings Bank, Ltd. |
| (c) Underwriters Bank for the Far East | (p) Bank of East Asia, Ltd. |
| (d) American Express Company | (q) National Commercial Bank, Ltd. |
| (e) Moscow Narodny Bank, Ltd. | (r) Chekiang Industrial Bank, Ltd. |
| (f) Thos. Cook & Son (Bankers) Ltd. | (s) Bank of Canton, Ltd. |
| (g) Hongkong & Shanghai Banking Corporation | (t) Oversea-Chinese Banking Corporation, Ltd. |
| (h) Mercantile Bank of India, Ltd. | (u) Kincheng Banking Corporation |
| (i) David Sassoon & Co., Ltd. | (v) China Banking Corporation |
| (j) E. D. Sassoon & Co., Ltd. | (w) Bank of China |
| (k) E. D. Sassoon Banking Co., Ltd. | (x) Bank of Communications |
| (l) Chartered Bank of India, Australia & China, Ltd. | (y) Farmers Bank of China |
| (m) Nederlandsch Indische Handelsbank | (z) Central Bank of China” |