

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, September 23, 1942

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

The Secretary of the Treasury has issued the following public circular and press statement relative thereto:

"PUBLIC CIRCULAR NO. 19 UNDER EXECUTIVE ORDER NO. 8389, as amended, Executive Order No. 9193, sections 3(a) and 5(b) of the Trading with the Enemy Act, as amended by the First War Powers Act, 1941, relating to foreign funds control.*

(1) General License No. 4 is hereby amended by the addition of the following paragraph to the end thereof:

'Securities issued or guaranteed by the Government of the United States or any state, territory, district, county, municipality or other political subdivision thereof (including agencies and instrumentalities of the foregoing) need not be sold on a national securities exchange; provided that such securities are sold at market value and pursuant to all other terms and conditions prescribed in this general license.'

(2) General License No. 5 is hereby amended to read as follows:

'(1) A general license is hereby granted authorizing the payment from any blocked account to the United States or any agency or instrumentality thereof, or to any state, territory, district, county, municipality, or political subdivision in the United States, of customs duties, taxes, and fees payable thereto by the owner of such blocked account.'

'(2) Banking institutions within the United States making any single payment in excess of \$1,000, pursuant to the terms of this general license, shall file promptly with the appropriate Federal Reserve bank a report setting forth the details of such transaction.'

(3) General License No. 20 is hereby amended by deleting the second paragraph thereof.

(4) The definition of the term 'generally licensed trade area' in paragraph (3) (a) of General License No. 53 is hereby amended in the following respects:

(a) Insert 'The Faroe Islands' as a separate item between the item whose text is 'The Union of Soviet Socialist Republics' and the item whose text is 'The Netherlands West Indies.'

(b) Delete 'Syria and Lebanon,' and in lieu thereof, substitute '(1) Syria and Lebanon and (2) the New Hebrides Islands.'

(5) General License No. 11A and General License No. 77 are hereby revoked.

(6) General Ruling No. 11 is hereby amended in the following respects:

(a) In the definition of 'enemy national' in paragraph (2) (a) (i) of such general ruling, delete the words '(Germany, Italy, and Japan) and the Governments of Bulgaria, Hungary, and Rumania,' and in lieu thereof, substitute the words '(Germany, Italy, Japan, Bulgaria, Hungary, and Rumania).'

(b) In the definition of 'enemy territory' in paragraph (2) (b) (i) of such general ruling, delete the words 'and Japan' and in lieu thereof substitute the words 'Japan, Bulgaria, Hungary, and Rumania.'

(7) General License No. 13 is hereby amended by the deletion of the word 'Rangoon' from section (b) of paragraph (1) thereof.

(8) General License No. 66 was amended on December 7, 1941, by deleting sections (d), (e), and (f) thereof.

(9) General License No. 69 was amended on December 7, 1941, by deleting sections (b), (c) and (d) thereof. In view of such amendment, General License No. 69 is hereby amended to read as follows:

'A general license is hereby granted licensing as a generally licensed national the San Francisco Office of the Bank of Canton.'

RANDOLPH PAUL
Acting Secretary of the Treasury"

September 22, 1942

*This public circular affects parts 131 and 132 and will be included in appendices to those parts.—Section 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; 54 Stat. 179; Public No. 354, 77th Congress, 55 Stat. 838; Ex. Order 8389, April 10, 1940, as amended by Ex. Order 8785, June 14, 1941; Ex. Order 8832, July 26, 1941; Ex. Order 8963, December 9, 1941, and Ex. Order 8998, December 26, 1941; Ex. Order 9193, July 6, 1942; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941.

PRESS STATEMENT

"The Treasury Department today issued Public Circular No. 19, revising several of the outstanding freezing control documents.

"The only provisions of the public circular which will have any effect upon present practices of the public in complying with freezing control are in paragraphs (1), (2), (3), and (4), relating respectively to amendments to General License Nos. 4, 5, 20, and 53.

"Paragraph (1) of the public circular amends general license No. 4 so as to permit over-the-counter sales of government securities. Prior provisions of General License No. 4, relating to sales of securities on national securities exchanges, are not affected by today's action.

"The effect of today's amendment of General License No. 5 is to require special licenses for the payment from blocked accounts on monies owing to United States agencies on obligations other than customs duties, taxes, and fees. Today's amendment also eliminates the necessity for reporting any payment of less than \$1,000 effected under General License No. 5.

"In accordance with the Treasury Department's policy of eliminating reporting requirements where study has shown such course of action to be feasible, paragraph (3) of the public circular eliminates the necessity for reporting payments under General License No. 20 from accounts of American citizens who are foreign nationals by reason of presence within the Netherlands West Indies.

"The only effect of paragraph (4) of the Public Circular is to include the Faroe Islands and the New Hebrides Islands within the area in which trade is generally licensed by General License No. 53.

"The remaining provisions of Public Circular No. 19 effect formal changes designed to bring the freezing control documents up to date. They do not change the categories of transactions which may be engaged in without special license or the procedures under which any transactions may be effected without special license.

"Paragraph (5) revokes General License No. 11A, relating to the payment of living expenses of Japanese nationals, and General License No. 77, relating to Japanese farmers and food processors. Both of these licenses were revoked by today's action because any transactions effected pursuant to their terms may also be effected either under the provisions of General License No. 11, as affected by Public Circular No. 8A, or under the provisions of General License No. 68A. The provisions of General License No. 11 and of General License No. 68A remain unaffected by today's action.

"Paragraph (6) makes minor technical changes in two of the definitions appearing in General Ruling No. 11, expressly including Bulgaria, Hungary, and Rumania in the category of countries upon which the United States has formally declared war. The changes made do not alter in any particular the effect of General Ruling No. 11. As heretofore, Bulgaria, Hungary and Rumania and their nationals are treated as enemy nationals.

“The occupation of Rangoon by the enemy automatically cut off all trade with that area and under General Ruling No. 11, transactions involving trade or communication with Rangoon were no longer licensed under General License No. 13. Paragraph (7) of the public circular merely deletes the word ‘Rangoon’ from General License No. 13.

“Paragraphs (8) and (9) of the circular direct attention to the fact that Public Circular No. 8 amended General Licenses Nos. 66 and 69 to exclude from their provisions offices of various Japanese banking institutions.”

Yours very truly,

R. R. GILBERT

President