

# FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, February 5, 1943

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

The Secretary of the Treasury has issued the following general ruling and press statement relative thereto:

"GENERAL RULING NO. 15 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) Unless authorized by license issued by the Secretary of the Treasury expressly referring to this general ruling:

(a) No person shall exercise within the United States any right, remedy, power, or privilege (by self-help, judicial process, or otherwise), directly or indirectly against or with respect to any Mexican railroad property; and

(b) Any seizure by attachment or otherwise of Mexican railroad property, and any judgment, decree, lien, execution, garnishment, or other judicial process against or with respect to such property is null and void.

(2) The provisions of (1) (a) and (1) (b) above shall not apply to claims arising out of, or with respect to, current repair, maintenance, and similar charges, in connection with the operation or servicing, within the United States, of Mexican railroad property on or after the date of this general ruling.

(3) As used in this general ruling, the term "Mexican Railroad Property" shall include:

(a) All railroad rolling stock and equipment brought into the United States from Mexico or acquired in the United States by a railroad in Mexico, and with respect to which Mexico or a national thereof has an interest;

(b) All earnings, income, or other rights, payable to, or in favor of Mexico or a national thereof and created by reason of, or otherwise resulting from, the employment or use of such rolling stock or equipment within the United States after the date hereof.

RANDOLPH PAUL  
Acting Secretary of the Treasury"

February 4, 1943

\*Part 132—Sec. 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 regulations barring all legal and other proceedings which might interfere with the free and unrestricted use and operation of Mexican railroad equipment within the United States. This action was taken at the request of the Government of Mexico, the State Department, the Board of Economic Warfare, and other interested Government agencies.

"Treasury officials stated that this action is intended to remove an important bottleneck in the transportation of materials from Mexico to the United States. At the present time there is a large volume of war materials which is brought to the Mexican border on Mexican freight cars and there unloaded and reloaded into United States freight cars. This procedure, officials stated, is both time consuming and wasteful of the nation's wartime freight car capacity.

"Treasury officials stated that this Government has been negotiating with the Government of Mexico for several months regarding the possibility of materials moving from Mexico to the United States on Mexican railroad equipment. One of the major stumbling blocks to this important wartime measure, however, has been the fear that such equipment might be seized by creditors. Unless this factor is eliminated, the war effort will be impaired and the entire program of direct shipment will be defeated.

"To meet this wartime necessity, the Treasury Department after full consultation with the State Department, the Board of Economic Warfare, and the Mexican authorities, today issued General Ruling No. 15. Under this ruling, all Mexican railroad equipment within the United States is accorded immunity against claimants seeking to attach or otherwise seize such property. Moreover, under this ruling no legal, equitable, or possessory interest can be obtained in such rolling stock and equipment by virtue of any judicial process unless a Treasury license is first obtained.

"Officials stated that a specific exemption from the immunity granted by this ruling is made in favor of service and repair charges and other claims arising out of the operation within the United States of Mexican railroad property on or after the date of this ruling.

"It was pointed out that since this property would not otherwise be brought into the United States, the general ruling works no hardship on American creditors. Also, it was stated by Treasury representatives that this ruling protects only Mexican railroad property, as defined therein, and does not apply to any other assets.

"It is anticipated that this general ruling will pave the way for immediate and effective cooperation in getting much needed materials to their ultimate destination with a minimum of delay and wastefulness.

"General Ruling No. 15 was issued pursuant to section 5 (b) of the Trading with the Enemy Act as amended by the First War Powers Act, 1941."

Yours very truly,

R. R. GILBERT

President