

# **FEDERAL RESERVE BANK OF DALLAS**

**FISCAL AGENT OF THE UNITED STATES**

Dallas, Texas, July 7, 1943

**To 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. 5A 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.\***

## **REGULATIONS RELATING TO CERTAIN IMPORTATIONS AND EXPORTATIONS OF CHECKS, DRAFTS, AND OTHER FINANCIAL INSTRUMENTS:**

**1. Prohibition with respect to importation and exportation of and dealings in checks, drafts, etc.** The following transactions are prohibited after the effective date of this general ruling unless authorized by a license or other authorization of the Secretary of the Treasury expressly referring to this general ruling:

(a) The sending, mailing, exporting, or otherwise taking of any check, draft, bill of exchange, promissory note, security, or currency from the United States, directly or indirectly, to any blocked country (with the exception of China and members of the generally licensed trade area);

(b) The sending, mailing, importing, or otherwise bringing into the United States from any foreign country of any check, draft, bill of exchange, or promissory note which has been within, or which there is reasonable cause to believe has been within, any blocked country (with the exception of China and members of the generally licensed trade area);

(c) The presentation, endorsement, acceptance, collection, payment, transfer, or protest of, or any other dealing in or with respect to, any instrument to which the prohibitions of paragraph 1(b) hereof apply and which is sent, mailed, imported, or otherwise brought into the United States on or after August 25, 1943.

**2. Delivery of imported checks, drafts, etc., to Federal Reserve Bank of New York.** Any person who, after the effective date of this general ruling, receives any check, draft, bill of exchange, or promissory note which has been within, or which there is reasonable cause to believe has been within, any blocked country (with the exception of China and members of the generally licensed trade area) shall within five days after receipt thereof forward such instrument to the Federal Reserve Bank of New York, accompanied by a statement in triplicate setting forth:

(a) His name and address;

(b) A complete description of the instrument;

(c) The name and address of the person from whom he received the instrument; and

(d) The names of any blocked countries in which the instrument has been, or in which there is reasonable cause to believe it has been.

The Federal Reserve Bank of New York will act only as fiscal agent of the United States hereunder and shall receive and hold all such instruments as such fiscal agent, subject to the further order of the Secretary of the Treasury. Applications for the release of any such instruments may be filed in the manner prescribed in section 130.3 of the Regulations, except that the place for filing applications shall be the Federal Reserve Bank of New York.

**3. Reports on arrival and departure re checks, drafts, etc.**

(a) Any individual entering the United States after the effective date of this general ruling from any foreign country shall report and surrender to the collector of customs or his representative at the port of entry, before the examination of his baggage or effects has begun (or, if his baggage is not subject to examination, before customs clearance), every check, draft, bill of exchange, and promissory note carried on his person or in his baggage or effects which has been within, or which there is reasonable cause to believe has been within, any blocked country (with the exception of China and members of the generally licensed trade area). Such report shall be made in duplicate on Form FFC-160, which may be obtained from the collector of customs or his representative at the port of entry.

(b) Any individual departing from the United States after the effective date of this general ruling shall report to the collector of customs or his representative at the port of exit, before customs examination has begun (or, if he is not subject to customs examination, before customs clearance), (i) all currency and (ii) every check, draft, bill of exchange, promissory note, and security carried on his person or in his baggage or effects which is destined for, or which there is reasonable cause to believe is destined for, directly or indirectly, any blocked country (with the exception of China and members of the generally licensed trade area). Such report shall be made in duplicate on Form FFC-161, which may be obtained from the collector of customs or his representative at the port of exit.

4. **Exceptions.** The foregoing provisions shall not be deemed to apply to the following instruments, unless such instruments have been within, or there is reasonable cause to believe that they have been within, enemy territory, or unless such instruments are destined for, or there is reasonable cause to believe that they are destined for, enemy territory, directly or indirectly:

(a) Non-negotiable bank payment orders;

(b) (i) Incoming travelers checks;

(ii) Outgoing travelers checks which are carried by persons departing from the United States for blocked countries and which are issued in the name of the person carrying them;

(c) Outgoing checks drawn on the Treasurer of the United States which are carried by persons in the service of the United States Government and which are issued in the name of the person carrying them;

(d) Outgoing currency valued at \$50 or less which is carried for traveling expenses by persons departing from the United States for blocked countries;

(e) Incoming drafts or bills of exchange drawn under letters of credit;

(f) Incoming drafts or bills of exchange drawn on importers in the Western Hemisphere in connection with the importation of goods, wares, or merchandise into the Western Hemisphere;

(g) Incoming checks, drafts, bills of exchange, or warrants drawn on the Secretary of State of the United States, the Secretary of Navy of the United States, or the Treasurer of the United States.

5. **Transactions not authorized.** This general ruling shall not be deemed to authorize any transaction prohibited by the Order or by any regulation, ruling, or instruction issued by the Secretary of the Treasury pursuant to sections 3 (a) or 5 (b) of the Trading with the Enemy Act, as amended.

#### 6. Definitions.

(a) The term 'member' of the generally licensed trade area as used herein shall have the meaning prescribed in General License No. 53, as amended.

(b) The term 'enemy territory' as used herein shall have the meaning prescribed in General Ruling No. 11, as amended.

7. **Effective date.** The provisions hereof shall take effect August 25, 1943, with the exception of paragraphs 1 (a) and 3 (b) which shall be effective on the date of issuance of this general ruling.

July 7, 1943

RANDOLPH PAUL  
Acting Secretary of the Treasury"

\*Appendix A—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 prohibiting the exportation of checks, drafts, and similar negotiable instruments to blocked countries and restricting the importation of, and dealings in, checks and drafts which have been in such countries.

"The regulations, identified as General Ruling No. 5A, prohibit the sending or taking of checks, drafts, bills of exchange, promissory notes, securities, or currency from the United States to any blocked country, other than China and the blocked members of the generally licensed trade area, and prohibit, effective August 25, 1943, the importation of checks, drafts, bills of exchange, or promissory notes which have been within such blocked countries. The importation provisions are implemented by prohibition on dealings in financial instruments imported on or after August 25, 1943.

"Among the more important blocked countries to which the ruling applies are all enemy and enemy-occupied countries, Portugal, Spain, Sweden, Switzerland, and their territories and possessions, Tangier, Finland, French North and West Africa, and the French Antilles.

"Any such financial instruments which have been within any of the blocked countries affected and which are imported on or after August 25, 1943, must be turned over to the Federal Reserve Bank of New York as fiscal agent of the United States. Persons arriving in the United States on or after August 25, 1943, will be required to report and surrender such instruments to the collector of customs at the port of entry, who will deliver them to the Federal Reserve Bank of New York. The Treasury has stated that it will not be its policy to license the exportation or importation of, or dealings in, checks or drafts which are affected by the ruling.

"The export restrictions, which are immediately operative, are a continuation and implementation of existing prohibitions. Attention is directed to the fact that persons departing from the United States are prohibited, except under specific Treasury authorization, from taking with them any securities, currency, checks, drafts, or promissory notes which are destined for any blocked country affected by the ruling, and are required to report the possession of any such instruments or currency to the collector of customs at the port of exit. However, it was stated that any person leaving the United States for any blocked country affected by the ruling (except countries constituting enemy territory) is authorized to take out currency of an equivalent of \$50 in value and travelers checks issued in his name, and that such items need not be reported to the collector of customs at the port of exit, unless such items are destined, directly or indirectly, for enemy territory. At the same time it was pointed out that since there are many restrictions on the use of United States currency outside the United States, travelers checks, letters of credit, or telegraphic transfers are the best means of satisfying financial needs while traveling abroad.

"It is to be noted that the importation prohibitions do not apply to the importation of securities or currency, since such importation is already restricted by General Ruling No. 5.

"The ruling does not apply to instruments which have been in blocked countries in the 'generally licensed trade area' as defined in General License No. 53 unless such instruments have been within any of the blocked countries to which the ruling applies. Remittances to and from these excepted areas are nevertheless subject to the provisions of Executive Order No. 8389, as amended. Treasury spokesmen also observed that the ruling imposes no new restrictions on remittances to and from China, which are already adequately controlled under existing procedures.

"Treasury officials called attention to the fact that the ruling sets forth specific exemptions for certain categories of checks, drafts, and bills of exchange, unless such instruments are destined for or have been in enemy territory. There are thus left open certain channels through which travel may be financed and legitimate trade and financial transactions effected between countries in this hemisphere and neutral blocked European countries. The exceptions include non-negotiable bank payment orders; incoming travelers checks; outgoing travelers checks carried by and issued in the name of persons departing from the United States for blocked countries; outgoing Treasurer's checks carried by and issued in the name of a person in the service of the United States Government; outgoing currency valued at \$50 or less carried for traveling expenses; incoming drafts or bills of exchange drawn under letters of credit; incoming drafts or bills of exchange drawn on importers in the Western Hemisphere in connection with the importation of merchandise into the Western Hemisphere; and incoming checks, drafts, bills of exchange, or warrants drawn on the Secretary of State, the Secretary of the Navy, or the Treasurer of the United States. The exceptions, it was emphasized, do not obviate the necessity of a Treasury license with respect to transactions within the scope of Executive Order No. 8389, as amended, but merely exempt the instruments referred to from the special restrictions of the ruling. It was stressed, moreover, that transactions involving trade or communication with enemy nationals require a license specifically referring to General Ruling No. 11.

RANDOLPH PAUL

Acting Secretary of the Treasury"

Yours very truly,

R. R. GILBERT

President