

Treasury Department
FOREIGN FUNDS CONTROL
October 5, 1945

GENERAL RULING NO. 5A, AS AMENDED,
UNDER EXECUTIVE ORDER NO. 8389, AS AMENDED, EXECUTIVE ORDER NO.
9193, AS AMENDED, SECTIONS 3(a) AND 5(b) OF THE TRADING WITH THE
ENEMY ACT, AS AMENDED BY THE FIRST WAR POWERS ACT, 1941, RELAT-
ING TO FOREIGN FUNDS CONTROL.*

1. **Prohibition with respect to certain dealings in checks, drafts, etc.** Unless authorized by a license or other authorization of the Secretary of the Treasury expressly referring to this general ruling, the presentation, endorsement, acceptance, collection, payment, transfer, protest of, or any other dealing in or with respect to, any check, draft, bill of exchange, promissory note, transfer order, or other payment instruction is prohibited, if such instrument, prior to September 2, 1945, has been within, or there is reasonable cause to believe that it has been within, Germany, Japan, Italy, Bulgaria, Rumania or Hungary, or any territory which at any time was occupied or controlled by Germany or Japan.

2. **Certain transactions with respect to checks, drafts, etc. authorized.**

- (a) Notwithstanding the provisions of General Ruling No. 11, as amended, the return to the sender, except to any person who is within Germany or Japan or whose name appears on The Proclaimed List of Certain Blocked Nationals, of any check, draft, bill of exchange, promissory note, transfer order or other payment instruction, to which paragraph 1 hereof applies, is hereby authorized, provided such instrument is stamped or marked to indicate clearly that payment thereof is prohibited by General Ruling No. 5A.
- (b) The sending, mailing, exporting, or otherwise taking of any check, draft, bill of exchange, promissory note, foreign currency, or any security from the United States to a blocked country may be effected pursuant to the terms and conditions of General Licenses Nos. 49, 50, 52, 70 and 92 and any other general license hereafter issued which expressly licenses any transaction referred to in Section 1 of the Order with respect to a specified blocked country or countries.
- (c) Persons departing from the United States for blocked countries are hereby authorized to carry:
 - (i) travelers checks and checks drawn on the Treasurer of the United States provided such checks are issued in the name of the person carrying them;
 - (ii) United States currency in denominations of \$20 or less and all foreign currencies.

FRED M. VINSON
Secretary of the Treasury

*Appendix A: Sec. 3(a), 40 Stat. 412; Sec. 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; 54 Stat. 179; 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, Dec. 9, 1941, and Ex. Order 8998, Dec. 26, 1941; Ex. Order 9193, July 6, 1942, as amended by Ex. Order 9567, June 8, 1945; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS
Friday, October 5, 1945

Press Service
No. V-75

France has been almost completely released from the Treasury Department's freezing controls, Secretary Vinson declared today. At the same time the Secretary announced the lifting of the Treasury's import and export controls over checks, drafts, bills of exchange and other payment instructions being sent to or from blocked countries.

As a result of these two major steps in the Treasury's defrosting program there are no freezing restrictions on current transactions with France. Trade between France and any unblocked country may now be freely financed through the United States. Remittances may be made to France in unlimited amounts, for any purpose, and through any available channels, including the sending of checks, drafts, or money orders. Powers of attorney and proxies may be freely sent to France. Securities may be exported to France although the importation into the United States of most securities continues to be controlled under General Ruling No. 5 in order to preclude the disposal of loot in our markets.

To prevent the release of property in the United States which is held in French names, but is actually enemy owned, all assets in which persons in France have an interest will remain frozen until the Government of France has had an opportunity to check the beneficial ownership. Once the French Government certifies that such assets are in fact French owned, they will also be released from the freezing controls. In the meantime such assets may be supervised and managed by their owners.

Assets belonging to French nationals who are not within France or any other blocked country are effectively unblocked without certification except that property belonging to corporations and other organizations wherever located which are owned by persons in France will continue to be blocked until certified by the French Government.

Secretary Vinson has been informed by French Minister of Finance Pleven that American property in France will immediately be unblocked and that French exchange control restrictions on transfers between France and the United States will be liberalized.

This orderly defrosting was made possible by the successful conclusion of negotiations between the Treasury Department and the French Ministry of Finance. In a letter to Secretary Vinson Finance Minister Pleven has expressed his conviction that United States freezing controls have "effectively prevented the enemy from looting French assets in the United States during the war to the great detriment of the common enemy and to the advantage of the French people."

In order that all interested persons may be fully informed of the understanding with respect to defrosting, Secretary Vinson today released the complete text of the letters exchanged with M. Pleven.

Similar negotiations are under way with other liberated countries. It is anticipated that defrosting programs for such countries will shortly be announced.

The above changes result from the issuance of General License No. 92 and the extensive amendment of General Ruling No. 5A. Treasury officials pointed out that as a result of the change in the Ruling checks and drafts other than those which prior to V-J Day have been within enemy territory, or territory which has been occupied by the enemy, may again be freely imported into the United States. Such items may also be collected and paid if licensed by the Treasury. While the freezing Order prohibits the exportation of checks, drafts, or securities to blocked countries, these items may now be exported to any blocked country, such as France, to which a general license has been granted covering their exportation.

The continuation of the prohibition against the collection or payment of checks and drafts which prior to V-J Day have been within enemy territory or territory which has been occupied by the enemy will render valueless any such instruments which have been issued under duress or otherwise looted by the aggressor nations. The Treasury announced that its policy will be to refuse to license the collection or payment of such items. It was pointed out however that the amendment to General Ruling No. 5A in general authorizes the return of such items to the foreign sender provided they are stamped to indicate that their payment is prohibited under the General Ruling.

Attachment To Press Release No. V-75

**LETTER FROM FRENCH MINISTER OF FINANCE PLEVEN TO SECRETARY
OF THE TREASURY VINSON**

(Translation)

September 26, 1945

My dear Mr. Secretary:

In recent discussions held between representatives of my Department and members of the United States Treasury, it was indicated that you are now prepared to consider a substantial relaxation of the American regulations governing the freezing of French assets. During these discussions, it was emphasized that in the exercise of its control over French assets in the United States your Department has been inspired by the principles and aims which were solemnly set forth in the United Nations Declaration of January 5, 1943, and Resolution No. VI of the United Nations Monetary and Financial Conference, principles and aims which, as you know, the French Government has endorsed. Application of those principles by your Department has effectively prevented the enemy from looting French assets in the United States during the war to the great detriment of the common enemy and to the advantage of the French people.

I have studied the draft of a General License which has been transmitted to me by your representatives. I confirm in connection therewith my agreement on the following points:

1. The Ministry of Finance will assume the responsibility for carrying out the procedure of certification provided for by the license. No property will be certified until the French Government has ascertained, by an appropriate investigation, that the property is not excluded from the benefits of the license. Moreover, in regard to certain accounts which may from time to time be specifically designated by your Department, my Department will consult with yours prior to making the certification provided for in the proposed license.

2. No transaction will be effected or authorized under the license in question:

- (a) If such transaction would facilitate the completion of transactions which might further the interests of an enemy or of persons acting upon behalf of an enemy;
- (b) If such transaction would change the status of blocked property in the United States in which an enemy has an interest, direct or indirect.

3. As to the property of any legal entity (corporations, associations, etc.) established in accordance with the laws of France in which persons not resident in the franc zone have an interest, and which by virtue of that fact would have, under American regulations, the nationality of another blocked country, no certification will be effected without first obtaining from the Government of the interested country, complete assurance that no national of Germany, Japan, Bulgaria, Hungary or Rumania is involved in the ownership or control of said interests. For reasons of simplification, however, the French authorities will, on their own responsibility, certify property of any legal entity in which the proportion of interest held by persons not residing in France is less than twenty-five per cent.

4. If property in which there is an enemy interest is transferred under the American license inadvertently or by mistake, your Department will be consulted and, at its request, such property or its equivalent will be restored to the account in which it was held before being transferred, or to such other account as you may designate, but only to the extent, however, to which such property or its equivalent may be found in the assets of the acquirer or of the original owner.

5. Our two Departments will make joint efforts with a view to investigating and controlling all German and other enemy assets both in the United States and in France in order to deprive war criminals and potential leaders of the enemy underground of means of existing and of jeopardizing the peace. In particular, our two Departments will take all steps necessary to prevent the financial facilities which our two countries will grant each other from being utilized by any person subject to French or American jurisdiction in such manner as might allow enemies or their agents to conceal assets in the United States or in France. To this end our two Departments will exchange all information required to carry out this task and in particular the French Government, which has already undertaken a vigorous program to eliminate economic and financial interests in France, directly or indirectly controlled by enemies, will keep yours fully informed with regard to property held in the United States under a French name in which it has reason to believe that there is any enemy interest, direct or indirect. My Department will likewise furnish yours with all information concerning French institutions which hold in the United States property in which an enemy might have an interest.

6. As a result of the protection accorded to French assets, and of other circumstances which arose during the war, American creditors have been temporarily deprived of certain means of action which normally would have been open to them to protect their interest.

The Ministry of Finance will authorize persons residing in the franc zone who without having violated French law owe dollar obligations to any governmental agency, individual or firm in the United States, to discharge such obligations when they are due and, if necessary, it will authorize such persons to purchase dollars for that purpose.

7. It is understood that nationals of the United States holding assets in France shall be authorized to administer such assets and their income, within the framework of the controls and regulations of the French Government, without the application of measures to them which would be discriminatory in relation to nationals of any other country.

The sequestration measures imposed during the German occupation of France on property, rights and interests belonging to nationals of the United States have been removed in all important particulars and any that still remain will immediately be terminated. Except for particular cases in which the French authorities have reason to believe that the maintenance of control is necessary to prevent transfers of assets in which an enemy might have an interest or to avoid the completion of transactions which might be directly or indirectly to the benefit of an enemy, the French authorities, with regard to assets in the franc zone of nationals of the United States, will also abolish all restrictions imposed for the purpose of controlling property in which an enemy interest might have existed.

Concerning transfers from the franc zone to the United States the Ministry of Finance intends to pursue a policy of liberalizing exchange control restrictions to the fullest extent that French dollar resources will permit. In this respect the Ministry of Finance is now prepared to authorize current payments from the franc zone to the United States (payment of profits, dividends, interest, royalties, payments for purposes of duly authorized commercial transactions and other payments relating to current business (including balances accrued from the same sources during the war)). The Ministry of Finance, moreover, will examine carefully requests for transfers of capital from France to the United States when transfers of that type might serve a useful economic or commercial purpose, and where transfers of small amounts are of substantial importance to the interested parties. It will examine in the same spirit requests for transfers of funds to the United States filed by American nationals residing in the franc zone.

Accept, my dear Mr. Secretary, the expression of my high esteem.

(Signed) R. PLEVEN

**LETTER FROM SECRETARY OF THE TREASURY VINSON TO FRENCH
MINISTER OF FINANCE PLEVEN**

October 2, 1945

My dear Mr. Minister:

I am pleased to have received the assurances contained in your letter of September 26, 1945, concerning the general license which representatives of our two Departments have been discussing. In view of the statements contained in your letter, a translation of which is attached, I am happy to inform you that the Treasury Department will issue on October 5, 1945, General License No. 92, in the enclosed form.

Sincerely,

(Signed) FRED M. VINSON