

At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the Board on August 8, 1919, at 11-30 A.M.,

PRESENT: The Governor
Mr. Strauss
Mr. Chapman, Acting Secretary.

Business was presented and disposed of as follows:

The Governor submitted for approval the following draft of a general license defining the present status of prohibitions relating to foreign exchange transactions:

"By the Proclamation of the President, dated June 26, 1919, all previous proclamations prohibiting the exportation of coin, bullion, or currency, and the power and authority vested in the Secretary of the Treasury, and in the Federal Reserve Board, and all orders, rules and regulations issued or prescribed in connection therewith were revoked and cancelled except that such proclamations, orders, rules and regulations were continued in force and effect in so far as they were necessary to enable the Secretary of the Treasury and the Federal Reserve Board effectively to control:-

- (1) All exportations of coin, bullion, and currency to that part of Russia now under the control of the so-called Bolskevik Government.
- (2) Any and all dealings or exchange transactions in russian rubles.
- (3) Transfer of credit or exchange transactions with that part of Russia now under the control of the so-called Bolshevik Government.
- (4) Any and all transfers of credit or exchange transactions with territories in respect of which such transactions were then permitted only through the American Relief Administration.

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"This Proclamation did not authorize remittances to enemy territory which were thereafter, as theretofore, permitted only under special or general license of the War Trade Board. Under the General Enemy Trade License issued up to the present time by the War Trade Board, however, such trade is permitted, except in certain specified articles and commodities, with all persons with whom trade is prohibited by the Trading with the Enemy Act, except trade with Hungary and that portion of Russia under the control of the Bolshevik authorities.

"On June 30, 1919, the Federal Reserve Board announced that remittances to the countries referred to in the fourth exception mentioned above were not thereafter subject to any restrictions.

"The Federal Reserve board has just announced the issue of a general license permitting the exportation from the United States of Russian rubles, provided that notice of such exportations be given to the Customs Division of the Treasury Department and to the Division of Foreign Exchange of the Federal Reserve Board. This regulation does not authorize the importation into the United States of Russian rubles.

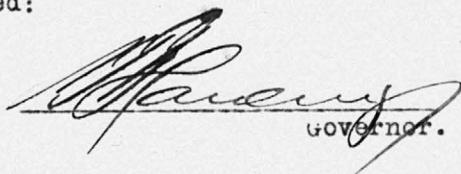
"The present situation is, therefore, that all restrictions have been removed from the export of coin, bullion, and currency and from transactions in foreign exchange except as to (1) transactions with or for persons in that part of Russia now under the control of the so-called Bolshevik Government; (2) the importation of, or exchange transactions in, Russian rubles.

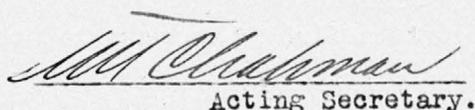
"It should be noted that the War Trade Board has not authorized transactions with or for persons in Hungary."

Approved.

At 11-45 A.M., the meeting adjourned.

Approved:


GOVERNOR.


Acting Secretary.