

FEDERAL RESERVE BANK
OF NEW YORK

Circular No. 2255, August 5, 1941
Reference to Circulars Nos. 2129, 2131, 2132, 2144, 2171, 2182,
2183, 2185, 2187, 2188, 2194, 2195, 2207, 2208, 2216, 2219, 2221,
2222, 2223, 2226, 2229, 2232, 2233, 2238, 2241, 2242, 2244, 2245,
2246, 2247, 2249, 2250, 2251 and 2254.

Executive Order No. 8389, as Amended, and Regulations Issued Pursuant Thereto,
Relating to Transactions in Foreign Exchange, Etc.

To all Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:

For your information we quote below the text of a telegram received today from the
Treasury Department:

The following amendment to General License No. 53 has been issued today, August 5, 1941:

CODE OF FEDERAL REGULATIONS
Title 31—Money and Finance: Treasury
Chapter I—Monetary Offices, Department of the Treasury
Part 131—General Licenses under Executive Order No. 8389,
April 10, 1940, as amended, and Regulations
issued pursuant thereto.
Section 131.53

TREASURY DEPARTMENT
Office of the Secretary
August 5, 1941.

AMENDMENT OF GENERAL LICENSE NO. 53, UNDER EXECUTIVE ORDER NO. 8389,
APRIL 10, 1940, AS AMENDED, AND REGULATIONS ISSUED PURSUANT THERETO,
RELATING TO TRANSACTIONS IN FOREIGN EXCHANGE, ETC.*

General License No. 53 is hereby amended to read as follows:

(1) A general license is hereby granted licensing all transactions ordinarily incident to the importing and exporting of goods, wares and merchandise between the United States and any of the members of the generally licensed trade area or between the members of the generally licensed trade area if (i) such transaction is by, or on behalf of, or pursuant to the direction of any national of a blocked country within the generally licensed trade area, or (ii) such transaction involves property in which any such national has at any time on or since the effective date of the Order had any interest, provided the following terms and conditions are complied with:

- (a) Such transaction is not by, or on behalf of, or pursuant to the direction of (i) any person whose name appears on "The Proclaimed List of Certain Blocked Nationals", or (ii) any blocked country or national thereof not within the generally licensed trade area;
- (b) Such transaction does not involve property in which (i) any person whose name appears on "The Proclaimed List of Certain Blocked Nationals", or (ii) any blocked country or national thereof not within the generally licensed trade area, has at any time on or since the effective date of the Order had any interest; and
- (c) Any banking institution within the United States, prior to issuing, confirming or advising letters of credit, or accepting or paying drafts drawn, or reimbursing themselves for payments made, under letters of credit, or making any other payment or transfer of credit, in connection with any importation or exportation pursuant to this general license, or engaging in any other transaction herein authorized, shall satisfy itself (from the shipping documents or otherwise) that:
 - (i) any such transaction is incident to a bona fide importation or exportation and

is customary in the normal course of business, and that the value of such importation or exportation reasonably corresponds with the sums of money involved in financing such transaction; and (ii) such importation or exportation is or will be made pursuant to all the terms and conditions of this license.

(2) Subject to all other terms and conditions of this general license any national of a blocked country doing business within the United States pursuant to a license is also hereby authorized, while so licensed, to engage in any transaction referred to in paragraph (1) to the same extent that such national is licensed to engage in such transaction involving persons within the generally licensed trade area who are not nationals of a blocked country.

(3) As used in this general license:

(a) The term "generally licensed trade area" shall mean the following:

- (i) the American Republics, *i. e.*, (1) Argentina, (2) Bolivia, (3) Brazil, (4) Chile, (5) Colombia, (6) Costa Rica, (7) Cuba, (8) the Dominican Republic, (9) Ecuador, (10) El Salvador, (11) Guatemala, (12) Haiti, (13) Honduras, (14) Mexico, (15) Nicaragua, (16) Panama, (17) Paraguay, (18) Peru, (19) Uruguay, and (20) Venezuela;
 - (ii) the British Commonwealth of Nations, *i. e.*, (1) the United Kingdom (England, Wales, Scotland and Northern Ireland), (2) the British Dominions (Canada, Australia, New Zealand, the Union of South Africa and Newfoundland), (3) Eire, (4) the Isle of Man, (5) India, (6) Egypt, (7) Anglo-Egyptian Soudan, (8) Iraq, (9) all colonies and protectorates under the British Crown, and (10) all mandated territories administered by the United Kingdom or by any British Dominion;
 - (iii) the Union of Soviet Socialist Republics;
 - (iv) the Netherlands East Indies;
 - (v) the Netherlands West Indies;
 - (vi) the Belgian Congo and Ruanda-Urundi;
 - (vii) Greenland; and
 - (viii) Iceland.
- (b) The term "member" of the generally licensed trade area shall mean any of the foreign countries or political subdivisions comprising the generally licensed trade area.
- (c) The term "any national of a blocked country within the generally licensed trade area" shall mean any national of a blocked country who was situated within and doing business within such area on and since June 14, 1941.
- (d) The term "The Proclaimed List of Certain Blocked Nationals" shall mean "The Proclaimed List of Certain Blocked Nationals" as amended and supplemented promulgated pursuant to the proclamation of July 17, 1941.

E. H. FOLEY, JR.

Acting Secretary of the Treasury.

* Part 131;—Sec. 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; 54 Stat. 179; Ex. Order 8389, April 10, 1940, as amended by Ex. Order 8785, June 14, 1941, and Ex. Order 8832, July 26, 1941; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941.

Additional copies of this circular will be furnished upon request.

ALLAN SPROUL,
President.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Tuesday, August 5, 1941.

The Secretary of the Treasury today has amended General License No. 53 so as to greatly expand its scope of operation.

When first issued on July 17, 1941 the license dealt with inter-American trade transactions, and the financial transactions incidental thereto, involving persons in the other American Republics who were nationals of any of the countries whose assets have been frozen. The amended general license accords similar privileges to blocked nationals within an area designated as the "generally licensed trade area".

The "generally licensed trade area" as defined includes:

- (i) the American Republics;
- (ii) the British Commonwealth of Nations;
- (iii) the Union of Soviet Socialist Republics;
- (iv) the Netherlands East Indies;
- (v) the Netherlands West Indies;
- (vi) the Belgian Congo and Ruanda-Urundi;
- (vii) Greenland; and
- (viii) Iceland.

As in the case of its predecessor, the amended general license will not apply to persons so long as their names appear on "The Proclaimed List of Certain Blocked Nationals" and will not apply to financial transactions not incidental to licensed trade transactions.

FEDERAL RESERVE BANK
OF NEW YORK

August 7, 1941.

*To all Banking Institutions in the
Second Federal Reserve District:*

We are pleased to announce that State Bank of Norwood,
Norwood, New York, has become a member of the Federal
Reserve System effective August 7, 1941.

ALLAN SPROUL,
President.