

FEDERAL RESERVE BANK
OF NEW YORK

{ Circular No. 2633 }
June 4, 1943

NETHERLANDS ROYAL DECREES OF MARCH 6, 1942, AND
MAY 7, 1942

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

Enclosed herewith is a pamphlet which the Treasury Department has requested us to make available to banks and other interested parties, for their information, containing official English translations of two Netherlands Royal Decrees dated March 6, 1942, and May 7, 1942, together with copies of certain communications relating thereto.

The Netherlands Royal Decree of March 6, 1942, and the power of attorney issued thereunder, relate to certain property of individuals and companies resident in the Netherlands East Indies. The Netherlands Royal Decree of May 7, 1942, modifies and clarifies the Netherlands Royal Decree of March 6, 1942, and the Netherlands Royal Decree of May 24, 1940. Copies of an English translation of the Netherlands Royal Decree of May 24, 1940, and certain communications relating thereto, were enclosed with our circular No. 2091 dated July 2, 1940.

Additional copies of this circular and the enclosed pamphlet will be furnished upon request.

ALLAN SPROUL,
President.

Netherlands Royal Decree of March 6, 1942,
and Power of Attorney Issued Thereunder

Netherlands Royal Decree of May 7, 1942

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 - (b) Note from Netherlands Ambassador to State Department, dated July 14, 1942, with official English translation of decree of May 7, 1942.



DEPARTMENT OF STATE
WASHINGTON

April 3, 1943

In reply refer to
FF

My dear Mr. Secretary:

On September 3, 1942, I sent for your information certain documents received by me from the Ambassador of the Netherlands. Those documents consisted of a note dated May 11, 1942 which enclosed the official English translation of the Netherlands Decree of March 6, 1942, dealing with property interests appertaining to persons in certain Netherlands possessions, and set out the text of the power of attorney granted the Netherlands Ambassador (then Minister) by his government authorizing him to act for his government under that Decree; and a note from the Netherlands Ambassador dated July 14, 1942 which enclosed the official English translation of the Netherlands Decree of May 7, 1942, the purpose of which was to clarify some of the terms contained in the Decrees of May 24, 1940 and March 6, 1942. I have received the letter of February 9, 1943, signed by Mr. Randolph Paul as the Acting Secretary of the Treasury, acknowledging receipt of the documents enumerated above.

The Netherlands Ambassador would be grateful if those documents and their enclosures could be brought to the attention of interested persons and institutions in the United States as was done in the case of the Netherlands Decree of May 24, 1940 and certain communications related thereto. As you will recall, copies of that Decree and related communications were transmitted by your Department to the Federal Reserve Bank of New York which published them.

As you know, the Government of the United States continues to recognize as the Government of the Kingdom of the Netherlands the Royal Netherlands Government, which is temporarily residing and exercising its functions in London, and recognizes Dr. Alexander Loudon as the duly accredited Ambassador of the Netherlands to the United States.

The Department of State has taken official cognizance of the Decree of March 6, 1942 and the Decree of May 7, 1942, which have been notified to it by the duly accredited Ambassador of the Netherlands.

The Honorable

Henry Morgenthau, Jr.,

Secretary of the Treasury.

Sincerely yours,

For the Secretary of State:

/s/ Dean Acheson

DEAN ACHESON
Assistant Secretary





DEPARTMENT OF STATE
WASHINGTON

September 3, 1942

In reply refer to
FD

The Secretary of State presents his compliments to the Honorable the Secretary of the Treasury and transmits a copy of a communication, dated May 11, 1942, from the Ambassador of the Netherlands in Washington to the Secretary of State setting forth the text of a Power of Attorney issued to the Netherlands Ambassador under a Royal Decree dated March 6, 1942 relating to certain properties of individuals and companies resident in the Netherlands East Indies together with its enclosure, being a copy of the official English translation of the aforementioned Decree. There is also enclosed herewith a copy of a note of July 14, 1942, from the Netherlands Ambassador together with its enclosure, being a copy of the official English translation of a Royal Decree dated May 7, 1942, which modifies and clarifies the Royal Decrees of May 24, 1940 and March 6, 1942.

The Secretary of State calls attention to the Department's letter of May 28, 1940 with which was enclosed a copy of a note from the Netherlands Minister in Washington regarding the promulgation of a Royal Decree dated May 24, 1940 relating to certain properties of individuals and companies resident in the Kingdom of the Netherlands and to the Department's letter of June 27, 1940 setting forth the exchange of notes between the Department of State and the Netherlands Minister in Washington relative to such Decree and Power of Attorney issued thereunder to the Minister of the Netherlands.

Enclosures:

As stated.

FNI-221

May 11, 1942

Sir:

With further reference to my note of March 7th, 1942, No. HA-1858 I have the honor to transmit to Your Excellency herewith the official English translation of the Decree which vests in my Government the property rights of claims and rights standing in the name of natural and legal persons residing in the Netherlands Indies.

On March 9th, 1942 my Government granted me a Power of Attorney under the Decree similar to the Power granted me under the Netherlands



Royal Decree of May 24, 1940.

The text of the Power of Attorney reads:-

"The Royal Netherlands Government temporarily residing and exercising its functions in London, acting through the undersigned: J. R. M. van Angeren, Minister of Justice, E. N. van Kleffens, Minister for Foreign Affairs, J. W. Albarda, Minister of Finance *ad interim*, P. Kerstens, Minister of Trade, Industry and Shipping, P. S. Gerbrandy, Minister for the Colonies, hereby authorizes the Netherlands Minister at Washington, D. C., Dr. Alexander Loudon, to operate, control and otherwise exercise complete dominion over all accounts and all other property and interests of any nature whatever in the United States of America, its territories and possessions, title to which is vested by virtue of the Royal Decree of March 6, 1942, Netherlands Law Gazette No. C 18, in the State of the Netherlands as represented by the Royal Netherlands Government temporarily residing and exercising its functions in London. The Netherlands Minister at Washington, D. C., is further authorized to make certifications to any interested party of exemptions under the aforementioned Royal Decree. The Netherlands Minister at Washington, D. C. may from time to time delegate any or all of the authority vested in him hereunder with power of revocation or substitution.

London, March 9, 1942.

(sgd) The Minister of Justice van Angeren

" The Minister for Foreign Affairs
E. N. van Kleffens

" The Minister of Finance *ad interim*
J. W. Albarda

" The Minister of Trade, Industry and
Shipping, P. Kerstens

" The Minister for the Colonies,
P. S. Gerbrandy

I would highly appreciate it if Your Excellency would extend your good offices to inform such competent United States authorities as you may deem necessary of the text of the Royal Decree of March 6, 1942 No. C-18 and of the Power of Attorney, granted under the Decree.

I further beg leave to state that under voluntary assignments, given by the interested parties in the Netherlands Indies prior to the enemy occupation of Batavia and Bandoeng, the proprietary rights to substantial assets in this country which otherwise would be affected by the Decree, had already been vested in the Netherlands Purchasing Commission, 10 Rockefeller Plaza, New York City, in its capacity as agent of the

Royal Netherlands Government prior to the date on which the Decree became effective.

* * *

Please accept, Sir, the renewed assurances of my highest consideration.

HR/ml

w. g. A. Loudon

ROYAL DECREE OF THE 6th MARCH 1942

published in the Law Gazette of the Kingdom of the Netherlands No. C. 18.

WE WILHELMINA, BY THE GRACE OF GOD, QUEEN OF THE NETHERLANDS, PRINCESS OF ORANGE- NASSAU, etc. etc. etc.;

At the recommendation of Our Ministers of Justice, of Foreign Affairs, of Finance, of Trade, Industry and Shipping and for the Colonies dated the 4th March 1942, No. 544/J 2026;

Whereas the interests of the safety of the State make it expedient to take measures to prevent that property of/or debts, obligations and other choses in action due to persons residing in the Kingdom of the Netherlands, especially to persons in the Netherlands East Indies, shall be used in a way which is incompatible with the interests of the State and of the inhabitants, and in particular of those, who reside in the territory occupied by the enemy and whereas it is therefore necessary to commit these properties and debts, obligations or other choses in action to the charge of the State of the Netherlands;

Whereas this is a case of an urgent nature, as provided in article 71 of the Netherlands East Indies Constitution in article 50 of the Surinam Constitution and in article 50 of the Curacao Constitution, in which the People's council of the Netherlands East Indies, the States of Surinam and the States of Curacao cannot be consulted;

Have approved and decreed:

ARTICLE I.

(1) Without prejudice to the provisions of Our decree of 24th May 1940, Staatsblad No. A 1, in respect of debts, obligations and other choses in action, which have been or will be vested in the State of the Netherlands, all rights arising out of debts, obligations and other choses in action against persons, partnerships, companies, firms, institutions and corporations belonging to natural or legal persons residing or domiciled in the Netherlands East Indies, including all claims for the delivery up of any gold deposited, in so far as they are in any way capable of being mortgaged or offered by way of security, transferred or disposed of or dealt with in any way outside enemy and enemy-occupied territory and outside territory, which by virtue of the pro-

visions of our decree of 27th of March 1941, Staatsblad No. B 30, must be considered enemy territory, are hereby vested in the State of the Netherlands, as represented by the Royal Netherlands' Government temporarily residing and exercising their functions in London, subject always to the provisions of article 4.

(2) The provisions of the first paragraph of this article shall also be applicable to all claims resulting from confirmed credits and from participation in the capital of/or loans to partnerships, companies or firms (whether or not such claims are registered or expressed in stock or share certificates, bonds or other documents) in so far as these claims belong to natural or legal persons in the Netherlands East Indies and in so far as these claims are capable of being mortgaged or offered by way of security, transferred or disposed of or dealt with in any other way outside enemy and enemy-occupied territory and outside territory, which by virtue of the provisions of Our Decree of 27th of March 1941, Staatsblad No. B 30, must be considered enemy territory.

(3) The rights of ownership accruing to the State of the Netherlands by virtue of the provisions of the first and second paragraph of this article shall be exercised only for the purpose of safeguarding the rights of the former owners.

ARTICLE 2.

Legal persons which in accordance with the provisions of the Act of 26th April 1940, Staatsblad No. 200, have transferred their seat, registered office or principal place of business, as the case may be, from the Netherlands East Indies to a part of the Kingdom not occupied by the enemy, shall for the application of article 1 be deemed to have been resident and domiciled or established on the date this decree comes into force outside the territory of the Kingdom occupied by the enemy, provided that the transfer of the seat, registered office or principal place of business, as the case may be, has been previously approved by our Ministers of Justice, or afterwards been sanctioned by the Governor of Surinam or the Governor of Curacao.

ARTICLE 3.

This decree also applies for the Netherlands East Indies, Surinam and Curacao.

ARTICLE 4.

(1) Three months after the present emergency circumstances shall, in Our Judgment, have ceased to exist restitution shall be made to the former owners of the rights arising out of the debts, obligations and other choses in action referred to in article I.

(2) Notwithstanding the provisions of paragraph (1) of this article Our Minister of Justice and Our Minister for the Colonies are hereby empowered jointly to effect the restitution to the former owners before the date set out in the first paragraph of this article, where it is proved to their satisfaction that such rights shall not be exercised directly or indirectly for the benefit of the enemy.

ARTICLE 5.

This decree will come into force on the day of its publication in "het Staatsblad".

This decree which shall be published in "het Staatsblad" shall be carried into effect by Our Ministers of Justice, of Foreign Affairs, of Finance, of Trade, Industry and Shipping and for the Colonies, in so far as each of them is concerned.

London, 6th of March 1942.

WILHELMINA

The Minister of Justice,
VAN ANGEREN.

The Minister charged with the
Ministry of Foreign Affairs,
E. Michiels van Verduynen.

The Minister of Finance, a.i.,
J. W. ALBARDA.

The Minister of Trade, Industry and Shipping,
P. KERSTENS.

The Minister for the Colonies,
P. S. GERBRANDY.

Promulgated 9th of March 1942,
the Minister of Justice,
VAN ANGEREN.

HA-5590

Washington, July 14, 1942.

Sir:

Referring to my letter of June 1, 1940, No. 4259, wherein I transmitted to Your Excellency a certified English translation of the Netherlands Royal Decree of May 24, 1940, I have the honor to enclose herewith a certified copy of the English translation of the Royal Decree of May 7, 1942, No. C-34.

The purpose of the Royal Decree of May 7th is mainly to clarify some of the terms contained in the Royal Decree of May 24, 1940.

I would feel deeply appreciative if Your Excellency would be good enough to have the contents of the Royal Decree of May 7th communicated to the appropriate United States authorities and if, as in the case of the Royal Decree of May 24, 1940, such authorities could see their way clear to have the contents of the enclosed Decree disseminated to

interested institutions through the intermediacy of the Federal Reserve Bank.

Please accept, Sir, the renewed assurances of my highest consideration.

The Honorable

The Secretary of State

State Department

Washington, D. C.

w. g. A. Loudon

HFR/ml

C 34

STATE LAW RECORD OF THE KINGDOM OF THE NETHERLANDS (No. C 34) Decree of May 7, 1942, containing provisions having for their purpose the removal of doubt concerning the interpretation of some terms appearing in the Royal decrees of May 24, 1940, State Law Record No. A 1, and of March 6, 1942, State Law Record No. C 18, as well as a single amendment in connection therewith.

We WILHELMINA, by the Grace of God, Queen of the Netherlands, Princess of Orange Nassau, etc., etc., etc.

As submitted by our Ministers of Justice, of Foreign Affairs, of Finance, of Commerce, Industry and Shipping and of Colonies on April 8, 1942 No. 876/J.2026:

Considering that, for the removal of uncertainty which may have arisen in connection with the application of Our decrees of May 24, 1940, State Law Record No. A 1, and of March 6, 1942, State Law Record No. C 18, concerning the meaning of some terms contained therein, it is desirable to place beyond doubt the interpretation thereof and in connection therewith to effect a single amendment;

Considering that this is a case of urgency, for which provision has been made in article 71 of the Constitution of the Netherlands Indies, in article 50 of the Constitution of Surinam and in article 50 of the Constitution of Curacao, in which the People's Council of the Netherlands Indies, the States of Surinam and the States of Curacao cannot be consulted;

Have approved and ordered:

ARTICLE 1.

Claims as referred to in article 1 of Our decrees of May 24, 1940, State Law Record No. A 1, and of March 6, 1942, State Law Record No. C 18, include, besides those explicitly mentioned in the said articles, claims to moneys as well as title to or rights in and claims for the delivery of property, as this term is defined in articles 565 to 567 inclusive of the Civil Code.

ARTICLE 2.

Further to and in conformity with the provisions of the Articles 1 of Our said decrees, restitution as referred to in article 5 of Our decree of May 24, 1940, State Law Record No. A 1, and article 4 of Our decree of March 6, 1942, State Law Record No. C 18, means:

- a. restitution of ownership to the persons originally entitled to the claims, in so far as the latter have not been effectively exercised and disposed of by the State of the Netherlands;
- b. the delivery of the proceeds of, or of whatever has been substituted for, claims which have been exercised and disposed of by the State of the Netherlands, to the persons originally entitled to those claims.

ARTICLE 3.

In the first sentence of sub-division 1 of article 2 of Our decree of May 24, 1940, State Law Record No. A 1, after "May 15, 1940" are inserted the words "or, in the event they have arisen since that date, on the date of their arising", while in the closing sentence of the said sub-division "May 15, 1940" is substituted for "that date".

ARTICLE 4.

This decree is also binding for the Netherlands Indies, Surinam and Curacao.

Our Ministers of Justice, of Foreign Affairs, of Finance, of Commerce, Industry and Shipping and of Colonies, each in so far as his Ministry is concerned, are charged with the execution of this decree, which will be published in the State Law Record.

London, May 7, 1942.

WILHELMINA

The Minister of Justice,
Van Angeren.

The Minister of Foreign Affairs,
E. N. van Kleffens.

The Acting Minister of Finance,
J. W. Albarda.

The Minister of Commerce, Industry and Shipping
P. Kerstens.

The Minister of the Colonies,
P. S. Gerbrandy.

Issued on May 9, 1942,
The Minister of Justice
Van Angeren.

I, Dr. Alexander Loudon, Ambassador of the Netherlands at Washington, D. C., certify that the above is a true translation of the official text in the Netherlands language of the Netherlands Royal Decree of May 7, 1942, No. C 34.

/s/ A. Loudon
Ambassador of the Netherlands

Washington, D. C.

July 14, 1942