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Regulations reestablishing the freezing controls in the liberated portions of the Philippine Islands were issued today by the Treasury Department. The regulations also provide for the relaxation of the controls in this country over Philippine assets which were imposed by reason of the Japanese occupation of the Islands.

The freezing controls in the Philippine Islands were withdrawn during the early days of the Japanese invasion by the issuance of Executive Order No. 8998 and Public Circular No. 11. At the same time all Philippine assets in this country were frozen and the Philippine Islands were declared to be a blocked country under the freezing regulations. By the provisions of General Ruling No. 18, issued today, the liberated portions of the Islands no longer are regarded as blocked areas and are again treated as part of the United States for the purposes of freezing control. Consequently, the freezing regulations are now in effect in the liberated portions of the Philippine Islands, and Treasury licenses must be obtained to engage in transactions in the Islands which involve nationals of blocked countries. The freezing regulations will be administered in the Islands by the Philippine Office of Foreign Funds Control which is now being established in Manila.

Under today's regulations, persons in the Philippines who prior to the Japanese occupation were not blocked will be enabled to deal freely in any of their assets located in the liberated portions of the Islands. However, as a protective measure, their assets held outside of the Islands will remain blocked for the time being and may not be dealt with except pursuant to Treasury license. This limitation will not apply to assets acquired subsequent to the issuance of the regulations. There are no restrictions on the manner in which funds may be remitted to them, and currency or checks may be used for this purpose. As long as their blocked funds in this country are not involved, they are entitled to the same rights and privileges as United States citizens generally and may freely deal with persons in any part of the United States.

One important feature of the reestablishment of the freezing controls in the liberated portions of the Philippine Islands is a provision prohibiting the exportation from those areas to any other part of the United States or to any foreign country of gold, silver, currency, financial instruments, powers of attorney and certain other instruments, except under express authorization from the Treasury. This provision will afford an opportunity for screening such instruments before they leave the Islands to guard against the completion of transactions effected under duress or which may otherwise have been of benefit to the enemy. It was emphasized that licenses will be issued covering legitimate trade, business and other transactions and every effort will be made to cause the least possible interference with normal financial dealings between the Islands and the mainland.

In conjunction with the reinstatement of the freezing controls in the Philippine Islands, the Treasury Department revoked General Ruling No. 10A, thus lifting the moratorium on the enforcement of claims against Philippine companies which had been in effect since August 12, 1942.

It was emphasized that the recent moratorium declared by President Osmena is not affected by this revocation.