

Treasury Department  
FOREIGN FUNDS CONTROL  
July 4, 1946

PUBLIC CIRCULAR NO. 30

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, RELATING TO FOREIGN FUNDS CONTROL.\*

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STATUS OF KOREA

(1) In general. For the purposes of the Order and General Ruling No. 11:

- (a) Korea shall not be deemed to be a blocked country or to be enemy territory;
- (b) Nationals of Korea shall not be deemed to be nationals of a blocked country solely by reason of the fact that Korea was regarded as subject to the jurisdiction of Japan.

(2) Under General Ruling No. 11A. Paragraph (1)(c) of General Ruling No. 11A shall not be deemed to apply to a partnership, association, corporation, or other organization solely by reason of the fact that it is organized under the laws of Korea, or has had its principal place of business therein.

JOHN W. SNYDER  
*Secretary of the Treasury*

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\* Appendix B; - 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, July 26, 1941, and February 19, 1946.

at 46-30

DEPARTMENT OF STATE

FOR THE PRESS

July 8, 1946

STATEMENT BY THE DEPARTMENT OF STATE, ON BEHALF OF THE  
GOVERNMENT AGENCIES CONCERNED WITH THE PROCLAIMED LIST  
OF CERTAIN BLOCKED NATIONALS

The Department of State with the concurrence of the Departments of Treasury, Justice and Commerce, today announced the withdrawal of the Proclaimed List of Certain Blocked Nationals, generally known as the "American Black List". The withdrawal is to be effective immediately. This measure was decided upon after extensive consultation with the British and Canadian Governments, which are taking similar action with respect to the British Statutory List and the Canadian List of Specified Persons. The three Lists have been virtually identical since shortly after the Proclaimed List came into existence on July 17, 1941. Other governments, including those recognizing the List or maintaining lists of their own, were informed in advance of the intended measure.

The Proclaimed List named persons and companies, resident in areas outside of enemy control, who directly or indirectly rendered substantial aid to the enemy war machine. Those listed were denied the privilege of trading with the United States.

Before V-E Day the British, Canadian, and U.S. Governments were in consultation with respect to the continuation of the List after the conclusion of active hostilities. The Governments were in agreement that it would be essential to continue the Lists but that they should be reduced to a "hard core". Thus the Proclaimed List, when withdrawn, consisted of 5,887 names, representing a substantial reduction from 15,446 at its peak on July 28, 1944. These reductions resulted from both the elimination of undesirable influences or interests in various listed firms and the deletion of the less serious offenders.

The withdrawal of the Proclaimed List does not in any way constitute a termination of or slacking in the program for the permanent elimination of Axis external influences either in this Hemisphere or in the Eastern Hemisphere. With respect to the other American republics, the program for the marshalling, liquidation, vesting and expropriation or forced sale of Axis spearhead business enterprises is based on various Inter-American Resolutions, beginning with those adopted at the Rio de Janeiro Conference of January 1942, and the last of which was at the Mexico City Conference (Chapultepec) of February-March, 1945. These resolutions and the programs to be executed pursuant to them are based on a recognition of the importance and urgency of eliminating Axis influences in this Hemisphere as essential to Inter-American security. The Government of the United States is prepared to cooperate fully with the Governments of the other American republics in carrying out the letter and spirit of these Inter-American Agreements.

With respect to the Eastern Hemisphere, arrangements have already been instituted with the Governments of Switzerland and Sweden. Pursuant to these arrangements German owned or controlled interests in these countries are being marshalled and liquidated and looted property will be restored to the rightful owners. The withdrawal of the Proclaimed List for these countries was facilitated by the conclusion of these arrangements.

Similar discussions are currently in progress with respect to other areas in the world, and it is expected that they will lead to comparable over-all arrangements for the elimination of German external influences, the transfer to the Allies of the proceeds realized from the liquidation or sale of German holdings to desirable persons, and the restitution of looted property. In accordance with the Paris Reparations Agreement, the United States, together with other United Nations, will continue to lend every effort to the achievement of satisfactory programs in these areas.

The withdrawal of the Proclaimed List does not necessarily affect other existing controls. For example, the withdrawal of the Proclaimed List does not mean that accounts, where such exist, of all persons formerly included in the List are now unfrozen in the United States. In certain cases, accounts will continue to be blocked by reason of nationality. Similarly, the withdrawal of the Proclaimed List does not imply that all former Proclaimed List nationals are regarded as satisfactory agents for American business. In this connection, reference is made to the Department's press release no. 202 of March 29, 1946 in which it is stated that information concerning former Proclaimed List persons and firms is available in the Commercial Intelligence Division of the Department of Commerce. However, the withdrawal of the Proclaimed List does represent an important step in the United States policy of freeing trade from wartime controls as soon as such action becomes possible.

A memorandum describing the history and scope of the Proclaimed List is attached to this statement.

(Attachment)

HISTORY AND SCOPE OF THE PROCLAIMED LIST

The British Government on September 3, 1939 first issued the British Statutory List and on February 7, 1940 the Canadian Government issued its original List of Specified Persons. During 1940 and 1941 this Government found it necessary to establish certain controls in the interest of defense of the country. Some of these controls were of an economic nature and the agencies administering the controls naturally took into account the persons involved in the transactions subject to control. For example, the prospective consignee of a proposed shipment was a factor to be considered when deciding whether or not an export license could be granted. Similarly, the persons participating in a financial transaction was a factor to be considered when considering license applications under foreign funds controls. Various sources of information were available to the agencies administering the controls, but there was no machinery for coordinating the views of the various agencies concerning persons abroad nor was there a list which would guide American businessmen in their trading with persons abroad. Thus it became necessary to issue a published list of undesirable persons with respect to whom all transactions with the United States would be subject to control. Such a list was established July 17, 1941 pursuant to the President's Proclamation of that date. The Proclamation was issued under authority granted to the President by the Act of October 6, 1917, by the



Act of July 2, 1940 and by virtue of all other authority vested in the President. The Proclamation instructed the Secretary of State, acting in conjunction with the Secretary of the Treasury, the Attorney General, and the Secretary of Commerce, the Administrator of Export Control, and the Coordinator of Commercial and Cultural Relations between the American Republics to prepare an appropriate list of persons working with or for the Axis and persons to whom exports from the United States were deemed to be detrimental to the interests of national defense. The Office of the Administrator of Export Control no longer exists and the Secretary of Commerce now has the responsibility for the administration of export control. The Office of Inter-American Affairs, successor to the Coordinator of Commercial and Cultural Relations between the American Republics, was recently terminated.

The original Proclaimed List issued on July 17, 1941 consisted of 1,834 names, all of which were Western Hemisphere names. On December 9, 1941, just two days after Pearl Harbor, the Proclaimed List authorities issued a supplement adding 505 Japanese names to the Proclaimed List. On January 14, 1942, the names of 1,824 persons and concerns in the Eastern Hemisphere were added to the List. From this time on, the British, Canadian, and American authorities cooperated very closely in the issuance of their respective lists so that the lists have been virtually identical since that time.

It was well known that the Nazi Government of Germany used German commercial and financial concerns abroad as tools to further the Nazi cause. German concerns abroad were used as propaganda outlets, financial agents, espionage centers, suppliers of critically needed foreign exchange, and sources for smuggling of urgently needed war materials to Germany, etc. Some of these concerns were affiliates of firms in Germany; others were concerns owned by locally resident Germans. These companies also exerted influence over many other enterprises which supported the German concerns, thus increasing the Nazi economic penetration to a considerable extent. The issuance of the Proclaimed List was a severe blow to this Nazi economic network.

Attempts to avoid the Proclaimed List controls were however made. Numerous expedients were devised, such as obtaining material through cloaks - persons or firms who were willing to carry on transactions ostensibly for themselves but actually for Proclaimed List nationals. In order to enforce the List it was therefore necessary to list additional persons and firms. Moreover, additional evidence was being found from time to time indicating other persons whose activities merited inclusion in the Proclaimed List. Thus the list increased in size until it reached its peak on July 28, 1944 when it consisted of 15,446 names.

It should not be assumed that while names were being added no names were deleted. Proclaimed List cases were constantly open for review. Mistakes, always possible, were rectified. Furthermore, a change in the facts of a case might make deletion possible. If a person could, for example, show that he had discontinued a partnership with a politically undesirable partner and was now on his own or in partnership with an unobjectionable person, his name was deleted from the List. Similarly, any concern which reorganized itself, ousting the undesirable interests, was eligible for deletion from the

Proclaimed List. Some of these reorganizations were worked out voluntarily by unobjectionable partners and in a good many instances they were worked out through the cooperation of the local Government, particularly in the other American Republics.

The American Republics early recognized the danger of Axis penetration and as early as the Rio de Janeiro Conference in 1942 took measures contemplating the elimination of Axis economic penetration in this Hemisphere. The programs inaugurated by the various American Republics accomplished the liquidation, forced sale, reorganization, or vesting of many Axis enterprises. When this occurred deletion was possible not only of the firm which had been eliminated or cleaned-up but also of the names of any persons or firms which had been included in the List primarily because of association with, or activities on behalf of, the eliminated or reorganized Proclaimed List entity. Moreover, as the programs of the various American Republics progressed, it was possible in some cases to remove certain of the lesser offenders even though not primarily listed for connection with one of the eliminated or cleaned-up Proclaimed List entities. Such deletions were possible because the security reasons for listing changed as the local controls program in many countries became more effective. Thus the List had been reduced to 13,784 names on V-E Day.

In the summer of 1944 the authorities charged with the maintenance of the Proclaimed List gave extensive consideration to the policy which should be followed upon the cessation of active hostilities in the European theatre. It was decided at that time that the List should be continued after the cessation of active hostilities in Europe but that it would be possible to make a downward adjustment in the size of the List on the basis of the changed security situation following V-E Day. This revision actually took place in two stages.

The names of minor offenders were culled from the List and deleted in June 1945. In this supplement 1,980 names were deleted most of which were minor offenders deleted in view of the changed security situation rather than on the merits of the individual case. These deletions, together with certain group deletions, based upon the effectiveness of local controls in the Western Hemisphere, and taking into account certain additions, reduced the List to 11,443 names on V-J Day.

After the minor offenders had been deleted and certain group deletions had been accomplished for the Western Hemisphere, the remaining names were reviewed case by case in order to select the worst offenders. After this selection had been made all other names were deleted from the List in November 1945. The November supplement contained 5,081 deletions, leaving a "hard core" of 6,053 names. Since the deletion to the "hard core" there have been relatively few deletions from the List which is quite understandable in view of the fact that the whole list was reviewed case by case before the issuance of the November supplement. There were, however, some deletions from the List and also some additions, so that the List when withdrawn consisted of 5,887 names.