

At 5892

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N. Y. 10045

AREA CODE 212 RE 2-5700

FISCAL AGENT OF THE UNITED STATES

November 3, 1966

To all Member and Nonmember Banks in
the Second Federal Reserve District:

On September 13 we sent you a copy of a letter dated September 12 from the U.S. Treasury Department concerning illegal remittances of funds to persons or organizations in North Viet-Nam or Viet Cong controlled areas. At the request of the Treasury Department we enclose a communication dated October 28 which supplements the earlier letter.

B. K. MacLaury
Assistant Vice President

Enclosure



TREASURY DEPARTMENT

WASHINGTON, D.C. 20220

FOREIGN ASSETS CONTROL

October 28, 1966

REPLY REFER TO: No. 57238

Gentlemen:

Reference is made to our letter of September 12, 1966 concerning attempts by certain American Quakers to send funds illegally to the Canadian Friends Service Committee for the purchase of supplies destined for North Viet Nam and the Viet Cong.

We have ascertained that the Canadian Friends Service Committee maintains its general account at the Royal Bank of Canada, Bloor and Bedford Branch, Toronto, Canada. In order to avoid unnecessary interference with normal banking practices, we have suggested to the Royal Bank of Canada that it inquire of the Canadian Friends Service Committee with regard to U. S. dollar instruments deposited by the Committee in its general account at the above-named branch of the Royal Bank of Canada. Those checks which were said by the Committee not to involve an interest of North Viet Nam or the Viet Cong could be negotiated freely and treated in normal fashion. All other instruments from the Canadian Friends Service Committee would be handled on a collection basis. Such checks would be accompanied by advice to the drawee bank that the instrument might be subject to the Treasury's Foreign Assets Control Regulations, thus affording the U. S. correspondent and the U. S. drawee bank an opportunity to bring the instrument to our attention and avoid becoming involved in an unwitting violation of the Foreign Assets Control Regulations. The Royal Bank of Canada has indicated that it is not prepared to adopt this suggestion, and instead will send all U. S. instruments received from the Canadian Friends Service Committee to its U. S. correspondents on a collection basis.

Under these circumstances, you should not pay (or forward to the drawee bank) any negotiable instrument received by you from the Royal Bank of Canada on a collection basis which is payable to or endorsed by the Canadian Friends Service Committee or any person named below, in the absence of specific authorization from this Office.

In addition to collection items payable to or endorsed by the Canadian Friends Service Committee, such items payable to any of the following persons should also be treated in accordance with the procedures described above:

Ursula Franklin
Kathleen Hertzberg
Richard Legge
Hazel Legge
Roger Muma
Murray Thompson



TREASURY DEPARTMENT
WASHINGTON, D. C. 20220

October 18, 1966

Foreign Assets Control
No. 2723B

In those cases where the remittances to the Canadian Friends Service Committee have been licensed, the licensee is instructed by the Treasury to note the FAC license number on the instrument. Such instruments may be honored. Other instruments payable to or endorsed by the parties mentioned herein should not be honored without our authorization but instead should be brought to the attention of this Office. Telephone inquiries may be made either to Mr. Samuel Rose, area code 202, WOrth 4-2768 or to Mr. Stanley L. Sommerfield, area code 202, WOrth 4-2394, in Washington, D. C. Written inquiries should be addressed to the Director, Office of Foreign Assets Control, Treasury Department, Washington, D. C. 20220.

Very truly yours,

Margaret W. Schwartz

(Mrs.) Margaret W. Schwartz
Director

Under these circumstances, you should not pay (or forward to the drawee bank) any negotiable instrument received by you from the Royal Bank of Canada on a collection basis which is payable to or endorsed by the Canadian Friends Service Committee or any person named below, in the absence of specific authorization from this Office. In addition to collection items payable to or endorsed by the Canadian Friends Service Committee, such items payable to any of the following persons should also be treated in accordance with the procedures described above:

Ursula Frankita
Richard J. Jaffe
Richard Jaffe
Roger Mann
Harry Thompson