

FEDERAL RESERVE BANK
OF NEW YORK
Fiscal Agent of the United States

Circular No. 2383, February 24, 1942
Reference to Circulars Nos. 2262, 2269, 2271, 2274, 2277, 2281, 2292,
2293, 2300, 2301, 2302, 2306, 2309, 2314, 2319, 2321, 2326, 2327,
2328, 2329, 2331, 2332, 2334, 2335, 2338, 2339, 2342, 2343, 2344,
2348, 2355, 2361, 2362, 2365, 2368, 2371, 2373, 2381 and 2382.

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 there is quoted below the texts of the following documents issued February 23, 1942, by the Secretary of the Treasury, pursuant to the freezing Order:

- (1) Amendment to General License No. 42;
- (2) Revocation of General Licenses Nos. 42A and 68; and
- (3) Press release relating to the licensing as generally licensed nationals of persons within the United States.

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 131.42

TREASURY DEPARTMENT
Office of the Secretary
February 23, 1942

AMENDMENT OF GENERAL LICENSE NO. 42 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. 42 is amended to read as follows:

- (1) A general license is hereby granted:
 - (a) Licensing as a generally licensed national any individual residing in the United States on February 23, 1942, and
 - (b) Licensing as a generally licensed national any partnership, association, corporation or other organization which is a national of a foreign country designated in the Order solely by reason of the interest therein of a person or persons licensed as generally licensed nationals pursuant to this general license.
- (2) The following provisions shall govern the filing of reports under this general license:
 - (a) Before effecting any transaction pursuant to this general license, the following persons licensed herein as generally licensed nationals shall file a report in triplicate on Form TFR-42 with the appropriate Federal Reserve Bank:

* Part 131:—Sec. 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; 54 Stat. 179; Public No. 354, 77th Congress; Ex. Order 8389, April 10, 1940, as amended by Ex. Order 8785, June 14, 1941, Ex. Order 8832, July 26, 1941, Ex. Order 8963, December 9, 1941, and Ex. Order 8998, December 26, 1941; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941.

(i) Every individual who was not residing in the United States on June 17, 1940; and

(ii) Every partnership, association, corporation or other organization which prior to February 23, 1942, was not a generally licensed national solely by reason of the interest of an individual or individuals referred to in (i) above.

Any person failing to comply with this reporting requirement is not authorized to engage in any transaction pursuant to this general license.

(b) Individuals and other persons licensed herein as generally licensed nationals and not falling within classes referred to in 2(a) need not file reports on Form TFR-42.

(c) This general license shall not be deemed to suspend, cancel, or otherwise modify in any way the requirements of the Order and regulations relating to reports on Form TFR-300 with respect to the property interests of certain persons licensed herein as generally licensed nationals; *provided, however*, that if reports on TFR-300 were not, prior to February 23, 1942, required to be filed in any case or class of cases, such reports are not required to be filed pursuant to this general license.

(3) This general license shall not be deemed to license as a generally licensed national:

(a) Any individual who on or since the effective date of the Order has acted or purported to act directly or indirectly for the benefit or on behalf of any blocked country, including the government thereof;

(b) Any individual who is a national of a blocked country by reason of any fact other than that such individual has been domiciled in, or a subject, citizen, or resident of a blocked country at any time on or since the effective date of the Order;

(c) Any individual who enters a blocked country after February 23, 1942; or

(d) Any national of Japan. Nationals of Japan shall continue to be governed by the provisions of General License No. 68A in so far as General License No. 68A may be applicable.

E. H. FOLEY, JR.

Acting Secretary of the Treasury.

The Treasury Department directs your attention to the fact that the new General License No. 42 in no way alters the status of accounts which have at any time been blocked pursuant to specific instructions of the Treasury Department or a Federal Reserve Bank. No such account should be unblocked until the matter has been submitted to the Federal Reserve Bank and a ruling or license received authorizing the unblocking of such account. Furthermore, it is advisable for any banking institution or brokerage house to consult the Federal Reserve Bank before unblocking any account which has been the subject of specific inquiry by the Treasury Department or by the Federal Reserve Bank as to the status of such account under the freezing Order. Business enterprises which are posted or on whose premises guards or supervisors are stationed by the Treasury Department are not to be considered as generally licensed nationals, even though such enterprises, except for the posting or presence of such guards or supervisors, appear to be included within the provisions of General License No. 42, as amended.

Because of the fact that General License No. 42, as amended, excludes by its terms individuals who acquire a residence in the United States after February 23, 1942, there will be cases in which an individual is excluded from the provisions of General License No. 42 solely because of the fact that he acquires a residence in the United States after that date. Such individuals may file applications to be licensed as generally licensed nationals under General License No. 42, as amended.

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 131.42A and 68

TREASURY DEPARTMENT
Office of the Secretary
February 23, 1942

REVOCATION OF GENERAL LICENSES NOS. 42A AND 68 UNDER EXECUTIVE ORDER
NO. 8389, APRIL 10, 1940, AS AMENDED, AND REGULATIONS ISSUED PURSUANT THERETO,
RELATING TO TRANSACTIONS IN FOREIGN EXCHANGE, ETC.*

General Licenses Nos. 42A and 68 are hereby revoked.

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; Public No. 354, 77th Congress; Ex. Order 8389, April 10, 1940, as amended by Ex. Order 8785, June 14, 1941, Ex. Order 8832, July 26, 1941, Ex. Order 8963, December 9, 1941, and Ex. Order 8998, December 26, 1941; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Monday, February 23, 1942

PRESS SERVICE
No. 30-44

The Treasury Department today liberalized the freezing control restrictions by according to refugees arriving in the United States after June 17, 1940 the same treatment as that previously extended to other refugees.

At the same time the Treasury simplified the freezing control regulations with respect to resident aliens by consolidating into one general license the freezing control provisions applicable to all individuals (except nationals of Japan) now residing in the United States, and to the business concerns blocked solely because of the interest of such individuals. This was done by amending General License No. 42 and at the same time revoking General Licenses No. 42-A and No. 68.

For some time the practice of the Treasury Department has been to liberalize the freezing control restrictions relating to bona fide immigrants and refugees in the United States and, at the same time, to tighten the controls in their application to individual cases singled out for close supervision. The experience gained by the Foreign Funds Control during the past 22 months and the mass of information gathered by it, particularly on the TFR-300 census reports, have enabled the Treasury Department effectively to carry out this policy.

Treasury officials stated that persons dealing with residents of the United States may now assume that such residents are not blocked unless they are affirmatively on notice to the contrary. The Treasury Department will rely on banking institutions to exercise continued vigilance in seeing that accounts which are not entitled to the privileges of General License No. 42 remain blocked, in carrying out instructions of the Treasury Department in cases which are singled out for special treatment, and in bringing unusual or otherwise suspicious transactions to the attention of the Foreign Funds Control through the Federal Reserve Banks.

Nationals of China, who were previously subject to the provisions of General License No. 68, are now entitled to all the benefits of General License No. 42.

The new General License No. 42 does not free the accounts of persons who have been acting on behalf of Axis countries. Likewise, it has no effect on the great bulk of frozen assets, which are owned or controlled by foreign governments or by individuals or concerns located outside the United States. Nationals of Japan are still subject to the provisions of General License No. 68A and were not affected by today's action.

Additional copies of this circular will be furnished upon request.

ALLAN SPROUL,
President.