

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

{ Circular No. 2688, September 3, 1943
Reference to Circulars Nos. 2686 and 2687. }

FOREIGN FUNDS CONTROL

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

For your information we quote below the text of General Ruling No. 4, as amended September 3, 1943, issued by the Treasury Department:

TREASURY DEPARTMENT
Foreign Funds Control
As amended September 3, 1943

GENERAL RULING NO. 4, AS AMENDED, UNDER EXECUTIVE ORDER NO. 8389, AS AMENDED, EXECUTIVE ORDER NO. 9193, 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.*

Except as specifically provided herein or otherwise, all definitions appearing in Executive Order No. 8389 of April 10, 1940, as amended, and the Regulations issued thereunder, shall apply to the terms employed in all rulings, licenses, instructions, etc., and, in addition, the following definitions and rules of interpretation are prescribed:

- (1) The term "Order" shall mean Executive Order No. 8389, as amended.
- (2) The term "license" shall mean a license issued under the Order.
- (3) The term "interest" when used with respect to property shall mean an interest of any nature whatsoever, direct or indirect.
- (4) The term "blocked country" shall mean any foreign country designated in the Order.
- (5) The term "Netherlands East Indies" shall mean the following: Java and Madura, Sumatra, Riouw-Lingga archipelago, Banka, Billiton, Celebes, Borneo (West, South and East Divisions), Timor archipelago, Bali and Lombok, Lesser Sunda Islands and Dutch New Guinea.
- (6) The term "Netherlands West Indies" shall mean the following: Dutch Guiana, Dutch St. Martin, Curacao, Bonaire, Aruba, St. Eustatius and Saba.
- (7) Any person licensed as a "generally licensed national" shall, while so licensed, be regarded as a person within the United States who is not a national of any blocked country; provided, however, that the licensing of any person as a "generally licensed national" shall not be deemed to suspend in any way the requirements of the Order and Regulations relating to reports, and the production of books, documents, records, etc. (see section 4 of the Order and section 130.4 of the Regulations).
- (8) The term "blocked account" shall mean an account in which any blocked country or national thereof has an interest, with respect to which account payments, transfers or withdrawals or other dealings may not be made or effected except pursuant to a license authorizing such action. The term "blocked account" shall not be deemed to include free dollar accounts of the type referred to in General License No. 32, as amended, or the accounts of generally licensed nationals.
- (9) The term "banking institution" shall have the meaning prescribed in Section 5F of the Order.
- (10) The term "domestic bank" shall mean any branch or office within the United States of any of the following which is not a national of any blocked country: any bank or trust company incorporated under the banking laws of the United States or of any state, territory, or district of the United States, or any private bank or banker subject to supervision and examination under the banking laws of the United States or of any state, territory or district of the United States. The Treasury Department may also authorize any other banking institution to be treated as a "domestic bank" for the purpose of this definition or for the purpose of any license, ruling, or instruction.

*Appendix A; — 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; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941.

(11) The term "national securities exchange" shall mean an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (48 Stat. 885, U.S.C., title 15, sec. 78f).

(12) Reference to any general license or general ruling which has been amended shall be deemed to refer to such license or ruling as amended.

(13) Any person who by virtue of any definition in the Order is a national of more than one blocked country shall be deemed to be a national of each of such blocked countries.

(14) In any case in which a person is a national of two or more blocked countries, a license with respect to nationals of one of such blocked countries shall not be deemed to include such person unless a license of equal or greater scope is outstanding with respect to nationals of each other blocked country of which such person is a national.

(15) The Secretary of the Treasury reserves the right to exclude from the operation of any license or from the privileges therein conferred or to restrict the applicability thereof with respect to, particular persons, transactions or property or classes thereof. Such action shall be binding upon all persons receiving actual notice thereof, or constructive notice if in any case notice is filed pursuant to the provisions of the Federal Register Act (49 Stat. 500, as amended by 50 Stat. 304; U.S.C., Sup. V, title 44, sec. 301 et seq).

(16) No license shall be deemed to authorize any transaction prohibited by reason of the provisions of any law, proclamation, order or regulation, other than the Order and Regulations.

(17) Any amendment, modification, or revocation of any order, regulation, ruling, instruction, or license issued by or under the direction of the Secretary of the Treasury pursuant to sections 3(a) or 5(b) of the Trading with the enemy Act, as amended, shall not be deemed to affect any act done or omitted to be done, or any suit or proceeding had or commenced in any civil or criminal case, prior to such amendment, modification, or revocation, and all penalties, forfeitures, and liabilities under any such order, regulation, ruling, instruction, or license shall continue and may be enforced as if such amendment, modification, or revocation had not been made.

New material
September 3, 1943

(18) No license or other authorization issued by or under the direction of the Secretary of the Treasury pursuant to the Order or sections 3(a) or 5(b) of the Trading with the enemy Act, as amended, shall be deemed to authorize or validate any transaction effected prior to the issuance thereof, unless such license or other authorization specifically so provides.

RANDOLPH PAUL
Acting Secretary of the Treasury.

Additional copies of this circular will be furnished upon request.

ALLAN SPROUL,
President.

FEDERAL RESERVE BANK
OF NEW YORK

September 3, 1943.

*To all Banking Institutions in the
Second Federal Reserve District:*

We are pleased to announce that United States Trust Company, of Paterson, New Jersey, Paterson, New Jersey, has become a member of the Federal Reserve System effective September 3, 1943.

ALLAN SPROUL,
President.