

**BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON**



S-426

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

January 16, 1942

Dear Sir:

As you know, under date of December 19, 1941, the President of the United States issued an Executive Order establishing the Office of Censorship. In addition to a Director of Censorship and a Censorship Policy Board the Order establishes a Censorship Operating Board consisting of representatives of such agencies of the Government as the Director of Censorship shall specify. Under date of December 23, 1941, a request was received from the Director of Censorship that the Board of Governors designate a representative on the Operating Board and in response to this request the Board designated Governor Draper to serve in that capacity. In his announcement of the members of the Operating Board, the Director of Censorship stated:

"The Operating board is the means by which the Office of Censorship utilizes the specialized activities of these agencies in the censorship of international communications. For example, the Treasury Department furnishes expert assistance in the censorship of articles passing through its Bureau of Customs."

Section 3(c) of the Trading With The Enemy Act prohibits communication by any means with an enemy or an ally of an enemy unless the communication is licensed or exempted. By an Executive Order dated October 12, 1917, the authority to issue licenses and exemptions was conferred by the President upon the Secretary of the Treasury and the latter was authorized to designate other agencies to carry out the authority with respect to licensing and exemptions vested in him. On December 24, 1941, the Secretary of the Treasury signed a designation vesting in the Office of Censorship the authority to issue licenses and exemptions in connection with communications with an enemy or an ally of an enemy and this designation was approved by the President on December 26, 1941, thus vesting in the Office of Censorship all of the outstanding operating authority with respect to censorship matters. Under the authority of the designation above referred to the Director of Censorship has issued a license to the Federal Reserve Bank of New York to communicate by radio and cable with certain foreign central banks and a similar license covering mail communication is in process.

Copies of the President's Executive Order creating the Office of Censorship and the designation signed by the Secretary of the Treasury are enclosed with this letter.

Should any questions arise at your Bank with respect to censorship, we shall be pleased to have you forward them to the Board of Governors for consideration, and, if necessary, for submission by Governor Draper to the Office of Censorship.

Very truly yours,

A handwritten signature in dark ink, appearing to read "S. R. Carpenter". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

S. R. Carpenter,
Assistant Secretary.

Enclosures 2

LETTER TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS

EXECUTIVE ORDERESTABLISHING THE OFFICE OF CENSORSHIP AND
PRESCRIBING ITS FUNCTIONS AND DUTIES

By virtue of the authority vested in me by the Constitution and the statutes of the United States, and particularly by section 303, Title III of the act of December 18, 1941, Public Law 354, 77th Congress, 1st Session, and deeming that the public safety demands it, I hereby order as follows:

1. There is hereby established the Office of Censorship, at the head of which shall be a Director of Censorship. The Director of Censorship shall cause to be censored, in his absolute discretion, communications by mail, cable, radio, or other means of transmission passing between the United States and any foreign country or which may be carried by any vessel or other means of transportation touching at any port, place, or Territory of the United States and bound to or from any foreign country, in accordance with such rules and regulations as the President shall from time to time prescribe. The establishment of rules and regulations in addition to the provisions of this order shall not be a condition to the exercise of the powers herein granted or the censorship by this order directed. The scope of this order shall include all foreign countries except such as may hereafter be expressly excluded by regulation.

2. There is hereby created a Censorship Policy Board, which shall consist of the Vice-President of the United States, the Secretary of the Treasury, the Secretary of War, the Attorney General, the Postmaster General, the Secretary of the Navy, the Director of the Office of Government Reports, and the Director of the Office of Facts and Figures. The Postmaster General shall act as Chairman of the Board. The Censorship Policy Board shall advise the Director of Censorship with respect to policy and the coordination and integration of the censorship herein directed.

3. The Director of Censorship shall establish a Censorship Operating Board, which shall consist of representatives of such departments and agencies of the Government as the Director shall specify. Each representative shall be designated by the head of the department or agency which he represents. The Censorship Operating Board shall, under the supervision of the Director, perform such duties with respect to operations as the Director shall determine.

4. The Director of Censorship is authorized to take all such measures as may be necessary or expedient to administer the powers

hereby conferred, and, in addition to the utilization of existing personnel of any department or agency available therefor, to employ, or authorize the employment of, such additional personnel as he may deem requisite.

5. As used in this order the term "United States" shall be construed to include the Territories and possessions of the United States, including the Philippine Islands.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE,

Washington, D. C.,

December 19, 1941.

Procedure for administering the duties imposed upon the Secretary of the Treasury by Articles XI and XIII of Executive Order No. 2729-A, dated October 12, 1917, under the Trading with the enemy Act, Act of October 6, 1917.

TREASURY DEPARTMENT, December 24, 1941

To officers of the Treasury Department and others concerned:

By virtue of the authority vested in the Secretary of the Treasury by Executive Order No. 2729-A, dated October 12, 1917, I hereby adopt the following administrative procedure deemed necessary and proper for the executive administration of Article XI, vested by said Executive Order in the Secretary of the Treasury; such administrative procedure to remain in effect unless and until modified or superseded by direction of the Secretary of the Treasury.

(1) I hereby designate the Office of Censorship to act as the agency of the Secretary of the Treasury to administer the authority vested in the Secretary of the Treasury relative to the sending, taking, or transmitting, or attempting to send, take, or transmit, out of the United States, and to issue licenses and exemptions under such regulations or conditions as the said Office may from time to time prescribe, to send, take, or transmit out of the United States, any letter, or other writing, book, map, plan, or other paper, picture, or any telegram, cablegram, or wireless message, or other form of communication intended for or to be delivered, directly or indirectly, to an enemy or ally of enemy. All applications for such licenses shall be made to the Office of Censorship in the form prescribed by it.

(2) I hereby designate the Bureau of Customs in the Department of the Treasury to administer and to issue licenses (except licenses to send, take, or transmit out of the United States any letter, writing, or tangible form of communication intended for or to be delivered, directly or indirectly, to an enemy or ally of enemy) in respect of the authority vested in the Secretary of the Treasury under Article XI of said Executive Order relative to sending, or taking out of, or bringing into, or attempting to send, take out of, or bring into, the United States any letter or other writing or tangible form of communication except in the regular course of the mail.

(Signed) H. MORGENTHAU, JR.

Secretary of the Treasury.

Approved, December 26, 1941

The White House.

(Signed) FRANKLIN D. ROOSEVELT