

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON



S-458

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

April 1, 1942.

Dear Sir:

There is enclosed for your information a copy of a statement issued by the Department of State regarding the procedure to be followed in extending financial assistance to American nationals in territories where the interests of the United States are represented by Switzerland.

In the event your bank should be called upon to give any advice concerning this matter, you are authorized to say that the State Department prefers that any action to provide financial assistance to American nationals in territories where the interests of the United States are represented by Switzerland, be initiated by the person seeking such assistance or by near relatives located in this country. We are advised that Swiss representatives located in such enemy territories have been asked to contact citizens of the United States living in such territories and advise them of the substance of the enclosed statement.

Very truly yours,

L. P. Bethea,
Assistant Secretary.

Enclosure



TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS

PROCEDURE TO BE FOLLOWED IN EXTENDING
FINANCIAL ASSISTANCE TO AMERICAN NATIONALS IN
TERRITORIES WHERE THE INTERESTS OF THE UNITED
STATES ARE REPRESENTED BY SWITZERLAND

The Department of State has completed arrangements for financial assistance to American nationals in territories where the interests of the United States are represented by Switzerland.* Those able to qualify for such assistance will be entitled to receive from the Swiss representatives monthly payments corresponding to their established needs and the prevailing cost of living in the country concerned. All recipients will be limited to the monthly payments established for their place of residence, regardless of their ability or the ability of others interested in their welfare to repay amounts greater than the sums advanced. It is realized that a limitation upon the amount that American nationals may expend in enemy territory, even from their own resources, will entail some hardship. The conservation of foreign exchange, however, is an essential factor in the present economic policy of the United States and it is expected that Americans everywhere will willingly share with those in the armed forces the sacrifices that must be made in winning the war.

Based upon the latest ascertained cost of living in the various countries concerned, the maximum monthly payment for the head of a household will range from \$60 to \$80, with smaller allowances for additional members of the household. The monthly payments are subject to revision from time to time to meet changing living costs. In addition, the Swiss representatives are authorized to make special advances for such extraordinary expenditures as may be essential to the health or safety of American nationals for medical, surgical, or dental care, for hospitalization, for reasonable legal defense against political or criminal charges, or for a decent though modest burial where such is not provided by friends or relatives locally nor by the local authorities.

Wherever prisoners of war and interned civilians are supported by the detaining Power, it is expected that payments made to them will generally not exceed a small sum sufficient to provide spending money for miscellaneous personal needs not supplied by the detaining Power. However, no payments will be made to officers or to persons of equivalent status held as prisoners of war, who receive pay under the convention relative to the treatment of prisoners of war, signed at Geneva on July 27, 1929.

Aliens, including alien spouses and alien children of American nationals, cannot qualify for payments from funds of the United States Government.

Swiss representatives charged with the representation of the interests of the United States will explain to the recipients that such financial assistance should not be considered as public bounty but as loans from public funds to American nationals finding themselves in an abnormal position by reason of the war.

*Switzerland represents the interests of the United States in Germany, Italy, and Japan, in territories occupied by those countries, and in Bulgaria, Hungary, and Rumania.

It is accordingly expected that all sums advanced will be repaid either by the recipients themselves or by relatives, friends, business associates, employers, or legal representatives in the United States.

Receipts embodying promises to repay without interest the sums advanced will be taken for all payments. Private deposits to reimburse the Government for sums advanced should be made with the Department of State. Persons wishing to make such deposits should indicate the names of the beneficiaries and should remit by postal money orders or certified checks payable to "The Secretary of State of the United States".

The above arrangements do not apply to the Philippine Islands.

Department of State,

Washington, March 10, 1942.