



TREASURY DEPARTMENT

BUREAU OF CUSTOMS

WASHINGTON

OFFICE OF THE COMMISSIONER

ADDRESS REPLY TO
COMMISSIONER OF CUSTOMS

June 12, 1940.

STRICTLY CONFIDENTIAL

BUREAU OF CUSTOMS
CIRCULAR LETTER

Re: Importations of securities.

TO COLLECTORS OF CUSTOMS AND OTHERS CONCERNED:

There is quoted herein General Ruling No. 5 under Section 5 (b) of the Act of October 6, 1917 (40 Stat. 411), as amended, Executive Order No. 8389 of April 10, 1940, as amended, and Regulations issued pursuant thereto, and under all other authority of law:

June 6, 1940.

"The sending, mailing, importing or otherwise bringing into the United States, on and after June 7, 1940, from any foreign country, of any securities or evidences thereof or the receiving or holding in the United States of any securities or evidences thereof so brought into the United States is prohibited, except on condition that such securities and evidences thereof be immediately delivered for examination to a Federal Reserve bank as fiscal agent of the United States. Such Federal Reserve bank, as fiscal agent of the United States, shall hold such securities and all evidences thereof until the Treasury Department is satisfied as to whether or not any of the countries named in Executive Order No. 8389, as amended, or any national thereof has at any time on or since the dates specified in such Order, as amended, had any interest of any nature whatsoever, direct or indirect, in such securities or evidences thereof. Proof as to whether or not any of such countries or any national thereof has had any such interest may be submitted to the Federal Reserve bank holding such securities or evidences thereof.

"Customs officers and postal employees are instructed to deliver any such securities or evidences thereof to a Federal Reserve bank. Any articles arriving from any foreign country

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Box 84

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on or after June 7, 1940, which in the opinion of customs officers or postal employees contain such securities or evidences thereof, shall be subjected to customs inspection in accordance with the Customs Regulations of 1937. If any article opened by an addressee or his agent in the presence or under the supervision of a customs officer or postal employee is found to contain such securities or evidences thereof, such securities or evidences thereof shall be surrendered forthwith to such customs officer or postal employee for delivery to a Federal Reserve bank, as above provided."

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

APPROVED: June 6, 1940.

(Signed) Franklin D. Roosevelt

Reference is made in the above connection to strictly confidential Bureau
 Bureau telegram of June 6, 1940, to collectors of customs. In conducting customs examinations of any character special attention is to be directed to the detection and segregation of all securities. All securities discovered are to be turned over to the nearest Federal Reserve bank (to the Governor of the territory or possession in appropriate cases) for disposition in accordance with instructions to be issued direct to those offices. Until further notice shipments and arrivals from Great Britain, France, Canada, Newfoundland and Bermuda and shipments which have been censored by the Governments of any of such countries or their dominions, possessions or territories are not to be examined in this connection.

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Special attention is invited to the fact that the term "Great Britain" as used above does not include any part of Ireland.

For the purpose of this instruction the term "securities" should be interpreted broadly and of course should include such things as stocks, bonds, debentures and coupons. Receipts for the securities will be furnished the addressee or consignee of the shipments by the receiving Federal Reserve bank or Governor's office, as the case may be, with copies to the forwarding customs office. An interim receipt should be given by the customs office in the case of securities discovered in passengers' baggage.

This circular and the Bureau's telegram referred to are to be treated as strictly confidential. The general ruling quoted above, however, is a public document and appears in the Federal Register of June 7, 1940.

(Signed) BASIL HARRIS

Commissioner of Customs.

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332506

POST OFFICE DEPARTMENT
SECOND ASSISTANT POSTMASTER GENERAL
WASHINGTON

IP B-B
33711

INSTRUCTIONS TO EXCHANGE POST OFFICES IN THE MATTER OF HANDLING
INCOMING MAIL ARTICLES FROM FOREIGN COUNTRIES THAT MAY APPEAR TO
CONTAIN SECURITIES OR CURRENCY IMPORTED INTO THE UNITED STATES

-oOo-

(These instructions supersede those sent your office under date of June 7, 1940, and amendments thereto of July 22, 1940, September 21, 1940, and May 20, 1942, with respect to the handling of incoming mail articles from foreign countries that may appear to contain securities and currency imported into the United States.)

-oOo-

Under Executive Order No. 8389 of April 10, 1940, as amended, and General Ruling No. 5 prescribed by the Secretary of the Treasury with the approval of the President, as amended, the sending, mailing, importing or otherwise bringing into the United States from foreign countries of any securities or evidences thereof, or the receiving or holding in the United States of any securities or evidences thereof so brought into the United States, is prohibited, except on condition that they be immediately delivered for examination to a Federal Reserve Bank as fiscal agent of the United States. Such Federal Reserve Bank shall hold such securities or evidences thereof until the Treasury Department is satisfied as to whether any of the countries named in Executive Order No. 8389, as amended, or any national thereof, has at any time on or since the dates specified in said Order, as amended, had any interest of any nature whatsoever, direct or indirect in such securities or evidences thereof.

The term "securities or evidences thereof" as used in General Ruling No. 5, as amended, includes United States and foreign currency.

In order to effect compliance with said Executive Order and General Ruling, EXCHANGE POST OFFICES receiving mail from foreign countries, the Canal Zone and the Philippine Islands shall pursue the following practices.

- I. With respect to all mail other than that sealed against customs inspection.

All such mail (except that received from Great Britain, Canada, Newfoundland or Bermuda, or bearing evidence of censorship by those countries or a dominion, territory or possession thereof unless such mail has been marked or stamped "SECURITIES") for all destinations in the United States (other than the Canal Zone) shall be examined by customs and postal employees. If such mail is found to contain securities or evidences thereof, including United

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States or foreign currency, such mail shall be delivered to the nearest Federal Reserve Bank which will give the post office receipt therefor.

II. With respect to all sealed mail (other than mail marked to be opened for customs inspection) addressed to a bank within the United States.

All such mail shall be stamped "SUPPOSED TO CONTAIN MATTER SUBJECT TO THE PROVISIONS OF EXECUTIVE ORDER 8389 AS AMENDED", and given onward dispatch to the post office of address. However, such articles addressed to banks at the local exchange post office where there is a Federal Reserve Bank, may be sent exclusively to the Federal Reserve station post office for the prescribed handling with the addressees, and the articles so sent need not be stamped "SUPPOSED TO CONTAIN MATTER SUBJECT TO THE PROVISIONS OF EXECUTIVE ORDER 8389 AS AMENDED".

III. With respect to all other sealed mail (other than that marked to be opened for customs inspection).

The receiving exchange post office shall endeavor to determine from size, appearance and other indications whether such mail may possibly contain securities or evidences thereof, including United States or foreign currency. Those suspected of containing such securities or evidences thereof, including United States or foreign currency, shall be stamped "SUPPOSED TO CONTAIN MATTER SUBJECT TO THE PROVISIONS OF EXECUTIVE ORDER 8389 AS AMENDED", and given onward dispatch to the post office of address. Those not suspected of containing such matter will of course be given onward dispatch in the usual way.

No examination shall be given transit mails.

The above-mentioned instructions are not applicable with respect to the following:

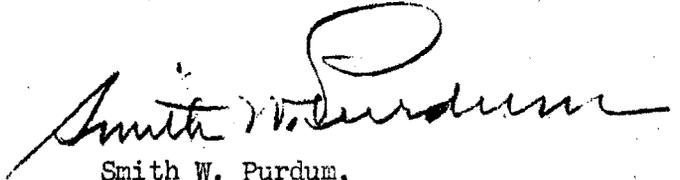
- (1) Sealed letters addressed to a consular officer by his Government or by a diplomatic officer or another consular officer of his Government and bearing the official seal of his Government;
- (2) Official consular pouches; and
- (3) Packages addressed to a consular officer bearing the official seal of his Government and accompanied by certificates under such seal to the effect that they contain only official communications or documents.

Mail and packages addressed to a foreign consular officer and not covered by the foregoing exceptions shall be treated in accordance with the instructions set forth above.

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Note.--The term "securities" shall be taken broadly to include such articles as stocks, bonds, coupons and debentures. The term "currency" includes coins.

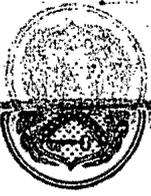


Smith W. Purdum,
Second Assistant Postmaster General.

May 29, 1942.

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Box	89 (6/1/42)

332509



TREASURY DEPARTMENT

UNITED STATES CUSTOMS SERVICE

NEW YORK, N. Y.

SEP 26 1941

OFFICE OF THE COLLECTOR
DISTRICT NO. 10
ADDRESS ALL COMMUNICATIONS FOR THIS OFFICE
TO THE COLLECTOR OF CUSTOMS
NEW YORK, N. Y.

Commissioner of Customs,
Treasury Department,
Washington, D. C.

Sir:

Reference is made to C.I.F. 1063/41 of September 12, 1941, relative to customs refunds due to "nationals" of blocked countries. This C.I.F. is addressed to the Collector of Customs, Los Angeles, California, and states, in part, that whenever that collector knows or has good reason to believe that any person having an interest in customs refunds is a "national" of a blocked country, he should notify the disbursing officer of the name and "nationality" of such person when certifying the refund for payment.

In this connection we wish to advise you of our present practice with respect to refunds and request advice as to whether it should be changed to conform to the terms of the C.I.F. At the present time, when refunds are due, a mimeographed letter, copy of which is enclosed, is sent to the payee requesting information as to whether or not he is a blocked "national", and, if so, whether he is licensed to receive payment of the refunds.

This office considers the replies received and the proof submitted with them, and if it concludes either that no blocked "national" is involved or that only blocked "nationals" are involved who are entitled to receive payments pursuant to the terms of some license, special or general, certification of the refund is made to the regional disbursing office. In this way no certification of a refund is ever made for an unlicensed blocked "national".

In this connection, however, we wish to call your attention to the fact that whenever unlicensed blocked "nationals" are interested in the receipt of refunds, we advise them to apply to the Federal Reserve Bank for a specific license authorizing them to receive payment. In practically all instances such licenses are granted, and copies of them are transmitted to this office, whereupon we certify the refunds for payment.

REC'D
SEP 26 1941
DIVISION OF CUSTOMS AND EXCISE

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INTERNATIONAL ARCHIVES

This office had intended to certify to the regional disbursing officer unlicensed blocked "nationals", with notations as to their status attached, only in those instances in which no special license was procured by the "national" after this office had notified him that one was necessary before the refunds could be paid, and a reasonable length of time had intervened. To date no occasion has existed for this office to make such a certification.

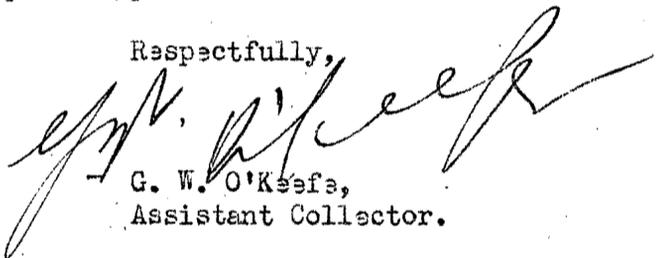
For your information we wish to advise you that this office has been in communication with the regional disbursing officer, to whose attention this C.I.F. was called. He informed us that he had been unaware of the existence of the C.I.F. He further stated that if this office certifies refunds to him with the notation attached that a blocked "national" is involved, he will merely transfer his entire file to the central Disbursing Office, Washington, D. C., for such action as that office may take. He stated that his office would make no inquiry as to whether a blocked "national" for whom a payment was certified was licensed to receive refunds.

It may be noted, therefore, in passing, that, if the terms of the C.I.F. are adhered to, it will result in thousands of relatively small refunds, which today are handled by this office with a minimum of delay, being referred to Washington for action.

Our present practice stems from an implication contained in a letter addressed to this office by you on August 16, 1940, file No. 142.52, in which it is stated "On presentation of a proper special license issued under Executive Order No. 8389, as amended, the refund should be certified for payment * * * ". It was assumed that the procedure which you requested us to follow in that instance should be followed in the case of all other refunds payable to other "nationals".

Please advise us whether, if you desire us to change our present procedure with respect to refunds, we should continue nonetheless to send out our present mimeographed letter, or an amended version of it, to gather information with respect to persons entitled to refunds.

Respectfully,



G. W. O'Keefe,
Assistant Collector.

Encl. 1/

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332511

April 9, 1942
4:00 p.m.

INSTRUCTIONS TO EXCHANGE POST OFFICES IN
THE MATTER OF HANDLING INCOMING MAIL
ARTICLES FROM FOREIGN COUNTRIES THAT MAY
APPEAR TO CONTAIN SECURITIES OR CURRENCY
IMPORTED INTO THE UNITED STATES.

Under Executive Order No. 8389 of April 10, 1940, as amended, and General Ruling No. 5 prescribed by the Secretary of the Treasury with the approval of the President, the sending, mailing, importing or otherwise bringing into the United States from foreign countries of any securities or evidences thereof, or the receiving or holding in the United States of any securities or evidences thereof so brought into the United States, is prohibited, except on condition that they be immediately delivered for examination to a Federal Reserve bank as fiscal agent of the United States. Such Federal Reserve bank shall hold such securities or evidences thereof until the Treasury Department is satisfied as to whether any of the countries named in Executive Order No. 8389, as amended, or any national thereof, has at any time on or since the dates specified in said Order, as amended, had any interest of any nature whatsoever, direct or indirect in such securities or evidences thereof.

Under General Ruling No. 6A, the importation of or mailing into the United States of United States or foreign currency from any blocked country not within the generally licensed trade area is subjected to the provisions of General Ruling No. 5 in the same manner as if such currency were securities.

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The following are "blocked countries": Norway, Belgium, Luxembourg, France (including Monaco), Latvia, Estonia, Lithuania, Rumania, Bulgaria, Hungary, Yugoslavia, Greece, Albania, Andorra, Austria, Czechoslovakia, Danzig, Finland, Germany, Italy, Liechtenstein, Poland, Portugal, San Marino, Spain, Sweden, Switzerland, China, Japan, Thailand, Hong Keng, the Philippine Islands, British Malaya, and that part of Burma occupied by Japan. For the purpose of these instructions, the term "blocked country" shall also include any territory which is controlled or occupied by the military, naval, or police forces or other authority of a blocked country.

The blocked countries within the "generally licensed trade area" are: the Netherlands West Indies, the Belgian Congo and Ruanda-Urundi, Greenland, Syria and Lebanon, French Equatorial Africa (including the Cameroons), New Caledonia, Tahiti, and the French Establishments in India.

In order to effect compliance with said Executive Order and General Rulings EXCHANGE POST OFFICES receiving mail from foreign countries, the Canal Zone and the Philippine Islands shall pursue the following practices.

I. With respect to all mail other than that sealed against customs inspection.

All such mail (except that received from Great Britain, Canada, Newfoundland or Bermuda, or bearing evidence of censorship by those countries or a dominion, territory or possession thereof unless such mail has been marked or stamped "SECURITIES") for all

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destinations in the United States (other than the Canal Zone) shall be examined by customs and postal employees. If such mail is found to contain securities or is found to contain currency sent from any blocked country not within the generally licensed trade area such mail shall be delivered to the nearest Federal Reserve bank which will give the post office receipt therefor.

II. With respect to all sealed mail (other than mail marked to be opened for customs inspection) addressed to a bank within the United States.

All such mail shall be stamped "SUPPOSED TO CONTAIN MATTER SUBJECT TO THE PROVISIONS OF EXECUTIVE ORDER 8389 AS AMENDED", and given onward dispatch to the post office of address. However, such articles addressed to banks at the local exchange post office where there is a Federal Reserve bank, may be sent exclusively to the Federal Reserve station post office for the prescribed handling with the addressees, and the articles so sent need not be stamped "SUPPOSED TO CONTAIN MATTER SUBJECT TO THE PROVISIONS OF EXECUTIVE ORDER 8389 AS AMENDED".

III. With respect to all other sealed mail (other than that marked to be opened for customs inspection).

The receiving exchange post office shall endeavor to determine from size, appearance and other indications whether such mail may possibly contain securities or currency. Those suspected of containing securities or currency shall be stamped "SUPPOSED TO CONTAIN MATTER SUBJECT TO THE PROVISIONS OF EXECUTIVE ORDER 8389 AS AMENDED", and given onward dispatch to the post office of address.

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(6/1/42)

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Those not suspected of containing securities or currency will of course be given onward dispatch in the usual way.

No examination shall be given transit mails.

The above mentioned instructions are not applicable with respect to the following:

(1) Sealed letters addressed to a consular officer by his Government or by a diplomatic officer or another consular officer of his Government and bearing the official seal of his Government;

(2) Official consular pouches; and

(3) Packages addressed to a consular officer bearing the official seal of his Government and accompanied by certificates under such seal to the effect that they contain only official communications or documents.

Mail and packages addressed to a foreign consular officer and not covered by the foregoing exceptions shall be treated in accordance with the instructions set forth above.

Note.--The term "securities" shall be taken broadly to include such articles as stocks, bonds, coupons and debentures. The term "currency" includes both United States and foreign currency and coins.

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332515

May 22, 1942

TO Mr. G. H. Grayson

FROM Mr. E. F. Rains

Reference is made to your letter of May 21, 1942, with which you enclosed copies of instructions to exchange post offices and to post offices of destination with respect to incoming mail containing securities and currency.

As you know, General Ruling No. 5 was amended on May 19, 1942. Consequently, it is suggested that the instructions to exchange post offices be likewise amended to take care of the changed situation. The instructions to post offices of destination will continue to be satisfactory.

There are enclosed herewith two copies of a draft of proposed new instructions to exchange post offices in the matter of handling incoming mail articles from foreign countries that may appear to contain securities or currency imported into the United States.

You will note that the proposed new instructions have the advantage of being considerably simpler than the instructions of May 20th.

Edwin F. Rains

Enclosures

cc: Mr. Murphy

EFR:mas

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DRAFT OF PROPOSED

INSTRUCTIONS TO EXCHANGE POST OFFICES IN THE MATTER OF HANDLING
INCOMING MAIL ARTICLES FROM FOREIGN COUNTRIES THAT MAY APPEAR TO
CONTAIN SECURITIES OR CURRENCY IMPORTED INTO THE UNITED STATES

-00-

(These instructions supersede those sent your office under date of June 7, 1940, and amendments thereto of June 22, 1940, September 21, 1940, and May 20, 1942, with respect to the handling of incoming mail articles from foreign countries that may appear to contain securities and currency imported into the United States.)

-00-

Under Executive Order No. 8389 of April 10, 1940, as amended, and General Ruling No. 5 prescribed by the Secretary of the Treasury with the approval of the President, as amended, the sending, mailing, importing or otherwise bringing into the United States from foreign countries of any securities or evidences thereof, or the receiving or holding in the United States of any securities or evidences thereof so brought into the United States, is prohibited, except on condition that they be immediately delivered for examination to a Federal Reserve Bank as fiscal agent of the United States. Such Federal Reserve Bank shall hold such securities or evidences thereof until the Treasury Department is satisfied as to whether any of the countries named in Executive Order No. 8389, as amended, or any national thereof, has at any time on or since the dates specified in said Order, as amended, had any interest of any nature whatsoever, direct or indirect in such securities or evidences thereof.

The term "securities or evidences thereof" as used in General Ruling No. 5, as amended, includes United States and foreign currency.

In order to effect compliance with said Executive Order and General Ruling, EXCHANGE POST OFFICES receiving mail from foreign countries, the Canal Zone and the Philippine Islands shall pursue the following practices.

I. With respect to all mail other than that sealed against customs inspection.

All such mail (except that received from Great Britain, Canada, Newfoundland or Bermuda, or bearing evidence of censorship by those countries or a dominion, territory or possession thereof unless such mail has been marked or stamped "SECURITIES") for all destinations in the United States (other than the Canal Zone) shall be examined by customs and postal employees. If such mail is found to contain securities or evidences thereof, including United States or foreign currency, such mail shall be delivered to the nearest Federal Reserve Bank which will give the post office receipt therefor.

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II. With respect to all sealed mail (other than mail marked to be opened for customs inspection) addressed to a bank within the United States.

All such mail shall be stamped "SUPPOSED TO CONTAIN MATTER SUBJECT TO THE PROVISIONS OF EXECUTIVE ORDER 8389 AS AMENDED", and given onward dispatch to the post office of address. However, such articles addressed to banks at the local exchange post office where there is a Federal Reserve Bank, may be sent exclusively to the Federal Reserve station post office for the prescribed handling with the addressee, and the articles so sent need not be stamped "SUPPOSED TO CONTAIN MATTER SUBJECT TO THE PROVISIONS OF EXECUTIVE ORDER 8389 AS AMENDED".

III. With respect to all other sealed mail (other than that marked to be opened for customs inspection).

The receiving exchange post office shall endeavor to determine from size, appearance and other indications whether such mail may possibly contain securities or evidences thereof, including United States or foreign currency. Those suspected of containing such securities or evidences thereof, including United States or foreign currency, shall be stamped "SUPPOSED TO CONTAIN MATTER SUBJECT TO THE PROVISIONS OF EXECUTIVE ORDER 8389 AS AMENDED", and given onward dispatch to the post office of address. Those not suspected of containing such matter will of course be given onward dispatch in the usual way.

No examination shall be given transit mails.

The above-mentioned instructions are not applicable with respect to the following:

- (1) Sealed letters addressed to a consular officer by his Government or by a diplomatic officer or another consular officer of his Government and bearing the official seal of his Government;
- (2) Official consular pouches; and
- (3) Packages addressed to a consular officer bearing the official seal of his Government and accompanied by certificates under such seal to the effect that they contain only official communications or documents.

Mail and packages addressed to a foreign consular officer and not covered by the foregoing exceptions shall be treated in accordance with the instructions set forth above.

Note.--The term "securities" shall be taken broadly to include such articles as stocks, bonds, coupons and debentures. The term "currency" includes coins.

EP:mas:ash - 9/22/42

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TREASURY DEPARTMENT

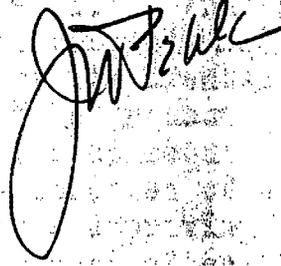
INTER OFFICE COMMUNICATION

DATE APR 14 1943

TO Secretary Morgenthau
FROM Messrs. Paul and Pehle

In your memorandum of April 7 you indicated you would like to give the President some information concerning the effectiveness of our currency controls in the prevention of sabotage. You also suggested, through Mrs. Klotz, that the memorandum to the President be prepared in alternative forms -- one of which would give more credit to the FBI.

There are attached two drafts of memoranda to the President. The top draft gives more credit to the FBI and is believed to be preferable.



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FFC-13
(7-12)

FOREIGN FUNDS CONTROL

TO: (1) *Mrs. Alexander*
(2)
(3)

*although not used,
Mr. Schmidt would
like the attached
filed*

FROM: *R. H. B.* *5/8*
(Signature) (Date)

4-19-43

The Secretary reviewed the attached and decided he did not want to send any memo to the President at this time.

JWPehle

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File *Emergency Misc. memo*
Box 85 *4/18/43*

332520



THE SECRETARY OF THE TREASURY
WASHINGTON

MEMORANDUM FOR THE PRESIDENT:

You may be interested in the following information concerning the effectiveness of the Treasury Department's Foreign Funds Control in accomplishing one of its primary objectives.

You probably recall that when the eight would-be saboteurs came to this country from Germany by submarine they found it necessary to bring with them \$175,000 in United States currency. No funds were available here for their anticipated activities since the assets of individuals and business enterprises likely to be sympathetic to enemy interests have, since six months prior to Pearl Harbor, been under the strict control of the Foreign Funds Control. This is to be contrasted with the situation during the last war when there was no freezing control. George Sylvester Viereck stated that during the last war individuals and businesses sympathetic to the German Imperial Government made \$27,000,000 available for espionage and sabotage in this country.*

In addition to the control of funds within the United States, the Treasury Department, in an effort to minimize the benefit which Germany would otherwise obtain from the large amounts of United States dollar bills and securities looted in European territories, has established strict controls over the importation of currency and securities into this country. Importation of dollar currency and securities is prohibited by the Treasury unless it is completely satisfied as to their origin -- i.e., that such valuables were procured through legitimate channels, and not directly or indirectly from the Axis or its agents. Any currency which the Treasury Department has reason to believe is part of the Axis loot is impounded. As a consequence, the value of looted dollar currency and securities of dubious origin has substantially decreased, thus depriving the Axis of foreign exchange

FOR DEFENSE



BUY
UNITED
STATES
SAVINGS
BONDS
AND STAMPS

*Spreading the Germs of Hate, 1930, pp. 116-117.

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needed for the purchase of critical commodities and for the financing of sabotage, espionage, and subversive activities throughout the world.

Attorney General Biddle has recently stated that there has been no active sabotage during this war, and we believe that the strict enforcement by the Treasury Department of its controls has contributed substantially to this result.

W. W. W.

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THE SECRETARY OF THE TREASURY
WASHINGTON

MEMORANDUM FOR THE PRESIDENT:

You may be interested to know of the manner in which the Treasury Department's Foreign Funds Control has supplemented the successful operations of the Department of Justice in forestalling sabotage.

Attorney General Biddle has recently stated that there has been no active sabotage during this war. The Federal Bureau of Investigation, in a recent report, recognizes that its effectiveness in preventing sabotage is in some measure due to the fact that the Treasury Department's financial controls have substantially increased the difficulties of financing subversive activities.

Since six months prior to Pearl Harbor, the Treasury Department has exercised strict controls over the assets within this country of individuals and business enterprises likely to be sympathetic to enemy interests. In addition, Foreign Funds Control, in an effort to minimize the benefit which Germany would otherwise obtain from the large amount of United States dollar bills and securities looted in European countries, has established strict controls over the importation of currency and securities into this country. Importation of United States dollar currency and securities is prohibited by the Treasury Department unless it is completely satisfied as to their origin -- i.e., that such valuables were procured through legitimate channels and not directly or indirectly from the Axis or its agents. Any currency which the Treasury Department has reason to believe is part of Axis loot is impounded. As a consequence, the value of looted dollar currency and securities of dubious origin has substantially decreased, thus depriving the Axis of foreign exchange needed for the purchase of critical materials and for the financing of sabotage, espionage and subversive activities throughout the world.

Not sent

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When the eight would-be saboteurs came to this country from Germany they found it necessary to bring with them in their submarine \$175,000 in United States currency, since no funds were available here for their anticipated activities because of the Treasury freezing controls. This is to be contrasted with the situation during the last war when there was no freezing control. George Sylvester Viereck stated that during the last war individuals and businesses sympathetic to the German Imperial Government made \$27,000,000 available for espionage and sabotage in this country.*

*Spreading the Germs of Hate, 1930, pp. 116-117.

Not sent

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Box 85 (6/1/1944)

332324

CONFIDENTIAL
CIRCULAR LETTER NO. _____

TO: COLLECTORS OF CUSTOMS AND OTHERS CONCERNED.

Re: Consolidated Instructions with reference to
Securities and Currency Import and Export
Controls.

The basic regulations of Foreign Funds Control with reference to
the importation or exportation of securities and currency are:

General Ruling No. 5, as amended
General Ruling No. 5A
General Ruling No. 7
General Ruling No. 14

The instructions set forth herein shall be followed by customs
officers in acting under these rulings, except that under General Ruling
No. 5A, officers shall continue to be guided by Confidential Circular
Letter dated July 7, 1943 and Confidential Circular Letter dated August
25, 1943, both from Acting Secretary Randolph Paul.

The instructions listed in appendix A are revoked.

Secretary of the Treasury

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Box	84 (G.S.A.)

332525

PART I - IMPORTATION OF SECURITIES AND CURRENCY

- Section 1. Examination in General
2. Exceptions
 3. Panama Canal Zone and the Philippine Islands to be deemed foreign countries, within the meaning of these instructions
 4. Procedure for forwarding shipments of currency consigned to banks
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 - (a) Persons arriving from Mexico
 - (b) Persons arriving via Mexico from another foreign country
 - (c) Persons arriving from Australia
 - (d) Persons arriving from French North or West Africa
 - (e) Military or civilian personnel or passengers arriving on French naval vessels
 - (f) Military personnel arriving on private carriers, other than warships, troop transports or military aircraft of any of the United Nations
 - (g) Civilian crew members on military aircraft
 - (h) Seamen
 - (i) Ships masters
 - (j) Funds retained on board ship
 - (k) Enemy aliens arriving in the United States for internment
 - (l) Enemy aliens enroute through the United States for repatriation
 - (m) Repatriates

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9. Violations of currency import control
10. Disposition of securities or currency taken up from persons arriving in the United States
11. Exceptional procedure in Puerto Rico and the Virgin Islands

PART II - EXPORTATIONS OF SECURITIES OR CURRENCY

- Section
12. Exportation of United States currency to Mexico
 13. Declarations by seamen on Form FFC-63
 14. Prohibition respecting export of securities or currency to certain blocked countries which are not members of the generally licensed trade area
 15. Other Foreign Funds regulations affecting export of securities or currency

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PART I - IMPORTATION OF SECURITIES AND CURRENCY

Section 1. Examination in General.

(a) In conducting customs examination of any character, including the examination of the baggage or personal effects of passengers arriving from a foreign country or the Panama Canal Zone, special attention is to be directed to the detection and segregation of all securities and currency.

(b) No examination under these regulations shall be made with respect to the following:

(1) Sealed letters addressed to a consular officer by his government or by a diplomatic officer or another consular officer of his government and bearing the official seal of his government;

(2) Official diplomatic and consular pouches; and

(3) Packages addressed to a diplomatic or consular officer bearing the official seal of his government and accompanied by certificates under seal to the effect that they contain only official communications or documents.

(c) Packages addressed to a foreign consular officer but not covered by one of the foregoing exceptions shall be examined for securities or currency in the same manner as other mail and packages. The examination for securities or currency of the person or baggage of a foreign consular officer upon his arrival in the United States shall be the same as the customary procedure followed with respect to consular officers in ascertaining dutiable or prohibited merchandise.

(d) Securities and currency discovered shall be delivered to the nearest Federal Reserve Bank or Governor of a territory or possession of the United States in accordance with the instructions prescribed herein. Receipts for securities or currency found in mail or packages will be furnished to the consignee or addressee by the receiving Federal Reserve Bank or Governor's office, with copies to the forwarding customs office.

(e) For the purpose of these instructions, the term "securities" shall be interpreted broadly and shall include such things as stocks, bonds, debentures, and coupons. Letters of credit, checks and travelers' checks, however, are not to be regarded as "currency", "securities", or "evidences thereof", within the meaning of General Rulings Nos. 5 and 14.

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Section 2. Exceptions.

(a) These instructions shall not apply to:

(1) Securities or currency sent or mailed to the United States from Great Britain, Canada, Newfoundland, or Bermuda.

(2) Securities or currency carried on the person or in the baggage or effects of persons arriving in the United States from Great Britain, Canada, Newfoundland, or Bermuda, provided such persons have not passed through any other foreign country enroute to the United States.

However, if there is reasonable cause to believe that any securities or currency have been sent or brought from Great Britain, Canada, Newfoundland, or Bermuda in violation of the laws of those countries, you shall treat such securities or currency as subject to General Ruling No. 5 and these instructions.

(3) United States Defense and War Savings Stamps and Bonds, and all other securities issued after December 7, 1941, which are direct obligations of the United States.

(4) Gold coins, which shall be treated in accordance with other instructions contained in Bureau of Customs Circular Letter dated November 20, 1935.

(5) Any currency carried on any warship, troop transport, or military aircraft of any of the United Nations, or carried by a member of the armed forces of any of the United Nations arriving in the United States on any such ship or aircraft, provided that this exception does not apply to civilian crew members or passengers on such ship or aircraft.

(b) For other special exceptions in particular categories, see sections 6, 7, and 8 herein.

Section 3. Panama Canal Zone and the Philippine Islands to be deemed foreign countries within the meaning of these instructions. The Panama Canal Zone and the Philippine Islands shall be treated as foreign countries for the purpose of the examination of securities or currency sent or brought from the Zone or the Islands to any other part of the United States.

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Section 4. Procedure for forwarding shipments of currency consigned to banks. The following procedure shall be followed with respect to all shipments of currency from the Panama Canal Zone or from any foreign country except Great Britain, Canada, Newfoundland, or Bermuda which are consigned to a Federal Reserve Bank or any other bank located elsewhere than at the port of first arrival (this procedure is not, however, applicable to shipments of currency consigned to a bank, other than a Federal Reserve Bank, regardless of where such bank is located, if such bank is within a Federal Reserve Bank district the headquarters of which is located in the port of entry through which the currency enters the United States):

(a) Those shipments which are consigned to a Federal Reserve Bank shall be forwarded in bond under a special manifest on Customs Form 7512 to the port in which the Federal Reserve Bank is located.

(b) Those shipments which are consigned to any other bank shall be forwarded in bond under a special manifest on Customs Form 7512 to the port in which is located the Federal Reserve Bank of the district in which the consignee bank is located.

(c) At the port of destination the currency shall be released by the collector or deputy collector to the appropriate Federal Reserve Bank on Customs Form 7500-B which, properly modified, shall be used as a combined form of permit to transfer (when required) and release, and as a receipt for the currency.

Section 5. Examination of persons arriving in the United States. A person arriving from any foreign country shall be required to declare to the customs officer at the port of entry, before the examination of his baggage or effects has begun, all securities and currency which he has on his person or in his baggage or effects, and shall be required to surrender, except as otherwise specifically provided herein:

(a) All securities, regardless of value (except those specified in section 2), and

(b) All United States and foreign currency valued in excess of \$50. A person arriving with accompanying dependents shall be allowed to retain an additional \$50 for each dependent. In calculating the additional sums of \$50 for each dependent, the customs officer shall include such currency as actually may be in the possession of such dependents.

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Section 6. Exceptions with respect to United States currency, Hawaiian Series.

(a) Description of United States currency, Hawaiian Series.

United States currency, Hawaiian Series, referred to in these instructions is the same in all respects as ordinary United States currency except that the word "Hawaii" is overprinted in bold-faced type on each end of the face of the note and the word "Hawaii" is overprinted in large open-face type on the reverse side of the note.

(b) Members of the armed forces of the United States.

A member of the armed forces of the United States arriving in the United States from any foreign country, in addition to other applicable exemptions, may retain any United States currency, Hawaiian Series, in his possession.

(c) Persons arriving from the Pacific Area or the generally licensed trade area.

A person (other than a member of the armed forces of the United States) arriving in the United States from any foreign country in the Pacific Area or the generally licensed trade area (as defined in General License No. 53, as amended), in addition to other applicable exemptions, may retain up to \$500 in United States currency, Hawaiian Series.

(d) Persons arriving from other foreign countries.

United States currency, Hawaiian Series, carried by a person (other than a member of the armed forces of the United States) arriving from any foreign country which is not in the Pacific Area or the generally licensed trade area, shall be treated in the same manner as other United States currency and shall be subject to the usual limitations on importation of currency.

(e) Persons arriving from Hawaii.

A person arriving in the continental United States directly from Hawaii, in addition to other applicable exemptions, may retain any United States currency, Hawaiian Series, in his possession.

(f) Definitions.

For the purpose of these instructions, the term "foreign country in the Pacific Area" shall be understood to include all foreign territory (except enemy or enemy-occupied territory) in the Pacific Ocean and adjacent waters, and China, Burma, and the Union of Soviet Socialist Republics.

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Section 7. Exceptions with respect to United States yellow seal currency.

(a) Description of United States yellow seal currency. United States yellow seal currency referred to in these instructions are specially identifiable silver certificates issued by the Treasury Department for use by American forces in the North African combat area. These certificates, in denominations of \$1, \$5, and \$10, are in all respects similar to silver certificates issued for circulation in the United States except that the seal to the right of the portrait on the face of the note is printed in yellow ink instead of blue ink.

(b) Members of the armed forces of the United States. A member of the armed forces of the United States arriving in the United States from any foreign country, in addition to other applicable exemptions, may retain any United States yellow seal currency in his possession. You shall file a report with Unit 450, Foreign Funds Control, Washington, D. C., in each case in which an incoming member of the armed forces of the United States (other than those arriving on a warship, troop transport, or military aircraft, of any of the United Nations) has in his possession more than \$500 in United States yellow seal currency. Such reports shall show the name of the person, rank, service and branch thereof, and the amount of yellow seal currency carried into the United States.

(c) Persons arriving from French North or West Africa or from the generally licensed trade area. A person (other than a member of the armed forces of the United States) arriving in the United States from French North or West Africa or from the generally licensed trade area (as defined in General License No. 53, as amended), in addition to other applicable exemptions, may retain up to \$500 in United States yellow seal currency.

(d) Persons arriving from other areas. United States yellow seal currency carried by a person (other than a member of the armed forces of the United States) arriving from any area other than French North or West Africa or the generally licensed trade area shall be treated in the same manner as other United States currency and shall be subject to the usual limitations on importations of currency.

(e) Exchange of yellow seal currency. A person bringing in United States yellow seal currency shall be advised whenever practicable, that

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such currency should be exchanged for non-yellow seal currency and may be so exchanged at any domestic bank.

Section 8. Special provisions relating to persons arriving from a specified area or persons of special status.

(a) Persons arriving from Mexico.

(1) a person arriving in the United States from Mexico shall surrender all securities, regardless of value, and all currency except the following:

(i) United States \$2 bills, silver coins and minor coins;

(ii) Mexican currency (other than gold coins); and

(iii) United States Hawaiian Series and yellow seal currency to the extent permitted to be retained under sections 6 and 7 herein.

(2) Collectors of Customs of Mexican border districts may permit a person entering the United States from Mexico with \$25 or less in United States currency in his possession (exclusive of \$2 bills, silver coins and minor coins) to retain such currency if the currency actually has been examined by a customs officer and if the collector is satisfied that the attempt to import such currency was due to ignorance or misunderstanding of the Mexican or United States regulations relating to United States currency, and that there was no intent to circumvent such regulations. In such case no report need be submitted but the name and address of the person involved shall be recorded and the person shall be warned against further attempts to import from Mexico any United States currency except \$2 bills, silver coins, and minor coins. In any case where a customs officer is not satisfied that the attempt was due to ignorance or misunderstanding of the Mexican or United States regulations relating to United States currency, or that there was no intent to circumvent such regulations, all currency in excess of the authorized amount shall be taken up and forwarded to the appropriate Federal Reserve Bank in the usual manner.

(b) Persons arriving via Mexico from another foreign country.

A person arriving in the United States via Mexico from another foreign country, in addition to other applicable exemptions, may retain all United States \$2 bills, silver coins, and minor coins in his possession.

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(c) Persons arriving from Australia. A person arriving from Australia, in addition to other applicable exemptions, may retain all Australian currency in his possession.

(d) Persons arriving from French North or West Africa.

(1) A person of any nationality arriving from French North or West Africa, in addition to other applicable exemptions, may retain any United States currency (other than gold certificates) which is covered by either of the following types of certificates:

(i) A certificate signed by a United States army or navy finance officer stating that such currency has been sold to such person by such finance officer; or

(ii) A certificate signed by a United States Treasury representative stating that the currency may be imported into the United States notwithstanding General Ruling No. 5.

(2) Customs officers shall ascertain that the amount of United States currency carried is not greater than the amount indicated in the certificate and that the person bringing in such currency and claiming the benefit of the exemption is the person to whom the certificate was issued.

(e) Military or civilian personnel or passengers arriving on French naval vessels. A person arriving on a French naval vessel is subject to these instructions. Such person, in addition to other applicable exemptions, may retain:

(1) Currency retained on board ship and not intended to be taken off or expended while the vessel is in port; and

(2) French franc currency of North and West Africa brought in by the commissaire of such vessel and certified by him to be for the purpose of paying members of the crew or paying necessary expenses of the vessel in the United States.

Precautions shall be taken to assure that none of the currency allowed to be retained on board is carried from the vessel in violation of General Ruling No. 5 or these instructions.

(f) Military personnel arriving on private carriers, other than warships, troop transports, or military aircraft of any of the United Nations. A member of the armed forces of any of the United Nations, if arriving on a private carrier other than a warship, troop transport, or military aircraft of any of the United Nations, in addition to other applicable exemptions, may retain currency which is the property of the United States and is carried in an official capacity.

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(g) Civilian crew members on military aircraft. A civilian crew member on military aircraft, in addition to other applicable exemptions, may retain currency which you are satisfied represents the unexpended balance of accountable funds advanced to such civilian crew member on his departure from the United States.

(h) Seamen.

(1) Seamen (other than those who filed Form FFC-63 prior to their last departure from the United States) on vessels of any registry, in addition to other applicable exemptions, may retain wages paid on the current voyage consisting of foreign currency wherever acquired, or United States currency, provided such United States currency was obtained in the United States. Collectors shall accept as evidence of origin of United States currency paid as wages a statement by the master or other competent authority that the currency was acquired in the United States.

(2) As used herein, the term "current voyage" shall include the entire voyage of a seaman from the time his vessel leaves the United States until the time of his return, even though he should not return on the vessel on which he departed, provided that his voyage on the original vessel was terminated as the result of illness or other unavoidable cause.

(3) Seamen who filed Form FFC-63 prior to their last departure from the United States, in addition to the exemptions set forth in subparagraph (1) herein, may retain the amount of currency declared on Form FFC-63.

(i) Ships masters. Ships masters, in addition to other applicable exemptions, may import the unexpended balance of any currency which was taken out of the United States for the expenditures of the vessel, crew wages, etc.

(j) Funds retained on board ship.

(1) Collectors of customs shall not require the surrender of United States or foreign currency retained on board any ship entering a United States port, provided appropriate safeguards are employed to assure that such currency is not landed except in compliance with General Ruling No. 5 or these instructions.

(2) You shall verify the Ship's money clause of the Navicert Undertaking and check the amount thereof against the purser's account books. If you find any discrepancy therein you shall report it to the Bureau of Customs.

(k) Enemy aliens arriving in the United States for internment.

(1) A civilian enemy alien arriving from any foreign country except Mexico may retain the equivalent of \$50 in currency of any

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kind or denomination. Persons entering from Mexico who have been in transit through Mexico from another foreign country are also entitled to this \$50 exemption.

(2) A civilian enemy alien arriving from Mexico (other than the transit passengers referred to in (1)) may retain all Mexican currency, United States \$2 bills, and coins other than gold coins. Any other currency shall be surrendered.

(3) Gold coins shall be treated in accordance with the instructions contained in the Bureau of Customs Circular Letter of November 20, 1935.

(1) Enemy Aliens enroute through the United States for repatriation. Special instructions will be given from time to time to the appropriate collectors with respect to enemy aliens traveling through their ports in the United States for repatriation.

(m) Repatriates. Special instructions will be given from time to time to the appropriate collectors with respect to repatriates arriving at their ports.

Section 9. Violations of currency import control.

(a) When a person arriving in the United States from any foreign country, except Mexico, has failed to declare currency found on his person or in his baggage or effects, or has falsely stated the amount carried, the following procedure shall be followed:

(1) The currency concerned shall be taken up and forwarded to the appropriate Federal Reserve Bank.

(2) A complete report of the facts shall be submitted to the Bureau of Customs, including the name, address, and citizenship of the person, amount and denominations of currency declared, amount and denominations of prohibited currency found in his possession, receipt number, and other relevant facts. Carbon copies of the report shall be sent to Foreign Funds Control, Treasury Department, Attention Unit 360, Washington, D. C., and, except from the collectors of Puerto Rico and the Virgin Islands, to the Federal Reserve Bank for the district in which the customs port is located.

(3) The person involved shall be allowed to proceed after surrendering the prohibited currency unless the value of such currency is in excess of \$5,000 and it appears that there has been a wilful intention to violate the regulations. In the latter case the person concerned shall be detained under the authority of section 5(b) of the Trading with the enemy Act, as amended, and you shall teletype No. WA 162 or telephone the Currency Enforcement Section, Foreign Funds Control, Treasury Department, Washington, D. C., for instructions as to the action to be taken with respect to the person involved.

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(b) When a person arriving in the United States from Mexico has failed to declare securities or currency found on his person or in his baggage or effects, or has falsely stated the amount carried, the procedure set forth in subsection (a) herein shall be followed; provided, however, that reports are not required where the amount of currency involved does not exceed \$250 in value.

(c) A person arriving in the United States from any foreign country (except Great Britain, Canada, Newfoundland, Bermuda or Mexico) or from the Panama Canal Zone who has not been exempted from the currency regulations, and who refuses to surrender currency in excess of the amount permitted to be retained under these instructions, shall not be arrested but shall be advised that failure to deliver the currency to a Federal Reserve Bank immediately after importation will subject him to liability for criminal penalties under the Trading with the enemy Act, as amended. If after such warning such person persists in his refusal to surrender the currency, an immediate report of the case by telegram or teletype shall be made to the Bureau of Customs, Washington, D. C., stating the person's name, address, destination, place from which arriving, and amount of currency carried.

Section 10. Disposition of securities or currency taken up from persons arriving in the United States.

(a) A nonnegotiable receipt shall be given a person surrendering securities or currency taken up pursuant to these instructions. The receipt shall state such person's name and address and accurately describe the items surrendered.

(b) Each copy of such receipt shall be endorsed by the person to whom it is issued.

(c) One copy of the receipt shall be retained by customs and two copies forwarded with the securities or currency involved to the nearest Federal Reserve Bank, or, if you are within a territory or possession of the United States, to the Governor of such territory or possession.

(d) Securities or currency taken up pursuant to these instructions shall be kept segregated in separate lots or packets so that the items surrendered by any person may be identified.

Section 11. Exceptional procedure in Puerto Rico and the Virgin Islands. Notwithstanding the provisions of these instructions relating to delivery of currency to Federal Reserve Banks or Governors of territories or possessions, collectors of customs in Puerto Rico and the Virgin Islands shall continue to deposit currency taken up by them in a safety deposit box to be held in their names, in accordance with the instructions contained in the letters from Acting Secretary Randolph Paul, dated January 16, 1943 and from J. W. Pehle, Assistant to the Secretary, dated January 20, 1944.

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PART II - EXPORTATIONS OF SECURITIES OR CURRENCY.

Section 12. Exportation of United States Currency to Mexico.

(a) Under General Ruling No. 14, the exportation of any United States currency to Mexico is prohibited, except under a license or other authorization of the Secretary of the Treasury. The exportation of United States \$2 bills, silver coins, and minor coins has been authorized. Accordingly, you shall observe the following instructions:

(1) A person leaving the United States destined for Mexico may take any amount of United States \$2 bills, silver coins, or minor coins, but no other United States currency.

A person carrying currency of prohibited type or denomination shall be permitted to dispose of it prior to departure.

(2) A person leaving the United States for Mexico enroute to any other foreign country or the Canal Zone may take United States currency of any denominations of an aggregate value not exceeding \$50.

Any person carrying currency in excess of such amount shall be permitted to dispose of it prior to departure.

(b) Violations of export provisions. In general no currency shall be taken up from a person who has attempted to take such currency to Mexico in violation of the above regulations. In any case where more than \$250 is involved in the violation, you shall file a report with Foreign Funds Control stating the relevant facts involved, but shall permit the person to depart after he has made disposition of the prohibited types or amounts of currency.

Section 13. Declarations by seamen on Form FFC-63.

(a) Declarations on Form FFC-63 shall be required with respect to United States currency exports carried by each member of the crew, including the master, of any vessel of the United States, or any vessel owned by or under any form of charter to the War Shipping Administration which has on board a "Certificate of Ownership and Operation" issued by the War Shipping Administration, certifying that it is so owned or chartered, provided that:

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(1) The departing seaman has in his possession more than \$50 in United States currency, and

(2) Such vessel is departing from the United States from your port as the port of final clearance.

(b) Seamen who have more than \$50 in United States currency in their possession shall declare the total amount of such currency on Form FFC-63. The currency declared by each seaman shall be counted by or in the presence of the customs officer. The declaration, in duplicate, shall be obtained at a time after which no shore leaves are likely to be granted and as near as possible to the actual departure of the vessel. One copy of the declaration shall be retained by you. The other copy shall be retained by the master of the vessel in order that it may be presented to the collector of customs when the seaman desires to bring the currency in question back into the United States.

(c) These instructions with respect to currency declarations by seamen do not in themselves involve any limitation on the export of United States currency and shall not be deemed to modify the instructions in the Confidential Circular Letter of July 7, 1943 from Acting Secretary Randolph Paul, with respect to General Ruling No. 5A, particularly section 2 thereof, except that departing seamen who do not file a report on Form FFC-63 shall be permitted to take out United States or foreign currency of a total amount not exceeding \$50.

Section 14. Prohibition respecting export of securities or currency to certain blocked countries which are not members of the generally licensed trade area. General Ruling No. 5A prohibits the exportation (among other things) of currency or securities to certain blocked countries which are not members of the generally licensed trade area. In enforcing such prohibition you shall be guided by the instructions contained in the Confidential Circular Letters from Acting Secretary Randolph Paul, dated July 7, 1943 and August 25, 1943. Export shipments of currency or securities to any blocked country to which the prohibitions of General Ruling No. 5A are applicable shall be prevented unless authorized by a license or other authorization of the Secretary of the Treasury.

Section 15. Other Foreign Funds regulations affecting export of securities or currency. In addition to the foregoing, the following Foreign Funds restrictions applicable to exportations of securities or currency should be noted:

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(a) General restriction on forwarding property (including securities or currency) to persons on the Proclaimed List of Certain Blocked Nationals. (President's Proclamation of July 17, 1941; Executive Order No. 8389, as amended; T.D. 50433, as amended; General Ruling No. 11, as amended.)

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A P P E N D I X A

SCHEDULE OF DOCUMENTS REVOKED

1. Telegram to Collector of Customs, Juneau, Alaska, dated June 6, 1940 from Commissioner Harris.
2. Telegram dated June 6, 1940 from Commissioner Harris.
3. Bureau of Customs Circular Letter dated June 12, 1940 from Commissioner Harris, re: Importations of Securities.
4. Bureau of Customs Circular Letter dated July 22, 1940 from Commissioner Johnson, re: Importations of securities.
5. Telegram dated March 13, 1942 from Acting Secretary E. H. Foley, Jr.
6. Telegram dated May 19, 1942 from Acting Secretary E. H. Foley, Jr.
7. Telegram dated May 23, 1942 from Acting Secretary E. H. Foley, Jr.
8. Telegram dated July 14, 1942 from Acting Secretary E. H. Foley, Jr.
9. Telegram to Collector of Customs, New York, dated July 14, 1942 from Acting Secretary E. H. Foley, Jr.
10. Telegram dated July 25, 1942 from Acting Secretary E. H. Foley, Jr.
11. Department Circular Letter dated August 14, 1942 from Acting Secretary Randolph Paul, re: General Ruling No. 14.
12. Telegram dated October 7, 1942 from Acting Secretary Randolph Paul.
13. Telegram dated October 16, 1942 from Acting Secretary Randolph Paul.
14. Telegram to Collectors of Customs, Los Angeles, San Francisco, San Diego, Portland and Seattle, dated October 19, 1942 from Acting Secretary Randolph Paul.
15. Bureau of Customs Circular Letter dated November 5, 1942 from Commissioner Johnson, re: Currency from Australia

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16. Telegram dated November 11, 1942 from Acting Secretary Randolph Paul.
17. Department Circular Letter dated November 12, 1942 from Assistant to the Secretary J. W. Pehle, re: Reduction in amount of currency which may be retained by persons arriving in the United States via Mexico from another foreign country.
18. Telegram dated November 14, 1942 from Acting Secretary Randolph Paul
19. Telegram dated November 19, 1942 from Acting Secretary Randolph Paul
20. Telegram dated December 24, 1942 from Acting Secretary Randolph Paul
21. Bureau of Customs Circular Letter dated January 27, 1943 from W. R. Johnson, re: Weekly Reports Concerning Exports of Currency.
22. Telegram dated January 29, 1943 from Acting Secretary Herbert E. Gas
23. Telegram dated January 30, 1943 from Acting Secretary Randolph Paul.
24. Letter to Collector of Customs, Tampa, Florida, dated February 9, 1943 from Commissioner Johnson.
25. Telegram dated February 23, 1943 from Acting Secretary Randolph Paul
26. Telegram dated February 25, 1943 from Acting Secretary Herbert E. Gaston.
27. Telegram to Collector of Customs, Tampa, Florida, dated March 17, 1943 from Acting Commissioner Dow.
28. Telegram dated March 26, 1943 from Acting Secretary Randolph Paul.
29. Bureau of Customs Circular Letter dated May 6, 1943 from Commissioner Johnson, re: Currency instructions under General Ruling No. 5 - Exception for foreign currency retained on board ship.
30. Bureau of Customs Circular Letter dated May 21, 1943 from Commissioner Johnson, re: Enemy aliens arriving in United States for internment.
31. Bureau of Customs Circular Letter dated May 24, 1943 from Commissioner Johnson, re: Form FPC-63 executed by seamen.
32. Bureau of Customs Circular Letter dated May 26, 1943 from Commissioner Johnson, re: Currency control under General Ruling No. 5 - French naval vessels.

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33. Bureau of Customs Circular Letter dated July 28, 1943 from Commissioner Johnson, re: General Ruling No. 5 - Currency carried by civilian or military personnel coming to the United States from French North or West Africa.
34. Department Circular Letter dated October 29, 1943 from Acting Secretary Randolph Paul.
35. Department Circular Letter dated November 26, 1943 from Acting Secretary Randolph Paul.
36. Department Circular Letter to Collectors of Customs, El Paso, Texas; Laredo, Texas; Nogales, Arizona and San Diego, California, dated January 11, 1944 from Acting Secretary Randolph Paul, re: Authorization to permit the retention of currency imported from Mexico in certain types of cases.
37. Department Circular Letter dated January 25, 1944 from Acting Secretary Randolph Paul, re: General Ruling No. 5 - amendment of General License No. 84, concerning importation of certain United States securities.
38. Department Circular Letter to Collectors of Customs El Paso, Texas; Nogales, Arizona; San Diego, California; Los Angeles, California; Galveston, Texas; New Orleans, Louisiana; Mobile, Alabama; Tampa, Florida, dated March 2, 1944 from Acting Secretary Herbert E. Gaston.
39. Department Circular Letter dated April 18, 1944 from Acting Secretary Herbert E. Gaston, re: General Ruling No. 5 - amendment of instructions concerning importation of yellow-seal currency.
40. Department Circular Letter dated April 18, 1944 from Acting Secretary Herbert E. Gaston, re: General Ruling No. 5 - Amendment of instructions concerning importation of United States currency, Hawaiian Series.
41. Department Circular Letter dated May 4, 1944 from Acting Secretary Herbert E. Gaston, re: General Ruling No. 5 - Amendment of instructions concerning civilian crew members and passengers on warships, troop transports or military aircraft of the United Nations.
42. Department Circular Letter dated May 4, 1944 from Acting Secretary Herbert E. Gaston, re: General Ruling No. 5 - Amendment of instructions concerning the importation of non-yellow seal currency from French North or West Africa.
43. Department Circular Letter dated August 5, 1944 from Acting Secretary Herbert E. Gaston.
44. Bureau of Customs Circular Letter dated January 12, 1943 from Commissioner Johnson, re: shipments of currency.

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CONFIDENTIAL
CIRCULAR LETTER

TREASURY DEPARTMENT
Office of the Secretary
July 7, 1943.

TO COLLECTORS OF CUSTOMS AND OTHERS CONCERNED:

Re: Foreign Funds Control - Instructions
concerning General Ruling No. 5A

Enclosed are copies of General Ruling No. 5A, a Press Release relative thereto, and copies of Form FFC-160, Form FFC-161, and Form FFC-162. The purpose of the new controls is to destroy the market in blocked countries for negotiable instruments which may provide a convenient medium of exchange for the Axis. General Ruling No. 5A accomplishes this purpose by (1) restricting (immediately effective) the exportation of checks, drafts, bills of exchange, promissory notes, securities, or currency to any blocked country (with the exception of China and members of the generally licensed trade area), and (2) restricting (effective August 25, 1943) the importation of checks, drafts, bills of exchange, or promissory notes which have been within, or which there is reasonable cause to believe have been within, any blocked country (with the exception of China and members of the generally licensed trade area). The countries to which the ruling thus applies include Albania; Andorra; Austria; Belgium; British Malaya; Bulgaria; Czechoslovakia; Danzig; Denmark; Estonia; Finland; France (including Monaco, French North and West Africa, Martinique, Guadeloupe, and French Guiana); Germany; Greece; Hong Kong; Hungary; Italy; Japan; Latvia; Liechtenstein; Lithuania; Luxembourg; Netherlands; Norway; Philippine Islands; Poland; Portugal; Rumania; San Marino; Spain; Sweden; Switzerland; Tangier; Thailand; Yugoslavia; and any territory, possession, or territory occupied by any of the foregoing. Such countries will be referred to in these instructions as "countries affected by the ruling", or "countries to which the ruling is applicable". The ruling does not apply, however, to unoccupied China or to blocked countries in the generally licensed trade area, including the Faroe Islands, the Netherlands West Indies, Belgian Congo, Ruanda Urundi, Greenland, Syria, Lebanon, French Equatorial Africa, New Caledonia, Tahiti, or the French Establishments in India.

Paragraph 4 of the general ruling makes exceptions for the exportation or importation of certain instruments. The exceptions do not apply, however, to any instrument which has been within, or is destined for, enemy territory.

Persons entering or leaving the United States in the possession of instruments to which the prohibitions of the ruling apply are required to file reports concerning such instruments on forms provided for that purpose. These requirements will be described below.

You shall be responsible for the enforcement of the provisions of the general ruling so far as they affect exportations and importations otherwise than in the regular course of the mail and shall be guided by the following instructions:

Part I - EXPORTATIONS

(You shall put the following instructions, relating to exportation, into effect as soon as possible and in any event, not later than five days after receipt of this Circular.)

Section 1. Exports - Reports on Form FFC-161. A supply of the export report (Form FFC-161) required in Section 3(b) of the ruling will be sent to you. You shall be prepared to furnish the form to anyone requesting it. No report is required to be filed if the person concerned has no prohibited items in his possession. Reports filed with you shall be retained by you.

No report is required with respect to items specified in Section 2 below.

Items which are carried out pursuant to a special Treasury authorization shall be reported on Form FFC-161. Notwithstanding Section 3(b) of General Ruling No. 5A, a report on Form FFC-161 for items covered by such special authorization may be accepted even if furnished after customs examination has begun.

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Section 2. Export exceptions. So far as General Ruling No. 5A is concerned, you are hereby authorized to permit persons who are destined directly or indirectly for any of the blocked countries to which the ruling is applicable to take out, without reporting on Form FFC-161, the following items, unless an enemy destination is involved:

(a) Any person may take out \$50 in United States or foreign currency, any amount of travelers' checks issued in his own name, and travelers' letters of credit;

(b) Masters of United Nations vessels may take out, in addition to the items permitted in (a), currency for expenditures of the vessel;

(c) Ships which have entered a United States port with currency on board as ships' funds may take out the same currency. Collectors shall take steps to assure that no currency is landed from the vessel in violation of General Ruling No. 5 and that no additional currency is taken on the vessel except as permitted in these instructions or as otherwise authorized by the Treasury Department;

(d) Seamen on vessels of United States registry or vessels of foreign registry operated for or under the direction of the War Shipping Administration may take out, in addition to travelers' checks, such amounts of currency as they have declared on Form FFC-63. You may accept the seaman's statement that he has executed Form FFC-63 and keep a record of the amount of currency (if in excess of \$50) taken out by him;

(e) Seamen on foreign vessels may take out any amount of foreign currency;

(f) Persons traveling on official business for the United States Government, whether civilians or members of the armed forces, may take out, in addition to the items permitted in (a), checks drawn upon the Treasurer of the United States, if issued in their own name. They may also take out any funds, checks, etc., which are carried in an official capacity for the United States.

Section 3. Examination of persons departing from the United States - disposition of prohibited items. In enforcing the export prohibitions of the general ruling, you need question only persons leaving the United States who are going directly or indirectly to any of the blocked countries to which the ruling applies. However, if you have reason to believe that persons leaving for other destinations are carrying financial items which are destined for the blocked countries affected by the ruling, you shall make an appropriate examination. (These instructions shall not be deemed to modify existing instructions concerning currency carried by persons departing for Mexico or concerning currency export reports.)

Any person discovered to be carrying securities, currency, checks, drafts, bills of exchange, or promissory notes destined for a country affected by the ruling (except items specified in section 2 of these instructions or covered by a special Treasury authorization) shall, except as provided in section 4 below, be permitted to dispose of them prior to departure.

Section 4. Export violations. In the event that any person deliberately attempts to evade the exportation prohibitions and such violation is a flagrant one involving more than \$500 and is not merely an error or oversight, you shall prevent the departure of the individual concerned. You shall retain in your custody the prohibited items found in such person's possession and shall ascertain where he may be reached in the event that further questioning is necessary. You shall immediately

type No. WA162 or telephone the Control, Treasury Department, for advice outside the continental United States Attorney for advice as Foreign Funds Control.

Section 5. Certifications in section 2 above where you allow

s No. 5A is applicable to direct or indirect unless an enemy

type No. WA162 or telephone the Currency Enforcement Section, Foreign Funds Control, Treasury Department, for advice as to action with respect to such violation. Collectors outside the Continental United States shall consult with the nearest United States Attorney for advice as to appropriate action, instead of contacting Foreign Funds Control.

Section 5. Certifications. In any case not covered by the exemptions in section 2 above where you allow prohibited amounts of currency or prohibited categories of securities, checks, drafts, bills of exchange, or promissory notes to be taken out of the United States pursuant to special authorization by the Treasury Department, you shall give the person carrying them a certificate on Form FFC-162, signed by you, identifying the items allowed to be taken out and stating that the articles have been examined and exportation authorized. In the event that such person later passes through a British control port, such certificate will establish that he is legally carrying prohibited items. A duplicate copy of the certificate should be retained by you and filed with the export report on Form FFC-161 in which the instruments were reported.

Part II - IMPORTATIONS

(The following instructions shall be put into effect on August 25, 1943.)

Section 6. Reports by persons entering the United States. A supply of Form FFC-160 will be sent to you. Requests for additional supplies may be sent to Foreign Funds Control, Treasury Department, Washington, D. C. Form FFC-160 need not be filed if the incoming person has no prohibited instruments in his possession which have been within, or which there is reasonable cause to believe have been within, blocked countries affected by the ruling.

Section 7. Import exceptions. The following instruments are not required to be reported on Form FFC-160 and may be imported without restriction, so far as General Ruling No. 5A is concerned, unless they have been in enemy territory:

- (a) travelers' checks;
- (b) drafts or bills of exchange drawn under letters of credit;
- (c) drafts or bills of exchange drawn on importers in the Western Hemisphere in connection with the importation of goods, wares, or merchandise into the Western Hemisphere;
- (d) checks, drafts, bills of exchange, or warrants drawn on the Secretary of State, the Secretary of the Navy, or the Treasurer of the United States;
- (e) any instruments carried in an official capacity by a person in the service of the United States which represent official funds of the United States Government or which are in the official custody of the United States.

Section 8. Examination of persons arriving in the United States. You shall question incoming passengers and crew members arriving by plane, ship, or railroad directly or indirectly from blocked countries affected by the ruling to ascertain whether they have in their possession any checks, drafts, bills of exchange, or promissory notes which have been within any country listed in Schedule A of Form FFC-160 (i.e., the blocked countries affected by the ruling). Persons who state that they have in their possession checks, drafts, bills of exchange, or promissory notes which have been within such countries shall be furnished with Form FFC-160 on which to report all such instruments (other than those set forth in section 7 above) if the instruments have been within blocked countries affected by the ruling. For the purposes of this ruling, persons arriving from other destinations need not ordinarily be questioned.

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File	Currency Enforcement
Box	2-11-100

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All persons having prohibited instruments in their possession shall be required to surrender them to you, whether or not they have reported to you that they have such instruments.

Section 9. Violations of import controls. When a person has failed to state or report that he has checks, drafts, bills of exchange, or promissory notes (other than those set forth in section 7 above) which have been within a blocked country affected by the ruling, and you find prohibited items in his possession, you shall, if more than \$500 is involved and if it appears that the person has deliberately attempted to smuggle in the prohibited items, teletype No. WA162 or telephone the Currency Enforcement Section, Foreign Funds Control, Treasury Department, for advice as to appropriate action. Collectors outside the continental United States shall consult with the nearest United States Attorney for advice as to appropriate action, instead of contacting Foreign Funds Control. If the person involved has been otherwise cleared through the customs, you shall permit him to depart, after ascertaining his name and destination and after taking up the prohibited items. Checks, drafts, bills of exchange, or promissory notes taken from such person shall be held by you until you are advised whether or not forfeiture proceedings shall be instituted under customs laws. If you are advised that no such proceedings shall be instituted, you shall forward the instruments to the Federal Reserve Bank of New York in the manner described in section 11 below, and shall submit a report to Foreign Funds Control and to the Federal Reserve Bank of New York stating the facts involved in the violation.

Section 10. Receipts. Whenever checks, drafts, bills of exchange, or promissory notes are taken up by you, in accordance with the above instructions, from any person entering the United States, you shall give the person surrendering such instruments an appropriate non-negotiable receipt, stating the person's name and address, and accurately describing the articles surrendered. A duplicate copy of the receipt shall be retained by you, together with one copy of Form FFC-160, if executed.

Section 11. Disposition of instruments taken up. Checks, drafts, bills of exchange, or promissory notes taken up by you pursuant to these instructions from persons arriving in the United States shall be kept segregated in separate lots or packets so that the instruments surrendered by any individual may be identified. One of the copies of Form FFC-160, as executed by the person surrendering the instruments, shall be attached to each separate packet of instruments. If the person involved has failed to execute Form FFC-160, but has been required to surrender prohibited instruments, you shall attach to the packet information concerning the person's name, address, and destination, and a description of the instruments enclosed. Form FFC-160 may be used by you for this purpose, with an appropriate notation.

When this procedure has been completed, all the packets (except those containing instruments taken up from smugglers and held in accordance with section 11 above) shall be forwarded by registered mail to the Federal Reserve Bank of New York. Any inquiries concerning instruments so forwarded shall be referred to that Federal Reserve Bank.

Section 12. Treatment of imported currency and securities unaffected. Importations of securities and currency shall continue to be handled in accordance with existing instructions pursuant to General Ruling No. 5. Only the exportation of securities and currency is affected by General Ruling No. 5A.

Part III

Section 13. Special notice to collectors outside the continental United States. Persons passing through a customs port of entry outside the continental United States who have just left, or who are destined directly for, a port in the continental United States, need not be subjected by you to the procedure outlined

These instructions, since the collector is responsible for making the required entries, carrying out these instructions in your territories are concerned.

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These instructions, since the customs authorities on the mainland will be responsible for making the required examination. You will, however, be responsible for carrying out these instructions so far as persons entering or departing from your territories are concerned.

Randolph Paul
Acting Secretary of the Treasury.

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File	Currency & Consolidated Instructions
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TREASURY DEPARTMENT

BUREAU OF CUSTOMS

WASHINGTON



IN REPLY REFER TO

Inclusive to letter dated 10/7/43

July 15, 1943

741.03

BUREAU OF CUSTOMS
CIRCULAR LETTER

TO COLLECTORS OF CUSTOMS AND OTHERS CONCERNED:

Re: Payment of refunds
Executive Order No. 8389

1. Certifications in general. You shall certify any refund which would otherwise be certified by you, without special inquiry as to the interest of any national of a blocked country.
2. Payees in enemy territory. If the information in your possession indicates that the person to whom the refund is payable is in enemy territory, as for example, a repatriated enemy alien, you shall certify payment of the refund to the regional disbursing officer, and forward to him two copies of the notice of refund, which shall bear a notation that the payee is in enemy territory. Regional disbursing officers are being instructed to forward checks covering such refunds to the Chief Disbursing Officer for disposition in accordance with the provisions of the Act of October 9, 1940 (U.S.C. title 31, secs. 123-128) and Treasury Department Circular No. 655, dated March 19, 1941.
3. Payees interned in the United States. If information in your possession indicates that the person to whom the refund is payable is an alien interned in this country, you shall certify payment of the refund to the regional disbursing officer and forward to him two copies of the notice of refund, which shall bear a notation that the refund check is to be sent by the regional disbursing officer to the payee in care of the Finance Officer of the internment camp in which the internee is detained.
4. Notation re Executive Order No. 8389. The following notice shall be placed on all notices of refund (except those with respect to payees in enemy territory).

"If any national of a blocked country has an interest, direct or indirect, in this refund, no disposition thereof shall be made except in accordance with the provisions of Executive Order No. 8389, as amended, and the regulations, rulings, and instructions issued thereunder."

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File	Customs (payment of refund)
Box	85 90 (6/18/43)

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Customs: payment of refund

5. Administrative and judicial proceedings. Administrative and judicial proceedings incident to the determination of customs refunds in which nationals of blocked countries have an interest have been authorized so far as Executive Order No. 3339, and sections 3(a) and 5(b) of the Trading with the enemy Act are concerned. The authorization also extends to administrative and judicial proceedings in connection with the determination of refunds prior to the issuance of this circular letter. However, it does not affect determination by a court of whether or not its judicial consideration of a claim is precluded by reason of the fact that an enemy has an interest in the claim.

6. Payments after court proceedings. Payments of refunds as a result of any court proceedings shall be handled in accordance with the procedure set forth above in paragraphs 1-4.

7. Trade or communication with enemy nationals not authorized. Nothing in this circular shall be deemed to authorize a transaction prohibited by General Ruling No. 11 of Foreign Funds Control.

8. Revocation of previous instructions. These instructions supersede all previous instructions inconsistent herewith.

Disbursing Officers will be advised of the procedure herein established.

W. R. Johnson
 Commissioner of Customs.

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RG	131
Entry	247
File	<i>Customs returned to (Customs) payment of (refunds)</i>
Box	<i>85 90 (61) / (100)</i>

TREASURY DEPARTMENT



INTER OFFICE COMMUNICATION

DATE

TO : Mr. Schmidt

October 29, 1943

FROM: Samuel S. Gilbert

Customs, New York, has called attention to a procedure relative to United States currency mailed into the United States from a foreign country.

Under this procedure, the package containing the currency is opened at the New York Federal Reserve Bank in the presence of the addressee and customs, postal and Federal Reserve Bank officials. Pursuant to General Ruling No. 5, the currency is then placed in the custody of the Federal Reserve Bank, and the addressee subsequently files application for its release. Customs sends a report to the Treasury Department addressed to the attention of Mr. A. J. Luxford containing the names of the addressee and addressor, as well as the amount of currency involved.

Inquiry at the office of the Property Accounts Section, where these reports are presently accumulating, reveals that to date, no one in the Control has had occasion to use such reports. The Division of Monetary Research admits that they have made no use of the reports and agrees that the same information would be available from the records at the Federal Reserve Bank. Mr. Luxford's office has indicated that he is not interested in the reports and does not recollect at whose direction the procedure was originated. It is, therefore, apparent that no useful purpose is being served by these reports. Since a check with Customs revealed that these reports are prepared for the exclusive use of Foreign Funds Control, it is recommended that Customs be instructed to discontinue preparation of such reports.

*I heartily agree with the recommendation.
J. S. Richards 11/5/43*

S. Gilbert

*Discussed at Monday Conference; agreed to discontinue
J. S. Richards 11/9/43*

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Entry	247
File	Currency - Property in mail; examined, la. NY
Box	84 6610/10

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE Nov. 22, 1943

TO Mr. Pehle

FROM Mr. Richards

Subject: Small amounts of currency taken from incoming travellers at the Mexican Border.

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J. S. Richards
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In your memorandum of September 10, 1943 to Mr. Schmidt you raised the question of what could be done to alleviate the burden to the San Francisco Federal Reserve Bank arising out of our currency controls at the Mexican Border. In accordance with your request of this morning, the following is submitted as the present status of this matter.

Following the receipt of your memorandum, we decided to explore the problem with the Dallas Federal Reserve Bank. We have been advised by that bank that 80% of the transactions handled by it in connection with currency taken from incoming travellers at the Mexican Border involve amounts of \$10 or less. While the Federal Reserve Banks of San Francisco and Dallas have authority to return up to \$50 to the person from whom it was taken, without requiring an application to be filed, there is a considerable amount of time and expense involved in the handling of such items. In addition, Dallas has had approximately 400 cases where they were unable to return the currency because of inadequate addresses given to the Customs authorities by the persons from whom the currency was taken.

You will recall that this problem was discussed at the luncheon conference on November 12, 1943 and that it was agreed that Customs should be authorized to settle on the spot cases where the amount of currency involved is \$25 or less. It was agreed, however, that the instruction to Customs should be carefully phrased in order to avoid the impression that we are relaxing in any way our currency import controls at the Mexican Border. Rather, the change is merely in the administrative procedure for the handling of routine cases involving small amounts.

The Foreign Enforcement Section is presently preparing an appropriate instruction to Customs which should be ready for clearance this week.

J. S. Richards

cc: Messrs. Schmidt, Gilbert and Bach

RG	131
Entry	247
File	<i>Currency: Detained by Customs at Mexico Border</i>
Box	84 <i>(11/18/43)</i>

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*Currency -
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Post Office
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In reply please
refer to: (57455)

My dear Mr. Purdum:

Reference is made to my letter of September 8, 1943 (acknowledged by you on September 13, 1943), transmitting an amendment to General Ruling No. 5. That letter stated that, while no immediate change in existing instructions to post offices was required, a few minor changes in the wording of such instructions might be desirable.

I am herewith enclosing for your consideration and approval proposed drafts of amended instructions to exchange post offices and to post offices of destination concerning the treatment of mail articles containing securities or currency. The changes made are not substantial, but are designed to conform the instructions to existing practice and to the formal requirements of the amended General Ruling No. 5. The substance of the recent amendment to General License No. 64, a copy of which was sent to you by this office on January 25, 1944, is also incorporated in the amended instructions.

These drafts were informally submitted to Mr. C. H. Grayson of your Department on January 21, 1944, who has indicated that he has no objection to them in their present form.

If the instructions meet with your approval and are issued, I should appreciate your sending copies of them, as issued, to this office.

Very truly yours,

/s/ Randolph Paul

Acting Secretary of the Treasury.

Honorable Smith W. Purdum
Second Assistant Postmaster General
Post Office Department
Washington, D. C.

Enclosures.
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Entry	247
File	Currency / Securities - Post Office Instructions
Box	89 (6/1/44)

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**INSTRUCTIONS TO POST OFFICES OF DESTINATION ON TREATMENT OF INCOMING MAIL
ARTICLES FROM FOREIGN COUNTRIES SUPPOSED TO CONTAIN SECURITIES OR CURRENCY.**

**INSTRUCTIONS OF
SECOND ASSISTANT POSTMASTER GENERAL**

INTERNATIONAL MAIL

Treatment of Incoming Articles Supposed to Contain Securities or Currency

Section 52, page 31 of Part II of the Official Postal Guide is modified to read as follows:

Under Executive Order No. 8389 of April 10, 1948, as amended, and General Ruling No. J issued by the Secretary of the Treasury, with the approval of the President, as amended, the sending, mailing, importing, or otherwise bringing into the United States from foreign countries of any securities or currency, or the receiving or holding in the United States of any securities or currency so brought into the United States is prohibited unless authorized by a license or other authorization of the Secretary of the Treasury. Any such securities or currency imported must be immediately delivered for examination to a Federal Reserve Bank as fiscal agent of the United States or to the Governor of a territory or possession of the United States.

In order to effect compliance with the said Executive Order and General Ruling with respect to securities and currency that may be brought into the United States in the mails from foreign countries, the following procedure shall be followed at the post offices of destination of mail articles supposed to contain securities or currency from foreign countries.

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1. When a mail article stamped "SUPPOSED TO CONTAIN MATTER SUBJECT TO THE PROVISIONS OF EXECUTIVE ORDER NO. 9839, AS AMENDED," or "SECURITIES" is received at a post office of destination, the post office shall hold the article and request the addressee by mail or otherwise to appear at the post office and open the article in the presence of the postmaster or post-office employee for inspection in order to determine whether it contains securities or currency.

2. If the article is registered, the registry receipt shall be taken before it is opened.

3. If, when the article is opened, it is found to contain securities or currency, the post office shall--

(a) Assume custody of the securities or currency, giving addressee a receipt therefor and delivering accompanying correspondence to the addressee.

(b) Make a brief description of the securities or currency. This report should be in duplicate and, in the case of securities, should indicate whether they are stocks, debentures, bonds (including number of coupons attached), detached coupons or other kind of security, the principal amount thereof, the name of the payee or registered owner, if stated, and such other principal characteristics as may be apparent, as for example, serial numbers, and include the name and address of the sender of the articles and the name and address of the addressee. In the case of currency, the report should be sufficient to identify the currency, including the country of issuance and the amount thereof.

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File	Currency / Securities Post Office Instructions
Box	25 (61) / 100

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(a) United States Postage and War Stamps

(a) Send the securities or currency with one copy of the description referred to in item (b) above by official registered mail to the nearest Federal Reserve Bank, from which a receipt will be returned. Where the article is addressed to a city in which a Federal Reserve Bank is located, delivery thereto may be made direct, instead of by official registered mail. (Federal Reserve Banks are located at Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco.)

Post Offices located in Alaska, Hawaii, Puerto Rico, the Virgin Islands, and the Canal Zone should send the securities or currency to the Governor of the respective territory or possession.

4. If it is found that there are no securities or currency in the article when opened, the whole of the contents will, of course, be delivered to the addressee.

Note.--The term "securities" shall include all securities and evidences thereof and shall be taken broadly to include such articles as stocks, bonds, coupons, and debentures. The term "currency" includes United States and foreign currency including coins, (other than gold coins).

EXCEPTIONS.--The following items have been excepted from the above procedure and may be released to the addressee:

- (1) Securities or currency mailed from Great Britain, Canada, Newfoundland, or Bermuda:
- (2) The following United States securities:

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- (a) United States Defense and War Savings Stamps and Bonds of all series and designations;
- (b) All other securities issued on or after December 7, 1941, which are direct obligations of the United States, including, but not limited to, bonds, notes, certificates of indebtedness, and Treasury bills, and interim certificates issued for any such securities.

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DRAFT

**Division of
International Postal Service**

**POST OFFICE DEPARTMENT
SECOND ASSISTANT POSTMASTER GENERAL
WASHINGTON**

**INSTRUCTIONS TO EXCHANGE POST OFFICES IN THE
MATTER OF HANDLING INCOMING MAIL ARTICLES FROM
FOREIGN COUNTRIES THAT MAY APPEAR TO CONTAIN
SECURITIES OR CURRENCY IMPORTED INTO THE UNITED
STATES**

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(These instructions supersede those sent your office under date of June 7, 1940, and amendments thereto of July 22, 1940, September 21, 1940, May 20, 1942, and May 29, 1942, with respect to the handling of incoming mail articles from foreign countries that may appear to contain securities and currency imported into the United States.)

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Under Executive Order No. 8389 of April 10, 1940, as amended, and General Ruling No. 5 prescribed by the Secretary of the Treasury with the approval of the President, as amended, the sending, mailing, importing or otherwise bringing into the United States from foreign countries of any securities or currency, or the receiving or holding in the United States of any securities or currency so brought into the United States, is prohibited, unless authorized by a license or other authorization of the Secretary of the Treasury. Any such securities or currency imported must be immediately delivered for examination to a Federal Reserve Bank as fiscal agent of the United States or to the Governor

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File	Currency / Securities Post Office Instructions
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of a territory or possession of the United States. Such Federal Reserve Bank or Governor will hold such securities or currency until the Treasury Department is satisfied that no blocked country or national thereof, has at any time on or since the effective date of the Executive Order, No. 8389, as amended, had any interest therein.

In order to effect compliance with said Executive Order and General Ruling, ~~EXCHANGE~~ POST OFFICES receiving mail from foreign countries, the Canal Zone, and the Philippine Islands shall pursue the following practices:

I. With respect to all mail other than that sealed against customs inspection.

All such mail (except that received from Great Britain, Canada, Newfoundland or Bermuda), for all destinations in the United States shall be examined by customs and postal employees. (Such mail may already have been stamped "SECURITIES", thus indicating it contains securities or currency.) Such mail, if found to contain securities or currency, shall be delivered to the nearest Federal Reserve Bank or, if addressed for delivery in a territory or possession of the United States and examined in an exchange post office in such territory or possession, to the Governor of such territory or possession. The Federal Reserve Bank or Governor will give the post office a receipt for mail so delivered.

II. With respect to all sealed mail (other than mail marked to be opened for customs inspection) addressed to a bank within the United States.

All such mail shall be stamped "SUSPECTED TO CONTAIN MATTER SUBJECT TO THE PROVISIONS OF EXECUTIVE ORDER 8389 AS AMENDED", and given onward dispatch to the post office of address. If such mail has already been

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stamped "SECURITIES" it need not be further stamped "SUSPECTED, etc."

However, such articles addressed to banks at the local exchange post office where there is a Federal Reserve Bank, may be sent exclusively to the Federal Reserve station post office for the prescribed handling with the addressee, and the articles so sent need not be stamped "SUSPECTED TO CONTAIN MATTER SUBJECT TO THE PROVISIONS OF EXECUTIVE ORDER 8389 AS AMENDED".

III. With respect to all other sealed mail (other than that marked to be opened for customs inspection).

The receiving exchange post office shall endeavor to determine from size, appearance and other indications whether such mail may possibly contain securities or currency. Those suspected of containing such securities or currency, shall be stamped "SUSPECTED TO CONTAIN MATTER SUBJECT TO THE PROVISIONS OF EXECUTIVE ORDER 8389 AS AMENDED", and given onward dispatch to the post office of address. If the mail has already been stamped "SECURITIES", it need not be further stamped "SUSPECTED TO CONTAIN MATTER SUBJECT TO THE PROVISIONS OF EXECUTIVE ORDER 8389 AS AMENDED". Those mail articles not suspected of containing such matter will of course be given onward dispatch in the usual way.

No examination shall be given transit mails.

The above-mentioned instructions are not applicable with respect to the following:

- (1) Sealed letters addressed to a consular officer by his Government or by a diplomatic officer or another consular officer of his Government and bearing the official seal of his Government;

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(2) Official consular pouches; and

(3) Packages addressed to a consular officer bearing the official seal of his Government and accompanied by certificates under such seal to the effect that they contain only official communications or documents.

Mail and packages addressed to a foreign consular officer and not covered by the foregoing exceptions shall be treated in accordance with the instructions set forth above.

Note.—The term "securities" shall include all securities and evidences thereof and shall be taken broadly to include such articles as stocks, bonds, coupons and debentures. The term "currency" includes United States and foreign currency, including coins (other than gold coins).

EXCEPTIONS.—The following items have been accepted from General Ruling No. 5 and need not be subjected to the treatment above-described.

(1) Securities or currency mailed from Great Britain, Canada, Newfoundland, or Bermuda:

(2) The following United States securities:

- (a) United States Defense and War Savings Stamps and Bonds of all series and designations;
- (b) All other securities issued on or after

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December 7, 1941, which are direct obligations of the United States, including, but not limited to, bonds, notes, certificates of indebtedness, and Treasury bills, and interim certificates issued for any such securities.

Smith W. Fordum,

Second Assistant Postmaster General

1944

RRRegantia 2/8/44

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DEPARTMENT OF STATE
WASHINGTON

MAILING AUTHORITY
FOR MAIL & TELE
NO. AND REG.
INITIALS
DATE 9-7-44

In reply refer to
FMA

August 29, 1944

CONFIDENTIAL

My dear Mr. Secretary:

For some time there have been exploratory discussions within this Department on the question of preventing realization by Axis nationals on securities which have been looted by the Axis from persons resident within the occupied countries. Discussions on the same subject with respect to tentative ideas developed in this Department have also been held with officials of the Securities and Exchange Commission, who have indicated a deep interest in the problem. It is understood also that preliminary and tentative conversations have been had between members of your staff and officials both of the Securities and Exchange Commission and of this Department.

As you know, Resolution VI of the Final Act of the United Nations Monetary and Financial Conference, held at Bretton Woods, New Hampshire, indicates that the United Nations are concerned with this problem and that they intend "to do their utmost to defeat the methods of dispossession practiced by the enemy." The Resolution also indicates the support of the United Nations for measures taken by any of the United Nations to prevent the liquidation of property which has been looted by the enemy.

It

The Honorable

Henry Morgenthau, Jr.,

Secretary of the Treasury.



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It therefore seems appropriate and desirable at the present time that inter-agency consultations be held to determine what powers or controls the United States has which may be utilized toward the end of preventing realization by the enemy on looted securities and other similar properties. It has tentatively been suggested that certain of the powers granted to the Securities and Exchange Commission to regulate trading in securities may be utilized toward this end. It may also be possible to utilize certain of the controls administered by the Treasury Department over the importation of securities, both during and after the period of active hostilities, toward the same objective.

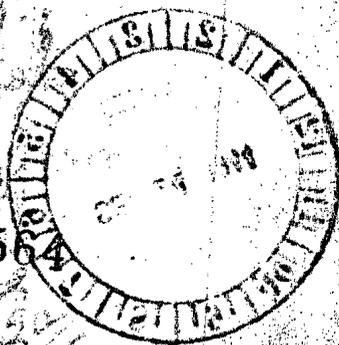
Mr. Seymour J. Rubin, Assistant Chief of the Division of Financial and Monetary Affairs, has been working on this problem for the Department. I am informed that Mr. Walter Louchheim, Assistant Director of the Trading and Exchange Division of the Securities and Exchange Commission, has been working on the problem for that agency. In view of the desirability of having exploratory discussions on this problem within this Government in the near future, you may feel it desirable to designate a representative of the Treasury Department to meet with these officials. Subsequent to such meetings it may also be desirable to initiate informal discussions with representatives of the British here in Washington.

Sincerely yours,

For the Secretary of State:



Dean Acheson
Assistant Secretary



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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE

TO Mr. W. M. Day

November 17, 1944

FROM C. Panzer

Subject: Revision of licensing policy on currency.

Since our licensing policy with respect to currency was established in the summer of 1942, no major changes were made except the advance of the zero-date as applied to European neutral countries and unoccupied France from March 13, 1942 to June 9, 1942. This concession was made in view of the inadequate publicity given abroad to General Ruling No. 6A and the amendment of General Ruling No. 5.

This refers to the licensing policy as it was committed to paper and it does not imply that in the actual handling of applications the policy was rigidly adhered to and remained inflexible. The policy has been and still is considered an effective guide in reaching decisions on currency applications. Used in this manner, as a guide, it permits liberal interpretation and often favorable action where strict adherence to policy would result in a deadlock.

We have just completed a study of 92 applications which were denied in the past. The following table shows a breakdown as to areas from which currency was imported and as to amounts involved.

<u>Imported from:</u>	<u>No. of Applications</u>	<u>\$1,000 or less</u>	<u>No. of Applications</u>	<u>Over \$1,000</u>
European neutrals and unoccupied France	25	8,976	6	33,525
Other European countries	15	3,981	8	49,131
Latin America Dollar-using	7	4,015	4	16,551
Latin America non-Dollar-using	16	7,568	5	28,108
Generally licensed trade area outside of Latin America and miscellaneous	4	801	2	5,795
	<u>67</u>	<u>25,341</u>	<u>25</u>	<u>133,110</u>

How many cases all together

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A general analysis of these cases has shown that the principal reasons for denial were as follows:

1. Lack of evidence that currency was acquired pre-occupation or pre-zero.
2. Currency emanated from occupied territory after the date of occupation.
3. Currency was admittedly acquired post-zero.
4. Failure to declare currency upon arrival in the United States.

It should also be considered that numerous applications, particularly those involving small amounts, may have been denied with a request for additional information, but were not reopened by applicants and thus did not again come to our attention until this study was made.

Attached hereto is a statement listing typical cases representing the above groups and giving full details as to the facts involved and the reasons for denial.

In considering an over-all revision of our licensing policy, particular attention should be given to those cases involving smaller amounts (\$1,000 or less); the lack of documentary evidence should not in itself be considered a condemning factor, provided other claims are sufficiently well established and other circumstances are found to be satisfactory. In general, extreme leniency, particularly in cases of this type should be the key note, inasmuch as it is questionable whether the release of such currency at the present time will in any way affect this country's economic warfare effort. Further withholding of such currency would unnecessarily penalize the applicants who, in many instances acquired United States currency in good faith and have been deprived of the use of their funds for well over two years.

On the other hand, those cases which involve sizeable amounts, and which we have classified in the past as typically bad ones, should continue to be dealt with under strict interpretation of our present licensing policy. No leniency should be shown and no further consideration should be given, unless full information, supported by conclusive documentary evidence, is submitted by the applicants. Whether or not such evidence can be procured by applicants will, of course, depend on the availability of respective records within the liberated areas, so that at some point in the future, we may have to waive the requirement for documentary evidence and set up other standards.

These suggestions do not include United States currency deposited with the central banks of various Latin American countries and forwarded to the United States on a collection basis, inasmuch as a special procedure for the

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handling of such applications is being followed. They do not include certain categories of cases, for instance currency imported by Greek seamen on vessels plying between United States and Portugal. This problem has been the subject of discussion and correspondence between the Department and the Greek Embassy about a year ago and no further contacts have been made in this respect. Furthermore, the revision of policy is not intended to affect in any way the controls exercised at the United States-Mexican border, as it is our understanding that this is being studied separately.

In revising previous action on currency applications it should be considered that the 92 applications under study represent only a portion of such applications. These only cover the period from June 1, 1943, to the present and do not include denials prior to this period where reconsideration has not been requested by the applicants after the original denials.

Since we contemplate a general review of all applications denied since the inception of the currency import control, requests for appropriate information will have to be sent to the Federal Reserve Banks. They have such information readily available on their Washington and local registers prepared by them in accordance with instructions of Confidential Circular No. 149A.



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May 28, 1945

MEMORANDUM FOR THE FILES:

Re: Instructions Requiring Reports with Respect to Transactions Involving United States Currency.

Instructions have been issued by the Secretary of the Treasury requiring every financial institution in the United States to file reports with respect to "each deposit or withdrawal, or other payment or transfer, effected by, through, or to such financial institution which involves United States currency" in certain amounts or denominations. The statutory bases of these instructions are section 5(b) of the Trading with the Enemy Act, 40 Stat. 415, as amended (U.S.C. title 50 App. 5(b)) and section 251 of the Revised Statutes (U.S.C. title 31 sec. 427). These statutes will be examined individually.

1. Section 5(b) of the Trading with the Enemy Act

Section 5(b) authorizes the President during the time of war or during any other period of national emergency declared by him to take action with respect to a wide variety of transactions. Such action need not relate to the prosecution of the war. British-American Tobacco Co. v. Federal Reserve Bank, (C.C.A., 2d, 1939) 107 F. (2d) 652, cert. den. 308 U.S. 600; United States v. Levy, (C.C.A., 2d, 1943) 137 F. (2d) 775; United States v. Driscoll, (D. Mass. 1935) 9 F. Supp. 454; United States v. Campbell, (S.D. N.Y. 1933) 5 F. Supp. 156, appeal dismissed 291 U.S. 600; see Norman v. B. & O. R.R. Co., (1935) 294 U.S. 240, 295. As the enumeration of the transactions with respect to which he may take action is woven into a complicated web of statutory language, it may be well for the sake of clarity to quote separately those words of the section which most clearly constitute the statutory basis for the instructions above referred to. These words, stripped of accompanying language, are:

"During the time of war . . . the President may, through any agency that he may designate, . . . investigate, regulate, or prohibit . . . transfers of credit or payments . . . by, through, or to any banking institution . . . by any person . . . subject to the jurisdiction of the United States; . . . and the President shall, in the manner hereinabove provided, require any person to keep a full record of, and to furnish under oath, in the form of reports or otherwise, complete information relative to any act or transaction referred to in this subdivision . . ."

Whether section 5(b) authorizes the Secretary of the Treasury to issue the instructions depends upon the answers to the following questions:

- (1) Do the transactions which the instructions require financial institutions to report constitute "payments . . . by, through, or to any banking institution?"

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- (2) Does section 5(b) authorize the President to require reports with respect to such transactions?
- (3) Has the President's power been delegated to the Secretary of the Treasury?

Affirmative answers to all three questions are required in order to uphold the Secretary's authority under section 5(b) to issue the Instructions.

- (1) Do the transactions which the Instructions require to be reported constitute "payments . . . by, through or to any banking institution?"

It is clear that the transactions which must be reported pursuant to the Instructions are covered by the language of section 5(b). The transactions referred to in the Instructions are described in language substantially like that used in the statute. It is true that the Instructions require reports with respect to "deposits," "withdrawals" and "transfers," none of which is specifically named in the statutory language above quoted, however, deposits, withdrawals and transfers are payments or involve payments. Payments are specifically covered by section 5(b).

The above-quoted language of section 5(b) refers to payments "by, through, or to any banking institution." Although the Instructions refer to payments by, through, or to every "financial institution" the latter term, as defined in paragraph (4) of the Instructions, includes only institutions and persons which fall within the meaning of the term "banking institution," as that term has been defined by the President pursuant to section 5(b). See Section 5F of Executive Order No. 3389, 5 F.R. 1400, as amended, and Section 4(c) of Executive Order No. 3843, 6 F.R. 4035.

- (2) Does section 5(b) authorize the President to require reports with respect to transactions which the Instructions require financial institutions to report?

The President's power to require reports with respect to transactions which the Instructions require financial institutions to report would appear to be contained in the express power to "investigate" such transactions. If the power of investigation does not include the power to require reports, all doubt of the existence of the latter power is dispelled by the additional expressly conferred power to "require any person to keep a full record of, and to furnish under oath, in the form of reports or otherwise, complete information relative to any act or transaction referred to in this subdivision."

The President's power to require reports with respect to payments by, through, or to banking institutions is supported by judicial decisions

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upholding the President's power under section 5(b) to require reports with respect to the hoarding of gold bullion. The power to investigate payments by, through, or to banking institutions and the power to investigate the hoarding of gold coin or bullion ^{1/} are parallel powers and there is nothing in the language of the statute to indicate that either power of investigation is broader than the other. It may be noted that the express power to require the keeping of records and the furnishing of information under oath in the form of reports or otherwise is equally applicable to payments by, through, or to banking institutions and the act of hoarding gold, since both are acts or transactions "referred to in this subdivision." In view of these similarities between payments by, through, or to banking institutions on the one hand and the hoarding of gold on the other, the case of United States v. Campbell, *supra*, appears decisive as to the power of the President to require reports with respect to the first class of transactions.

In the Campbell case section 5(b), as it was amended by section 3 of the Act of March 9, 1933, 48 Stat. 1, was involved. The section as then amended was phrased, so far as here material, much the same as it is at present. The section then authorized the President, or such agency as he might designate, to investigate the hoarding of gold coin or bullion and payments by banking institutions and to require the furnishing of information in connection with both types of acts. Although the President was not then specifically authorized to investigate payments through or to banking institutions, the power to investigate these transactions, which was conferred by a later amendment to section 5(b), is now clearly commensurate with the power to investigate payments by banking institutions.

Pursuant to section 5(b), as amended by the Act of March 9, 1933, the President had issued Executive Order No. 6260 on August 28, 1933 (12 U.S. C.A. 95, note), section 3 of which provided in part that "Within 15 days from the date of this order every person in possession of and every person owning gold coin, gold bullion, or gold certificates shall make under oath and file as hereinafter provided a return to the Secretary of the Treasury containing true and complete information relative thereto, including" specified information. The defendant in the Campbell case was indicted for failure to file a return required by section 3 of the executive order with respect to gold bullion owned by him. On a demurrer to the indictment, defendant contended, *inter alia*, that the President had no authority under section 5(b) to require a return as specified in section 3 of the executive order. The Court overruled the demurrer, holding that the power to "investigate, regulate, or prohibit" the hoarding of gold bullion and the additional power to require the furnishing of information under oath with respect to such hoarding, were sufficient to sustain section 3 of the Executive Order. The Court stated, at page 175:

- 1/ The reference in section 5(b) to gold bullion was purposely omitted from the partial quotation of section 5(b) on page 1 of this memorandum.
- 2/ This language is identical with that now contained in section 5(b).

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"I hold that the President's authority under section 5(b), as amended by the Act of March 9, 1933, to require, as he has, by section 3 of the Executive Order of August 28, 1933, returns by persons owning gold, is unimpeachable. The statute is explicit, and the executive order does not go outside the mandate of the statute."

The Court did not in the Campbell case specify whether the power of the President to require the return there involved was based primarily on his authority to "investigate, regulate, or prohibit" the hoarding of gold bullion or on his express authority to require reports relative to the hoarding of gold bullion. The Court called attention to both grounds of authority and presumably was not required to take any choice between them.

The Campbell case is direct authority for the proposition that the President can under section 5(b) require reports with respect to acts and transactions referred to in section 5(b).^{2/} If this case was correctly decided there can be no doubt that he may require reports with respect to payments by, through, or to banking institutions, such as deposits, withdrawals, other payments and transfers by, through, or to financial institutions.

(3) Has the President's power under section 5(b) to require the reports referred to in the Instructions been delegated to the Secretary of the Treasury?

There exist ample delegations to the Secretary of the Treasury of the President's power to require reports of the type referred to in the Instructions. These delegations are found in Executive Order No. 6073, as amended, Executive Order No. 8389, as amended, and Executive Order No. 9193.

During the Bank Holiday of 1933, the President issued Executive Order No. 6073. This executive order was issued pursuant to section 5(b), as that section was amended by the Act of March 9, 1933. The executive order authorized the Secretary of the Treasury to prescribe regulations permitting federal banking institutions to perform their usual functions. Similar authority was given to state banking authorities to permit state banking institutions to perform their usual functions. The executive order further provided that "no permission to any banking institution to perform any banking functions shall authorize such institution to pay out any gold coin, gold bullion or gold certificates except as authorized by the Secretary."

^{2/} The decision in the Campbell case was followed in United States v. Driscoll, (D. Mass. 1935) 9 F. Supp. 454. The Court there also dismissed a demurrer to an indictment based in part on the contention that section 5(b) did not authorize the President to require the filing of returns. The Court there said, at page 456:

"I am in accord with the Campbell case . . . in regarding section 3 of the executive order of August 28, 1933, as a proper exercise of the powers conferred upon the President by the statute."

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of the Treasury, nor to allow withdrawal of any currency for hoarding."

The Secretary of the Treasury construed Executive Order No. 6073, together with the Presidential Proclamations establishing and extending the bank holiday, 4/ as enabling him to grant authority to banking institutions to require any person requesting the withdrawal of large or unusual amounts of currency to submit a full statement under oath of the purpose of such withdrawal. This authority was conferred on banking institutions by the Secretary by Emergency Banking Regulation No. 23, issued on March 12, 1933. The principal difference between the provision of Emergency Banking Regulation No. 23 above referred to and the provisions of the Instructions is that the former authorized banking institutions to require reports from others with respect to large withdrawals of currency while the latter direct banking institutions themselves to file reports with respect to withdrawals, deposits, payments and transfers involving large amounts of currency.

Executive Order No. 6073 is still in force unless it is deemed to have been superseded by the broader delegations of authority to the Secretary of the Treasury which are referred to hereinafter. The executive order was amended by the Proclamation of December 30, 1933, 48 Stat. 1727, which excluded from the scope of the executive order banking institutions which were not members of the Federal Reserve System with the proviso that no banking institution should "pay out any gold coin, gold bullion, or gold certificates, except as authorized by the Secretary of the Treasury, nor allow the withdrawal of any currency for hoarding." 5/

Executive Order No. 8389, as amended, which, inter alia, regulates transactions with respect to property in which specified foreign countries or their nationals have had an interest since the "effective date of the Order," delegated authority to the Secretary of the Treasury and/or the Attorney General to "require, by means of regulations, rulings, instructions, or otherwise, any person to keep a full record of, and to furnish under oath, in the form of reports or otherwise, from time to time and at any time or times, complete information relative to, any transaction referred to in section 5(b) of the Act of October 6, 1917 (40 Stat. 415), as amended, or relative to any property in which any foreign country or any national thereof has any interest." This delegation is contained in Section 4A of the Order.

While Executive Order No. 8389, as amended, did not delegate by any means all of the President's authority under section 5(b), the language above quoted by its terms appears to have delegated nearly all of the

4/ These Proclamations are the Proclamation of March 6, 1933, 48 Stat. 1689, issued pursuant to section 5(b) prior to its amendment by the Act of March 9, 1933, and the Proclamation of March 9, 1933, 48 Stat. 1691, issued pursuant to section 5(b), as amended by the Act of March 9, 1933.

5/ Executive Order No. 6073 was further amended in respects not here material by Executive Order No. 6559 of January 15, 1934.

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President's authority to require the filing of reports. It delegated to the Secretary of the Treasury and/or the Attorney General complete authority to require reports relative to any transaction referred to in section 5(b). Since the transactions to be reported under the instructions are, as previously indicated, referred to in section 5(b), it is therefore clear that the Order contains a delegation to the Secretary of power to require reports with respect to such transactions. 6/ It is equally clear that the delegation of authority to require reports relative to transactions referred to in section 5(b) is not limited to those of such transactions which involve property of foreign countries or their nationals, for if the delegation were so limited the words "or relative to any property in which any foreign country or any national thereof has any interest" would be superfluous.

6/ Although the power to require reports relative to any transaction referred to in section 5(b) was delegated to the Secretary of the Treasury by the amendment to the Order of June 14, 1941, a date prior to the latest amendment of section 5(b), which was effected by the enactment of the First War Powers Act on December 18, 1941, 55 Stat. 838, the Order nevertheless is as complete a delegation of authority as if it had been issued after the enactment of the First War Powers Act, since Section 302 of the First War Powers Act provides that "all acts, actions, regulations, rules, orders, and proclamations heretofore taken, promulgated, made, or issued by, or pursuant to the direction of, the President or the Secretary of the Treasury under the Trading with the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, which would have been authorized if the provisions of this Act and the amendments made by it had been in effect, are hereby approved, ratified, and confirmed."

It may be noted that the enactment of the First War Powers Act was not, however, necessary to sustain the authority of the Secretary to issue the Instructions. At the time of the delegation to the Secretary of power to require reports relative to any transactions referred to in section 5(b), section 5(b) provided that "the President may, through any agency that he may designate . . . investigate payments by or to banking institutions . . . and the President may require any person to furnish under oath, complete information relative to any transaction referred to in this subdivision." Joint Resolution of May 7, 1940, 54 Stat. 179. Even if it is assumed that the President has delegated to the Secretary power to require reports relative to transactions referred to in section 5(b), as amended at the time of the delegation, rather than as presently amended, the delegation would appear to fully support the issuance of the instructions.

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The delegation of authority to the Secretary under Executive Order No. 8389, as amended, which appears in Section 4A of the Order, is supplemented by a further delegation in Section 7 of the Order. That section provides:

"Without limitation as to any other powers or authority of the Secretary of the Treasury or the Attorney General under any other provision of this Order, the Secretary of the Treasury is authorized and empowered to prescribe from time to time regulations, rulings, and instructions to carry out the purposes of this Order and to provide therein or otherwise the conditions under which licenses may be granted by or through such officers or agencies as the Secretary of the Treasury may designate, and the decision of the Secretary with respect to the granting, denial or other disposition of an application or license shall be final."

This section by delegating power to the Secretary to prescribe instructions to carry out the purposes of the Order appears to authorize the issuance of instructions to carry out the purposes of Section 4A as well as the purposes of other provisions of the Order. In this respect Section 7 may be regarded as an independent, although repetitious, delegation of authority to the Secretary to issue the Instructions.

While Executive Order No. 8389, as amended, delegated in precise terms to the Secretary of the Treasury the President's power under section 5(b) to promulgate the provisions of the Instructions, subsequent delegations of power to the Secretary conferred upon the latter all of the President's power under section 5(b), except certain power, not material to the Secretary's authority to issue the Instructions, which the President delegated to other agencies.

Thus on February 12, 1942, the President issued a memorandum 7/ to the Secretary of the Treasury stating:

"All power and authority conferred upon me by Sections 3(a) and 5(b) of the Trading with the Enemy Act, as amended, are hereby delegated to the Secretary of the Treasury."

This all-inclusive delegation was revoked by Executive Order No. 9095 of March 11, 1942, 7 U.F. 1971, which delegated all of the President's power under section 5(b) to the Alien Property Custodian, except such power as had been delegated to the Secretary of the Treasury prior to the issuance of the President's memorandum of February 12, 1942 and the power delegated to the Board of Governors of the Federal Reserve System by Executive Order No. 8843 of August 9, 1941. Executive Order No. 9095 while

7/ 7.F.R. 1409

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taking away the residual powers granted to the Secretary by the memorandum of February 12, 1942, left his powers under Executive Orders Nos. 6073, as amended, and 8389, as amended, intact. The residual powers were, however, to the extent they were delegated to the Alien Property Custodian by Executive Order No. 9095, temporarily redelegated to the Secretary of the Treasury by a memorandum from the Alien Property Custodian, dated March 11, 1942.

Executive Order No. 9193 of July 6, 1942, 7 F.R. 5205, which amended Executive Order No. 9095, retransferred the President's residual powers under section 5(b) to the Secretary of the Treasury with exceptions herein-after noted. This was accomplished by paragraph 3 of the executive order which provided in part:

"Subject to the provisions of this Executive Order, all powers and authority conferred upon me by sections 3(a) and 5(b) of the Trading with the enemy Act, as amended, are hereby delegated to the Secretary of the Treasury or any person, agency, or instrumentality designated by him . . ."

This delegation purports, "subject to the provisions of this Executive Order," to confer upon the Secretary of the Treasury all of the President's power under section 5(b). Therefore, any provisions restricting the delegation must be found within the executive order itself or possibly in prior delegations, such as Executive Order No. 6073, as amended, which were not expressly revoked by the executive order. An examination of Executive Order No. 9193 discloses that among the powers expressly reserved from the blanket delegation to the Secretary are all powers conferred on the Secretary by Executive Order No. 8389, as amended. Other powers reserved by the terms of Executive Order No. 9193 from the blanket delegation to the Secretary were certain specific powers delegated to the Alien Property Custodian by Executive Order No. 9193 and the powers delegated to the Board of Governors of the Federal Reserve System by Executive Order No. 8843. Neither of the latter two delegations, of power encroaches upon the blanket delegation to the Secretary of the Treasury in such a manner as to

8/ Paragraph 6 of Executive Order No. 9193 provides in part:

"To enable the Alien Property Custodian to carry out his functions under this Executive Order, there are hereby delegated to the Alien Property Custodian or any person, agency, or instrumentality designated by him all powers and authority conferred upon me by section 5(b) of the Trading with the enemy Act, including, but not limited to the power to make such investigations and require such reports as he deems necessary or appropriate to determine whether any enterprise or property should be subject to his jurisdiction and control under this Executive Order . . ."

This delegation of authority to the Alien Property Custodian would not appear to affect the blanket delegation to the Secretary of the Treasury
(continued at bottom of p. 9).

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restrict the Secretary's authority to issue the Instructions.

Although the delegation of authority with respect to the requiring of reports effected by Executive Order No. 8389, as amended, is sufficiently broad in itself to authorize the Secretary to exercise the President's power to require the reports referred to in the Instructions, any possible doubt of the Secretary's authority is removed by the blanket delegation to him contained in Executive Order No. 9193. Even if the delegation contained in Executive Order No. 8389, as amended, did not have the breadth hereinabove stated, Executive Order No. 9193 would by its own terms authorize the Secretary to exercise the President's power to require the reports referred to in the Instructions, since the latter order purports in paragraph 3 thereof to delegate to the Secretary all the residuum of power under section 5(b) not delegated by Executive Order No. 8389, as amended, Executive Order No. 8843, or the other provisions of Executive Order No. 9193.

It can not be successfully contended that the residual power under section 5(b) which was delegated to the Secretary by paragraph 3 of Executive Order No. 9193 is limited to the President's power over transactions involving foreign countries and their nationals and the property of such countries and nationals. The language of the delegation contains no such limitation and the other terms of the executive order negate any assumption that such a limitation was intended. Thus the President in issuing the executive order was careful to define the limits of the delegation of power to the Secretary by specifying that it was "subject to the provisions of this Executive Order" and by providing in paragraph 9 of the executive order that such order should not be deemed to modify or amend Executive Order No. 8843. By specifying areas to which the delegation

Footnote 3 - continuation.

under paragraph 3 in any material respect because the delegation to the Custodian is obviously limited by the first clause of the paragraph to such powers as are necessary or appropriate for the Custodian to carry out his functions, under Executive Order No. 9193. None of these functions appears to conflict with the power of the Secretary to issue the Instructions. It may be noted that the power conferred on the Custodian by this paragraph with respect to the requiring of reports is restricted to a limited field, and does not overlap the power of the Secretary of the Treasury to require reports in the field covered by the Instructions.

Even if it is assumed that paragraph 6 confers power on the Alien Property Custodian to take action in the field covered by the Instructions, it is clear that the Secretary of the Treasury has concurrent power in this field, pursuant to paragraph 12, which provides in part:

... No person affected by any order, regulation, ruling, instruction, license or other action issued or taken by either the Secretary of the Treasury or the Alien Property Custodian shall be entitled to challenge the validity thereof or otherwise excuse his actions, or failure to act, on the ground that pursuant to the provisions of this Executive Order, such order, regulation, ruling, instruction, license or other action was within the jurisdiction of the Alien Property Custodian rather than the Secretary of the Treasury or vice versa."

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332576

to the Secretary did not extend, it may be presumed that the President intended it to extend to all other areas. Moreover, if the President had intended to limit the delegation to the Secretary to subjects involving foreign countries, their nationals, and the property of such countries and nationals, it would have been unnecessary to expressly preserve the delegation of power under Executive Order No. 8349, which was an order regulating consumer credit and essentially domestic in its operation.

It would in reality be futile to contend that neither the delegations in Executive Order No. 8389, as amended, nor the delegation in paragraph 3 of Executive Order No. 9193 authorized the issuance of the Instructions, in view of paragraph 12 of Executive Order No. 9193. That paragraph provides in part:

"Any orders, regulations, rulings, instructions, licenses or other actions issued or taken by any person, agency or instrumentality referred to in this Executive Order, shall be final and conclusive as to the power of such person, agency or instrumentality to exercise any of the power or authority conferred upon me by sections 3(a) and 5(b) of the Trading with the Enemy Act, as amended; . . ."

The above language is expressed in the future tense and manifestly fore-closes any argument to the effect that the issuance, subsequent to the date of Executive Order No. 9193, of instructions by the Secretary of the Treasury, a person referred to in Executive Order No. 9193, is invalid because of the non-existence of a delegation from the President to the Secretary of the President's powers under section 5(b).

II Section 251 of the Revised Statutes

Section 251 of the Revised Statutes is another statutory provision which appears to authorize the Secretary of the Treasury to issue the Instructions. This statute confers direct authority upon the Secretary and consequently there is no question of delegation from the President involved.

So much of section 251 as appears in title 31, section 427, of the United States Code provides as follows:

"The Secretary of the Treasury shall make and issue from time to time such instructions and regulations to the several collectors, receivers, depositaries, officers, and others who may receive Treasury notes, United States notes, or other securities of the United States, or who may be in any way engaged or employed in the preparation and issue of the same, as he shall deem best calculated to promote the public convenience and security, and to protect the United States, as well as individuals, from fraud and loss."

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File	Currency - National Bank
Box	PH 06/18/1943

332577

It will be noted that there is no limitation upon the Secretary's power to issue "instructions" to "others who may receive" the specified currency, except that the instructions must in the judgment of the Secretary be calculated to promote the public convenience and security and to protect the United States and individuals from fraud and loss. The instructions were issued to serve precisely these purposes.

Although the Instructions are intended to require reports with respect to transactions involving Federal Reserve notes and Federal Reserve bank notes, these forms of United States currency are not specifically referred to in the statute. However, the term "or other securities of the United States" following the reference to Treasury notes and United States notes appears to include all other types of United States currency. In this connection it may be noted that section 43(b) of the Act of May 12, 1933, 48 Stat. 52, as amended (U.S.C., title 31, sec. 462), which declares coins and currencies of the United States to be legal tender, specifically includes Federal Reserve notes and the circulating notes of Federal Reserve Banks and national banking associations within the meaning of the term "coins and currencies of the United States."

The authority to issue instructions to "others" under section 251 of the Revised Statutes would not appear to be limited by the rule of ejusdem generis to instructions to officers of the United States, since this rule is a rule for discovering legislative intent and is never applied to subvert such intent when ascertained. Texas v. United States, (1934) 292 U.S. 522. The intent of Congress that "others" should not be confined to officers of the United States appears from the derivation of section 251. The portion of the section above-quoted was derived from section 8 of the Act of June 30, 1864, 13 Stat. 221, in which the word "others" was succeeded by the qualifying words "who may receive Treasury notes, United States notes, or other securities in behalf of the United States." The elimination of the underscored words indicates the intention of Congress to no longer confine the class of persons to whom instructions may be issued to persons receiving currency in behalf of the United States. That such was the intention of Congress is supported by the case of United States v. Minnesota Mutual Investment Company (1925) 271 U.S. 212, wherein the Court stated, at page 216, that "Section 251 of the Revised Statutes provides that the Secretary of the Treasury may make rules and regulations relative to public moneys and officers concerned therewith." (underscoring supplied).

III. Other Sources of Statutory Authority.

There are certain other sources of statutory authority not hereinabove referred to which might by liberal construction be said to authorize the issuance by the Secretary of the Instructions. However, since these statutes do not specifically or expressly authorize the Secretary to issue the Instructions, reliance is not placed upon them, although they may be mentioned incidentally.

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File	Currency (U.S. Notes)
Box	84

66/8/1/24

332578

Section 3901(a) of the Internal Revenue Code, 53 Stat. 277 (U.S.C., title 26, sec. 3901 (a)), authorizes the Commissioner of Internal Revenue, under the direction of the Secretary of the Treasury, to "prepare and distribute all the instructions . . . pertaining to the assessment and collection of internal revenue." As this section authorizes the issuance of instructions by the Commissioner of Internal Revenue, under the direction of the Secretary, rather than the issuance of instructions by the Secretary directly, it cannot be given the weight which must be accorded to the statutes discussed in the first two subdivisions of this memorandum.

Section 3211 of the Revised Statutes, as amended, (U.S.C., title 12, sec. 161) authorizes the Comptroller of the Currency, whose duties are performable under the general directions of the Secretary of the Treasury, to require reports from national banking associations. Here again power is conferred upon a subordinate of the Secretary of the Treasury, acting under his supervision, rather than upon the Secretary directly. Moreover, the reports which the Comptroller may require under this section appear from all the language of the section to be limited to reports relative to the financial condition of national banking associations.

(4) Use of reports obtained pursuant to the Instructions.

Since the Secretary of the Treasury has legal authority to require the reports referred to in the instructions, his power to use them for internal revenue or other lawful purposes can not be doubted. This power is firmly supported by statute and by case law.

Section 161 of the Revised Statutes (U.S.C. title 5, sec. 22) specifically provides:

"The head of each department is authorized to prescribe regulations, not inconsistent with law, for the government of his department, the conduct of its officers and clerks, the distribution and performance of its business, and the custody, use, and preservation of the records, papers, and property appertaining to it."

This section clearly authorized the Secretary to prescribe regulations for the use of reports filed with the Treasury Department. His authority to issue regulations with respect to the use of such reports has been liberally construed, Hoske v. Comptroller, (1900) 177 U.S. 459, and has been held to include the power to furnish bank examiners' reports filed with the Treasury Department to other agencies of the Government. Bank of America Nat. Trust & Sav. Ass'n v. Douglas, (App. D.C., 1939) 105 F. (2d) 100.

Even in the absence of a statute authorizing the Secretary to prescribe what use may be made of documents filed with the Treasury Department, the Secretary would have authority under general principles of law to use the reports required by the instructions for internal revenue purposes.

Wong v. United States, (No. 10922, U.S.A.S., 5th, April 24, 1945) as directly

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File	Currency - National Bank
Box	84 6618/100

332579

in point. There the Treasury Department obtained possession of documents pursuant to the Secretary's war power under section 5(b) and the court held that the use of such documents for the purpose of prosecuting income tax violators was not illegal. The powers under section 5(b) which the Secretary exercised in requiring the filing of the reports referred to in the instructions were powers not relating essentially to the prosecution of the war. Clearly, documents acquired under these powers would be available for internal revenue purposes.

Wayne P. Dyer

*I agree
E.A.*

RG	131
Entry	247
File	Current: 6-11-1941
Box	84

332580

RG 131
Entry 247-FFC
Gen. CORR. 12-60
File MANDATORY TREATMENT
OF ENEMY PROPERTY
Box 174 (6-2-00)

MEMORANDUM FOR THE FILES

July 19, 1945

Subject: Items for Inclusion in a Report for New Secretary

There are attached, for information, copies of three memoranda which Mr. Hoffman requested for inclusion in a report for our new Secretary.

J. S. Richards

cc: Messrs. Ball (Paris), Marts (Brussels), Taylor (London), Taylor for Olsen (London), Patterson (Athens), Mann (Bern), Wood (Lisbon), Alk (Manila Office), Moskowitz, Arnold, J. Friedman, O'Flaherty, H. Jones, deZevalles, Bessel (NY), Mrs. R. Schwartz and Mrs. M. Schwartz

JSRichards:ems

332581

MEMORANDUM

July 18, 1945

Subject: Relaxation of Controls over the Importation of Currency and Certain Types of Securities

During the war, Foreign Funds Control has prohibited the importation of securities and currency unless the securities and currency are immediately turned in to a Federal Reserve Bank where they are held until satisfactory evidence is presented establishing freedom from enemy taint. These controls were instituted to achieve two primary objectives: (1) to reduce the value to the enemy of dollar securities and currency in their possession by making it difficult for them to dispose of these items for badly needed foreign exchange, and (2) to prevent the United States from being used as a market for the disposition of securities and currency looted by the enemy.

With the defeat of Germany and the institution of Allied controls in Germany, the first objective has been substantially accomplished. Accordingly, we desire to remove to the maximum extent possible these wartime controls, while, at the same time, substantially preventing the disposition within the United States of axis loot. This desire is further prompted by the fact that the administration of the present controls requires a very considerable manpower expenditure by Customs, Consularship, the Federal Reserve Banks and the Control. In addition, the controls of necessity cause inconvenience to travellers and seamen which it would be well to eliminate, particularly in view of the shortage of boats and of the increase in travel between the United States and the liberated European countries.

We believe that the elimination of the following items from our controls would substantially reduce the administrative problems and the nuisance caused to travellers and seamen without materially affecting the ability of persons to dispose of loot in the United States:

1. U. S. currency in denominations of \$20 or less;
2. Foreign currency;
3. U. S. Defense and War Savings Stamps and Bonds of all series and denominations;
4. Securities issued or authenticated in the United States or Canada after December 7, 1941;
5. Veterans' Adjusted Service Certificates and Veterans' Adjusted Service Bonds; and
6. U. S. Treasury notes of Tax Series A and Tax Series B.

It should be noted that no significant cases have come to our attention involving foreign currency or small denomination U. S. currency. The likelihood that securities issued in the United States or Canada after December 7, 1941

cc: Messrs. Marks (Brussels), Ball (Paris), Taylor for Olsen (London), Taylor (London), Patterson (Athens), Mann (Bern), Wood (Lisbon), Alk (Sanilla Office), Moskowitz, Arnold, Friedman, O'Flaherty, Alfonso, deZevallos, Mrs. Schwartz, Schwartz and Vessel (NY)

RG 131 (6-2-40)
Entry 247 (FFC (Econ. COR.))
File Germany - Treatment of Enemy Property
Box 174

could have gotten into enemy-occupied territory and be looted is very remote. The securities referred to in Items 3, 5 and 6 above are all non-transferable and non-assignable and there is little probability that the enemy could derive any benefit from them.

In 1942, we adopted a program for Mexico which prohibited the movement between the United States and Mexico of U. S. currency in all denominations except \$2 bills. In January of this year, we broadened the Mexican program to permit the movement of U. S. currency in denominations of \$20 and under without any harmful effects. The proposed measures will apply this same program to all areas now affected by our currency controls.

Adoption of these measures may lead to some speculation concerning the future status of large denomination U. S. currency which will not be permitted to enter the United States freely under the program. These results, however, are inevitable unless we either continue our controls indefinitely or else abandon our controls completely.

The immediate removal of the import restrictions on the items enumerated above is strongly recommended.

Lewis J. Richards :ems

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Orvis A. Schmidt

DATE: 5/10/46

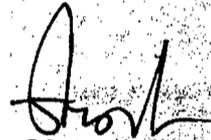
FROM : Walter H. Windsor

SUBJECT: Disposition of Certain Securities and Currencies Held Under General Ruling No. 5 and 5A

As you know, we have been for some time confronted with the job of disposing of securities and currencies picked up under General Ruling No. 5 and 5A. Some of the main problems concern the Dallas Bank, especially since its recent consolidation with Chicago. Harold Wessel of the New York Federal has also frequently mentioned to me the question of returning cash and properties taken from seamen who arrived in New York that were nationals of blocked countries. In view of the success of the procedure recently established with Customs and APC for handling detained property of deportees, it seems feasible to use the same method to dispose of property held by the banks under General Ruling No. 5 and 5A, in those instances where no applications are pending or where the location of owners and beneficiaries is unknown.

The reasons for utilizing Customs for this purpose are: (1) Customs, in most cases, originally seized or detained the property in question; and (2) under law, Customs is authorized to place money into Collector's accounts, converting the proceeds into checks payable to APC for vesting or appropriate persons.

I have discussed this informally with Miss Hodel and Messrs. Arnold, Dyer, Ray Jones, and Harold Wessel of the New York bank, all of whom expressed an interest in the proposal. They have realized the difficulties involved right along and are, accordingly, eager to obtain an early solution for them. I have also mentioned this procedure to Mr. Russell of Customs who indicated that upon receipt of our request, they would be glad to consider the use of Customs' facilities for this purpose. Accordingly, there is attached for your signature a letter to Mr. Johnson, Commissioner of Customs.


Staff Assistant

RG 131

Entry 247

File Currency unclaimed
miscellaneous

Box 85

6/10/46

332584

100134 X

DEC 13 1946

Dear Sir:

It is expected that in the liquidation of your Foreign Funds Department, there will be certain currency held by you pursuant to General Ruling No. 5 which you are unable to return to the person from whom it was impounded.

It has been decided to cover the amount of such currency into the Treasury to the credit of a trust fund receipt account. Accordingly you are instructed to deposit such currency, under reference on a Treasury Form 1 (revised), in the name of the Treasurer of the United States for credit to the account entitled "208881 Unclaimed Moneys of Individuals Whose Whereabouts are Unknown". A schedule listing the names of the individuals from whom the currency was impounded showing the respective amount applicable to each, should be prepared and two copies attached to the original certificate of deposit.

A copy of this schedule should also be sent to this Office and any files and records held by you which pertain to the currency may also be forwarded to this Office.

Sincerely yours,



John S. Richards,
Deputy Director

Mr. Neil B. Lewis,
Vice President,
Federal Reserve Bank of Chicago,
Chicago 90, Illinois.

TPNelson:mbw:ems 12/2/46

RG	131
Entry	247
File	Currency unclaimed passports
Box	85 (6/1/46)

332585

FEDERAL RESERVE BANK

OF NEW YORK

FISCAL AGENT OF THE UNITED STATES

MEMORANDUM

September 19, 1947

To: Mr. R. Jones
Foreign Funds Control
Treasury Department
Washington, D.C.

*Noted
R. Jones*

From: H. Christensen, Securities
Foreign Funds Control Dept.
New York, NY

Reference is made to our telephone conversation of August 28, 1947 relative to currency which we hold pursuant to General Ruling No. 5 and were encountering difficulty in releasing due to the failure of the interested parties to respond to our communications within a reasonable period of time.

As we concurred that such currency should be credited to the Treasurer of the United States for credit to the account "208881 Unclaimed Moneys of Individuals Whose Whereabouts Are Unknown" we instructed our Paying Division to credit \$625.- to such account representing four cases in which the response to our inquiries appeared tardy.

This currency was credited to said account under the procedure indicated in a memo dated May 9, 1947 to Mr. Norman P. Davis from John S. Richards pertaining to currency held pursuant to General Ruling No. 5. Accordingly, we submit herewith a copy of the schedule which was attached to the original certificate of deposit and the files and records which we have with respect to such currency.

For your information, we have todate credited to the herein stated account a total of \$13,008.50 as follows:

	<u>AMT.</u>	<u>TOTAL</u>
May 29, 1947	\$5,277.50	
August 8, 1947	7,106.00	
Sept. 16, 1947	625.00	\$13,008.50

RG	131
Entry	247
File	Currency unclaimed Passage
Box	85

332586

SEP 16 1947

Impounded U. S. currency released under General Ruling #5 of Executive Order #8389, as amended, by the Foreign Funds Control Division of The Federal Reserve Bank of New York who is unable to make payment to owners due to various reasons.

<u>IN NUMBER</u>	<u>NAME & ADDRESS</u>	<u>RECEIPT NUMBER</u>	<u>AMOUNT</u>
475507V	Carlos Fontes Jorge No Address	W 1887	\$ 10.
4528519	Kenneth E. Lehr 1606 North Pearl Avenue Compton, California	W 2094	205.
4824553	L. Freitas 3877 Helen Street Oakland, California	W 2573	210.
4824124	George Bargo c/o Barnett National Bank Fort Lauderdale, Florida	W 3140	200.

SEP 28 55 AM 3 24

RG	131
Entry	247
File	Currency unclaimed
Box	85

332587

SEP 29 1947

In reply please refer to: 106045
106274

To: Mr. Norman P. Davis,
Asst. Vice President,
Federal Reserve Bank of New York

From: John S. Richards,
Director

With reference to your memorandum of September 17, 1947, I am glad to be able to inform you that satisfactory arrangements for the disposition of the currency and other property you are holding under General Ruling No. 5 now seem imminent.

First, with respect to the \$219,744 received from the South American central banks, the Bureau of Accounts is willing to take it over. We expect to be able to send you specific instructions for releasing the currency to that Bureau in the next week or so.

Second, with reference to the property which was withheld from deportees, the Office of Alien Property is presently engaged in drawing up a vesting order that will cover all of the property other than that which belonged to diplomats, persons who were sent to the United States for internment from South America, and a few cases where the owners either were not deported or their whereabouts are unknown. We are told that the vesting order should be ready within three weeks unless some unexpected difficulty is encountered with respect to the descriptions of the property involved. Further, we have been informed by the State Department that we will receive a request from them in the immediate future for the transfer of the property that was taken from South American internees and that they hope at the same time to be able to take over the property of the diplomats. After both the Office of Alien Property and the State Department have taken action, there will remain a small amount of unclaimed property belonging to those persons who are known to be in the United States or whose whereabouts are unknown. There will be no difficulty in arranging the transfer of this property to the Bureau of Accounts.

As for the unblocking of non-enemy inheritances, we have, as you know, now obtained the necessary clearances for General License No. 97 and it should not be longer than two weeks before it is issued.

MMS

MWSchwartz:emp 9-26-47

JOHN S. RICHARDS

Mailed from Richard office - 9/29/47

Conformed copy to M. Schw...

RG	131
Entry	247
File	Currency: 66-10744
Box	84 (618/100)

332588

SEP 29 1947

25

In reply please
refer to: ~~100045~~
106274

To: Mr. Norman P. Davis,
Asst. Vice President,
Federal Reserve Bank of New York

From: John S. Richards,
Director

With reference to your memorandum of September 17, 1947, I am glad to be able to inform you that satisfactory arrangements for the disposition of the currency and other property you are holding under General Ruling No. 5 now seem imminent.

First, with respect to the \$219,744 received from the South American central banks, the Bureau of Accounts is willing to take it over. We expect to be able to send you specific instructions for releasing the currency to that Bureau in the next week or so.

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As for the unblocking of non-enemy inheritances, we have, as you know, now obtained the necessary clearances for General License No. 97 and it should not be longer than two weeks before it is issued.

JOHN S. RICHARDS

W.Schwartz:emp 9-26-47

RG	131
Entry	247
File	Currency - Inter-emp
Box	84

332589

FEDERAL RESERVE BANK

OF NEW YORK

FISCAL AGENT OF THE UNITED STATES

106274

VERIFIED AUTHORITY
DO: MAIL & DELIVER
ANS.
NO AND. RES.
INITIAL *ms*
DATE *9-29-47*

MEMORANDUM

September 17, 1947.

To: Mr. John S. Richards

From: N. P. Davis

Enclosed herewith is a memorandum dated September 16, 1947 addressed to me by Mr. C. Strom of our staff, setting forth a history of the efforts that he has made, commencing in the early part of the year 1946, to bring about a disposition of currency taken from deportees, and of currency held for account of various South American central banks and with respect to which applications for release are still pending in your office.

In addition to Mr. Strom's efforts in this connection, I myself have repeatedly urged upon you and various members of your staff that some action be taken to permit us to dispose of this currency.

I should also like to remind you that under date of February 26, 1947 I first urged upon you that action be taken to unblock inheritances of non-enemy blocked nationals from decedents who were not blocked nationals. It was our understanding that your office was ready to accept this recommendation, but to date no definitive action has been taken.

All of the above recommendations to you were prompted by a desire, with which we understood you were in accord, to reduce the cost of maintaining the Foreign Funds Control function at this bank. As you know, our operating costs are directly related to the duties and responsibilities imposed upon us by your office. Further reductions in operating costs of the Foreign Funds Control function at this bank cannot be effected without your cooperation. In particular, we should like to be relieved from the custody of property which should long since have been turned over to some other agency and from the handling of voluminous correspondence and applications relating to inheritances of a type which it has long since been determined should not remain blocked.

(enc.)

N. P. Davis

AME

RG 131
Entry 247
File Currency, Central Banks
Box 84 *66/1104*

332590

OFFICE CORRESPONDENCE

DATE September 16, 1947

TO Mr. N. P. Davis

SUBJECT Property held under General Ruling
No. 5 awaiting Treasury Department
instructions with respect to disposi-
tion.

FROM C. Strom

Reference is made to various property such as securities, currency, checks, foreign currency, etc. which property was withheld from persons who were deported from the United States and was delivered to us pursuant to Treasury Department instructions to be held under General Ruling No. 5.

Such property involves about 271 items and is more fully described in various memoranda which were sent to the Treasury Department as follows:

- (1.) Memorandum of July 18, 1946 to R.L. Jones enclosing a copy of our letter of March 11, 1946 to Mr. Henry G. Hilkin, Chief, Division of Investigation, Alien Property Custodian in which the 153 items stranded property were listed.
- (2.) Memorandum of February 15, 1947 to R.L. Jones in which a schedule similar to (1) above was attached.
- (3.) Memorandum of April 16, 1947 in which a supplement to the letter of March 11, 1946 referred to in (1) and (2) above was enclosed.
- (4.) Memorandum of January 15, 1947 to John A. Banning enclosing lists of 109 items forwarded to New York by the Seattle and Portland Branches of the Federal Reserve Bank of San Francisco.
- (5.) Memorandum of January 20, 1947 to John A. Banning enclosing photostatic copy of schedule of 14 items forwarded to New York by the Federal Reserve Bank of Chicago.

In addition to the above memoranda, there have been repeated telephone conversations with various members of the staff in the Treasury Department, but up to the present writing there has been no definite determination of the disposition of such property other than about 5 items which have been vested by the Alien Property Custodian.

Reference is also made to \$219,744. in currency held by us under General Ruling No. 5 which is causing our Auditing Department so much concern. (You will recall various conferences and discussions had with our General Auditor Mr. Dillistin and Mr. Felix Davis, Vice President in charge of our Cash Department, with respect to getting rid of all the currency held by us under General Ruling No. 5 because of the expense and work involved in connection with repeated examinations relative to the same currency.) The \$219,744. represents currency sent by the Central Banks of Peru and Venezuela and the Banco do Brasil to our Foreign Department. Applications numbers NY 449409, 450377, 543162, 515526, for the release of the currency, are still pending in the Treasury Department. I understand from the Treasury Department that this currency is enemy or "suspect enemy" and a determination is still to be made as to its disposition.

I suggested to Ray Jones over the phone today, the possibility of receiving authority to turn the subject property over to some account in the Treasury Department pending final disposition. He indicated that the Treasury Department was reluctant to do so as he thought it might cause too much confusion. However, he said he would explore this possibility further and discuss it with the department.

Other than a few specific "cats & dogs", the subject matter of this memorandum represents the only categories in which we lack authority to dispose of property held under General Ruling No. 5 other than "Scheduled Securities".

RG	131
Entry	247
File	Currency: Treasury Dept
Box	84

332591