TO THE BANK ADDRESSED:

Pursuant to the Proclamation of the President dated September 7, 1917, placing an embargo on the export of certain articles from the United States, and with particular reference to the export of coin, currency and bullion, mentioned therein, we submit the following data:

I. A copy of the Executive Order on the subject.

II. A copy of the Administrative Procedure received from the Federal Reserve Board under date of September 20.

III. Directions of the Federal Reserve Board regarding ear-marked gold held for foreign account.

I. EXECUTIVE ORDER

Regulations Relating to the Exportation of Coin, Bullion and Currency

By virtue of the authority vested in me, I direct that the regulations, orders, limitations, and exceptions prescribed in relation to the exportation of coin, bullion and currency shall be administered by and under the authority of the Secretary of the Treasury; and upon recommendation of the Secretary of the Treasury, I hereby prescribe the following regulations in relation thereto:

1. Any individual, firm or corporation desiring to export from the United States or any of its territorial possessions to any foreign country named in the proclamation dated September 7, 1917, any coin, bullion, or currency, shall first file an application in triplicate with the Federal Reserve Bank of the district in which such individual, firm or corporation is located, such application to state under oath and in detail the nature of the transaction, the amount involved, the parties directly and indirectly interested and such other information as may be of assistance to the proper authorities in determining whether the exportation for which a license is desired will be compatible with the public interest.

2. Each Federal Reserve Bank shall keep a record copy of each application filed with it under the provisions of this regulation and shall forward the original application and a duplicate to the Federal Reserve Board at Washington together with such information or suggestions as it may believe proper in the circumstances and shall in addition make a formal recommendation as to whether or not in its opinion the exportation should be permitted.

3. The Federal Reserve Board, subject to the approval of the Secretary of the Treasury, is hereby authorized and empowered upon receipt of such application and the recommendation of the Federal Reserve Bank to make such ruling as it may deem proper in the circumstances and if in its opinion the exportation in question be compatible with the public interest, to permit said exportation to be made; otherwise to refuse it.

The White House, September 7, 1917.
II.

ADMINISTRATIVE PROCEDURE

Method of Making Application

Individuals, firms and corporations desiring to obtain licenses for the exportation of coin, bullion, and currency, must file an application with the Federal Reserve Bank of the district in which the applicant resides, or where the transaction requiring the shipment originates. These applications must be made on a standard form which has been furnished to all Federal Reserve Banks.

Exports of Gold

It will be the general policy of the Board not to authorize the exportation of gold unless the shipment applied for is shown to be connected in a direct and definite way with a corresponding importation of merchandise for consumption in the United States, but in any case, authorization will be granted only where the exportation of gold in payment for such merchandise is found to be compatible with the public interest. In reaching its conclusions, however, the Board will consider all attending circumstances in each particular case.

Shipments of Canadian Notes and Silver Coin

Until further notice the Board will approve all applications for the exportation of Canadian notes and silver coin without limitation. The Treasury Department has instructed collectors of customs to pass such shipments into Canada when approved by the Federal Reserve Bank of the district from which the shipments are made. Continuous permits for shipments of Canadian silver coin and currency, without requiring an application in each case, may be granted by Federal Reserve Banks upon condition that each transaction will be reported to it without delay. The Federal Reserve Banks will transmit to the Board weekly reports of all applications of every kind passed upon by them, showing the amount of each shipment.

Exports of Silver Bullion and Silver Coin of Foreign Mintage

Applications for the exportation of silver bullion and silver coin of foreign mintage will in general be approved by the Federal Reserve Board upon recommendation of the Federal Reserve Bank with which the application is filed.

United States Notes, National Bank Notes, Silver Coin and Federal Reserve Notes

Application for the exportation of United States notes, national bank notes, silver coin and Federal reserve notes will as a rule be approved by the Federal Reserve Board, but each application must come before the Board for its determination before shipment is made.

Travelers Leaving the Country

Instructions have been issued by the Treasury Department to collectors of customs to permit travelers leaving the country to carry on their persons or in their baggage

(a) United States notes, national bank notes, silver certificates and Federal reserve notes not to exceed $5,000 for each adult;
(b) American silver dollars and subsidiary silver coins not to exceed $200 for each adult;
(c) Gold coin or gold certificates not to exceed $200 for each adult.

Collectors of customs have been informed that in dealing with travelers they may act in accordance with these regulations, without communicating with the Federal Reserve Board or with the Federal Reserve Bank of their district.

General

Shipments of coin or currency which appear to be or suspected of being for enemy account or for the benefit of the enemy, will not be permitted.

These regulations are issued subject to change without notice, and no application granted will be regarded as constituting a precedent.
GOVERNOR, FEDERAL RESERVE BANK OF CHICAGO,
Chicago, Illinois.

Dear Sir:

In connection with the regulations covering the exportation of coin, bullion, and currency from the United States, the Board desires that you request all national banks, state banks, trust companies, private banking firms, or other fiduciary institutions likely to have ear-marked gold for foreign account, to give you a full statement of the gold which is held in custody by them, indicating under what stipulations it was received, with the assurance that the information furnished will be held in strict confidence. Please inform these institutions that the Board regards the ear-marking of gold for foreign individuals, firms, corporations, or governments, as being tantamount to the exportation of gold, and that in the public interest it requests that no more gold be ear-marked for foreign account except upon the approval of the Board. It must be understood, however, that any restrictions which may be placed upon the exportation or ear-marking of gold must in no way affect the payment in gold whenever required, of any obligation payable in gold within the United States, whether due to domestic or foreign holders, excepting enemy holders, the regulations affecting only gold which is to be shipped outside of the United States or to be ear-marked for foreign account, as stated above.

Gold which was already ear-marked before the President’s order became effective may be considered by the Board as exempt from its terms, subject, however, to the stipulations under which the gold was taken into custody.

Very truly yours,

(Signed) W. P. G. HARDING,
Governor.

Under the above instructions, all national banks, state banks, trust companies, private banking firms, or other fiduciary institutions are requested to give us a full statement of the ear-marked gold held in their custody for foreign account, indicating under what stipulations it was received. All information received will be held in confidence.

FEDERAL RESERVE BANK OF CHICAGO.