

# FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, August 14, 1942

**To All Banking Institutions, and Others Concerned,  
in the Eleventh Federal Reserve District:**

The Secretary of the Treasury has issued the following general ruling and press statement relative thereto:

“GENERAL RULING NO. 14 UNDER EXECUTIVE ORDER NO. 8389, as amended, Executive Order No. 9193, sections 3(a) and 5(b) of the Trading with the Enemy Act, as amended by the First War Powers Act, 1941, relating to Foreign Funds Control.\*

The sending, mailing, exporting, or otherwise transmitting of any United States currency out of the United States directly or indirectly to Mexico on and after August 14, 1942, is hereby prohibited, except as specifically licensed or otherwise authorized by the Secretary of the Treasury.

August 14, 1942

RANDOLPH PAUL  
Acting Secretary of the Treasury”

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\*Part 132—Sec. 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; 54 Stat. 179; Public No. 354, 77th Congress, 55 Stat. 838; Ex. Order 8389, April 10, 1940, as amended by Ex. Order 8785, June 14, 1941, Ex. Order 8832, July 26, 1941, Ex. Order 8963, December 9, 1941, Ex. Order 8998, December 26, 1941; and Ex. Order 9193, July 6, 1942; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941.

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## PRESS STATEMENT

“The Secretary of the Treasury today announced that the Government of Mexico and the Government of the United States have, in cooperation, taken steps to further supplement the measures aimed at preventing the disposition within the Western Hemisphere of currency looted by the Axis.

“The Government of Mexico has prohibited the importation into that country of all United States currency other than bills of two dollar denomination and United States coins. At the same time all United States currency presently within Mexico has been ordered into the Bank of Mexico and associated banks. Such currency will not be released by the Mexican Government, but in those cases in which persons who have turned over such currency can prove that the currency was legitimately acquired and free from Axis taint the peso equivalent will be turned over to the person surrendering the United States currency. It was announced that persons failing to turn in United States currency in their possession would be treated as enemies of Mexico within the meaning of the Mexican laws dealing with trading with the enemy and enemy property.

“In order to supplement the Mexican Decree the Treasury announced that on and after August 14, 1942, it would be illegal to export to Mexico any United States currency other than coins and bills of two dollar denomination. Furthermore, all United States currency brought into this country from Mexico on and after August 14, 1942 (except coins

and bills of two dollar denomination), will be required to be surrendered to the United States Customs Authorities at the border. Such currency will be turned over to the Federal Reserve banks in accordance with the procedure established under General Ruling No. 5, as amended.

"The effect of this joint measure of the United States and Mexican Governments is to prevent use being made of Mexico as a place in which Axis agents may dispose of dollar currency looted abroad.

"Treasury spokesmen stated that the new regulations would in no way interfere with the legitimate activities of residents on either side of the United States-Mexico Border who have long been accustomed to using pesos and dollar currency without distinction on both sides of the International Line. The exemptions provided in both the Mexican and United States rulings will allow pesos to enter and leave the United States and American two dollar bills and coins to enter and leave Mexico freely.

"It was further said that the new regulations would not affect the free passage across the border of checks, drafts, traveler's checks and other credit instruments in the same manner as has been true up to the present time. Likewise, nothing contained in the present regulations will prevent Americans from maintaining bank accounts in Mexican banks or Mexicans from maintaining accounts in banks within the United States. Such accounts, many of which now exist, will remain entirely unaffected.

"This action supersedes the previous Treasury Department ruling which had allowed any person arriving in the United States from Mexico to bring with him up to \$250 in United States currency regardless of the denomination of the bills imported.

"It was pointed out that tourists going from the United States to Mexico would be subject to no inconvenience whatsoever in connection with the new rulings, provided that before departing for Mexico they converted such funds as they intended taking with them into traveler's checks, bank drafts or other credit instruments or into two dollar bills or coins.

"Treasury spokesmen stated that the two dollar bill had been eliminated from the restrictions imposed on the importation and exportation of other United States currency to and from Mexico by reason of the fact that very few such bills have fallen into Axis hands, whereas it is known that large amounts of United States currency of other denominations have come under the control of the aggressors.

"The Treasury also announced that any person leaving the United States going through Mexico en route to any other country would be allowed to carry United States currency in any denomination having an aggregate value of \$250, plus \$250 for each accompanying dependent."

Yours very truly,

R. R. GILBERT

President