

**FEDERAL RESERVE BANK
OF NEW YORK**
Fiscal Agent of the United States

[Circular No. 2525, October 22, 1942
Reference to Circulars Nos. 2507 and 2523.]

FOREIGN FUNDS CONTROL

*To all Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:*

For your information we quote below the text of a press release recently issued by the Treasury Department:

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Friday, October 16, 1942.

Press Service
No. 33-68

The Treasury Department today announced that, after October 31, 1942, persons entering the United States from any place other than Mexico, Great Britain, Bermuda, Canada and Newfoundland, will be required to turn over to Customs authorities all the currency in their possession in excess of \$50.

This ruling supersedes the previous requirement that all currency in excess of \$250 be turned over to the Customs authorities.

The regulations now in effect with respect to currency brought into the United States from Mexico remain unchanged, and two-dollar bills and subsidiary coins may move freely between the United States and Mexico.

Treasury officials pointed out that the new ruling constitutes a tightening of the controls aimed at preventing the disposition in this country of currency looted by the Axis. When the controls, which require the surrender of imported currency to Customs officials and to Federal Reserve Banks, were inaugurated last Spring, an exception was made in order to permit legitimate users of dollar currency time enough to become familiar with the currency regulations. In order to give legitimate users of dollar currency time to adjust themselves to the \$50 limitation, the Treasury Department is giving this advance notice of the ruling.

The Treasury has repeatedly warned persons leaving the United States to carry some means of payment other than United States currency when traveling outside of the United States. Officials said it is assumed that persons arriving in the United States today are aware of our restrictions on the importation of currency as all such persons have had ample opportunity to make arrangements for financing themselves other than by the use of United States currency.

Treasury officials said that persons leaving the United States should not carry with them United States currency in excess of \$50. They declared that not only is it unwise to carry United States currency outside of the United States because of the restrictions upon its reimportation; it is also imprudent in view of the fact that due to this Government's policy dollar currency is worth only a fraction of its former value in Europe and most parts of Central and South America. In fact, they pointed out, regulations adopted in cooperation with this Government's currency program make the general use of dollar currency illegal in most of the other American Republics.

Attention was also called to the fact that in view of these regulations, travelers may find themselves unable to utilize even the aforementioned \$50 amount.

Traveler's checks, drafts, or telegraphic transfers are the best means of satisfying financial needs while traveling outside the United States at the present time, officials observed.

It was pointed out that the curtailed use and value of dollar currency abroad has had no effect on the dollar as an international medium of credit. The restrictions on foreign dealings in dollar notes have in no way affected the value of dollar drafts, checks or credits.

Additional copies of this circular will be furnished upon request.

ALLAN SPROUL,
President.