

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

[Circular No. 2858]
November 1, 1944

REVOCATION OF HAWAIIAN CURRENCY AND SECURITIES REGULATIONS

*To all Banks and Trust Companies
in the Second Federal Reserve District:*

The following press statement was released by the Treasury Department on October 21, 1944:

The Treasury Department today announced the revocation of the Hawaiian currency and securities regulations.* This action brought to an end the financial "scorched earth" program in Hawaii.

The special Hawaiian regulations which were revoked today were designed to prevent the enemy from making effective use of the financial resources of the Islands in the event of a successful invasion. Under these regulations, the ordinary United States currency was withdrawn from circulation and a new series with a distinctive brown seal and the word "Hawaii" overprinted was issued. Securities were required to be perforated with the letter "H". Thus, in the event the Islands were occupied, it would have been difficult for the enemy to have realized any gain from the easily identifiable currency and securities which were not destroyed.

The action taken today was in line with the Treasury policy of relaxing wartime controls as soon as conditions permit. With the danger of invasion definitely removed, the precautionary measures prescribed by the regulations are no longer necessary and hereafter unperforated securities and ordinary United States currency may be marketed and circulated in Hawaii. It was emphasized, however, that the revocation of these regulations will not affect the validity of perforated securities and the special currency issued under the "scorched earth" program.

The Treasury Department advises us that in view of the removal of these restrictions it will not be necessary to continue the use of the specially marked currency in Hawaii and in other Pacific areas. The specially marked currency will be allowed to continue to circulate in these areas and to circulate in other places (including the continental United States) until it is retired in the normal course of operations as it becomes unfit for further circulation. In the meantime the supply of this currency still on hand will be used to supply the circulation needs in Hawaii, after which the currency needs of Hawaii will be supplied through regular currency issues as heretofore.

Additional copies of this circular will be furnished upon request.

ALLAN SPROUL,
President.

*The Regulations Relating to Securities, dated July 3, 1942, issued by the Acting Governor of Hawaii, were set forth in our Circular No. 2473, dated August 5, 1942.

The Regulations Relating to Currency, dated June 25, 1942, issued by the Governor of Hawaii, as amended July 29, 1942, were set forth in our Circular No. 2481, dated August 13, 1942.