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STATEMENT FOR THE PRESS.

Far reaching restrictions in the business of handling foreign exchange transactions and the sale of securities for foreign account, both for those dealing therein and for those making purchases of the same, will become effective on Tuesday, February 5, 1918.

Regulations covering the business of buying, selling, or dealing in foreign exchange or securities for or through foreign correspondents and of carrying accounts or securities with foreign correspondents were distributed by the Federal Reserve Board today. The regulations are issued under <sup>the</sup> order of the President dated January 18, which expressly prohibits all transactions in foreign exchange, export or earmarking of gold or silver coin, or currency, transfers of credit in any form unless wholly within the United States, and transfers of evidences of indebtedness or ownership of property between the United States and any foreign country, whether enemy, ally of an enemy or otherwise, or residents of one or more foreign countries, by any person within the United States, except under the regulations of the Board.

The purpose of the order of the President is to stop transactions originating in the United States which result in aid or profit to our enemies. It is important that all those having any foreign transactions of any nature investigate and ascertain whether the business in which they are engaged is such as to require them to obtain registration certificates. In general "persons", as defined under the Executive Order, who are required to make application for registration certificates, are those who carry on a foreign exchange business, such as banks, bankers and others, those who carry accounts

abroad, such as certain classes of merchants, industrial houses and others, and those who carry accounts in the United States for foreign interests and or who hold or deal in securities for foreign interests, such as stock exchange brokers and others.

Banks and bankers or others who buy and sell foreign exchange for account of their customers through domestic correspondents must make applications for registration certificates through the Federal Reserve Banks of their districts but reports required by the Federal Reserve Board must be made through their domestic correspondents.

Further information can be obtained from the Federal Reserve Banks.