

518

FEDERAL RESERVE BOARD

WASHINGTON

X-3731
June 1, 1923.

SUBJECT: Shipments of Currency to Foreign Countries.

Dear Sir:

It has been reported to the Board that there have been several recent instances of the physical shipment of currency to Europe in relatively large amounts. There is, of course, at all times a considerable flow abroad of American currency in small sums and at times also the flow to Caribbean countries has been large. But in view of these recent shipments to Europe it seems desirable to ascertain, if possible, to what extent such transactions are now being carried on.

This letter is being addressed to all Federal Reserve Agents and the Board would appreciate your addressing a number of your more important member banks asking them to submit monthly figures reporting, for a limited period, shipments abroad and receipts from abroad. If, after a number of months, there prove to be very few or no such shipments or receipts, the reports may well be discontinued. In any case, shipments and receipts in amounts smaller than \$10,000 may be disregarded.

A suggested form of a letter to the member banks is attached for your consideration and use if you desire.

By order of the Federal Reserve Board.

Very truly yours,

Wm. W. Hoxton,
Secretary.

(Enclosures)

X Y Z Bank,

X Y Z City.

Gentlemen:

While there is at all times a considerable flow abroad of American currency in small amounts and at times the flow to Caribbean countries has been large, it is reported that recently there have been instances of the physical shipment of American currency to Europe in relatively large amounts. In conjunction with several other Federal Reserve Banks and at the request of the Federal Reserve Board, we are hoping to ascertain whether any considerable shipments are now going forward from this district or will go forward from time to time in the near future; also whether such shipments are being offset to any extent by receipts of currency. It is hoped, in view of the interest attaching to this matter and of the evident bearing it has upon the currency, and gold position of the Federal Reserve System, that we may learn from you each month whether you have made any such shipments, or have had any such receipts.

This letter is going to a small number of the larger banks in this district which might be expected to have any such transactions. All replies will be kept in strictest confidence and only total figures will be reported. If you are prepared to cooperate with us we would appreciate it if the first report should cover transactions for the calendar month of May. Please include only those transactions involving the physical shipment or receipt of currency to or from foreign countries by you either for your own account or for the account of customers or correspondent banks; no transactions carried out for you by other banks should be included. Shipments or receipts of less than \$10,000 may be disregarded.

A set of forms on which the report may be made month by month is enclosed. They are self-explanatory.

Very truly yours,

Federal Reserve Agent.

FORM B.

X-3731b

C O N F I D E N T I A L

NAME OF BANK _____

ADDRESS _____

(Date) _____

To the Federal Reserve Agent,
Federal Reserve Bank of _____

The following is a report of physical shipments of American currency to foreign countries and receipts of American currency from foreign countries during the month of _____.

SHIPMENTS

RECEIPTS

<u>Name of country</u>	<u>Amount</u>	<u>Name of country</u>	<u>Amount</u>
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NOTE: Please include as shipments only the following:

- (1) Amounts of \$10,000 or over physically shipped abroad by you for your own account or for the account of customers or correspondent banks; and
- (2) Amounts of \$10,000 or over withdrawn in currency from you, and known to be for shipment abroad.

Please include as receipts only the following:

- (1) Amounts of \$10,000 or over actually received in American currency from abroad by you for your own account or for the account of customers or correspondent banks; and
- (2) Amounts of \$10,000 or over deposited with you in American currency and known to have been received from abroad.

Amounts shipped or received for you by other banks are not to be included.