

FEDERAL RESERVE BANK OF ST. LOUIS

STATEMENT FOR THE PRESS

FOR RELEASE: MONDAY, APRIL 6, 1959.

The twelve Federal Reserve Banks have agreed on a plan for five pilot installations of new high-speed electronic document handling equipment to further the program for mechanization of their check processing operations. The installations are designed to test the equipment of manufacturers for performance capability and for operational and economic feasibility under the varied requirements of check handling in different Federal Reserve offices.

The equipment will employ magnetic ink character recognition as the common machine language for the automatic processing of checks in conformity with the recommendations of the Bank Management Commission of the American Bankers Association. After consideration of operational performance specifications, prepared by Stanford Research Institute of Menlo Park, California, proposals for the production of such equipment were made by manufacturers in the latter part of 1958.

It is now expected that arrangements to obtain the equipment for the five pilot installations will be worked out with the following manufacturers: the Burroughs Division of the Burroughs Corporation, Detroit, Michigan; Ferranti-Packard Electric Limited, Toronto, Ontario; International Business Machines Corporation, New York, N.Y.; The National Cash Register Company, Dayton, Ohio; National Data Processing Corporation, Dallas, Texas; and Pitney-Bowes, Inc., Stamford, Connecticut.

Selection of the five offices in which to locate the pilot installations will be made later by the twelve Reserve Banks. It is hoped that the initial installation may be made during the first half of 1960.

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