

STATEMENT FOR THE PRESS.

March 4, 1915.

It was announced today at the offices of the Federal Reserve Board that the Board had determined to direct the introduction of a voluntary reciprocal plan of immediate clearance at all those Federal reserve banks where a clearing plan is not already in operation, the same to take effect with as little delay as possible. Letters are being sent to all Federal Reserve Agents and the latter are directed to take the matter up at once with their boards of directors.

The Federal Reserve Board does not prescribe details inasmuch as it has found in those districts where general clearing is already being practiced that the best results were obtained by leaving the control of such details in the hands of the local authorities. It, however, states that it will approve as a beginning a reciprocal arrangement whereby banks assenting to the plan will be given the privileges of immediate clearance at par upon all other banks similarly assenting.

It is the belief of the Board that within a short time a general clearing arrangement will be in operation in all districts and that this will be gradually extended so as to embrace the bulk of the banks in the system.

The plan does not provide for the settlement of the balances between Federal Reserve Banks or for the inter-district clearing of checks. It is an intra-district clearing plan pure and simple, the inter-district phases of the problem being reserved for future treatment.