

FEDERAL RESERVE BOARD
WASHINGTON

July 19, 1923.

X-3786

SUBJECT: Items for Collection. Resolution of
Illinois Bankers' Association.

Dear Sir:

For your information I attach copy of a
resolution, which was adopted at the Thirty-Third
Annual Convention of the Illinois Bankers' Associa-
tion held at Rockford, Illinois, on June 26-27, 1923.

By order of the Federal Reserve Board.

Very truly yours,

W. W. Hoxton,
Secretary.

Enclosure.

TO BE SENT TO ALL GOVERNORS.

X*3786(a)

ILLINOIS BANKERS ASSOCIATION

WHEREAS, The Federal Reserve Banks and their branches are now authorized by the Federal Reserve Board to collect notes and negotiable instruments other than cash items, and

WHEREAS, These items are generally known as "Collection Items" and not "Cash Items" and

WHEREAS, The said Federal Reserve Banks and their branches do not make any collection charge for handling these items commonly known as "Collection Items" and

WHEREAS, We do not believe it was the intention of Congress in establishing the Federal Reserve System that the several Federal Reserve Banks and their branches should go into active competition with the members of the system in handling what are known as "Collection Items" and

WHEREAS, The member banks handling "Collection Items" make collection charges, and

WHEREAS, The member banks of the Federal Reserve System furnish the capital of the Federal Reserve Banks and the dividends the member banks may receive on their stock in the Federal Reserve Banks are limited, and

WHEREAS, The Federal Reserve Banks and their branches in handling "Collection Items" without making the usual collection charge and at a pecuniary loss to themselves, are giving unfair and unjust competition to the member banks of the system and are thereby curtailing their rightful and just profits without benefit to the Federal Reserve Banks or the system, now therefore be it

RESOLVED, That the Illinois Bankers Association is unalterably opposed to the Federal Reserve Banks doing a collection business as set forth above and urges the Federal Reserve Board to give to the members of the system the relief that is justly due them in prohibiting the Federal Reserve Banks and their branches from handling what are generally known as "Collection Items".