

X-3839

FEDERAL RESERVE BOARD

September 18, 1923

STATEMENT FOR THE PRESS.

For Immediate Release.

The Federal Advisory Council today concluded its third statutory meeting for the year 1923 and reported upon the Claiborne-Adams Check Collection Plan, as follows:

"The Federal Advisory Council having heard Messrs. Claiborne and Adams in support of the so-called Claiborne-Adams check collection plan and the recent amendments thereto, is of the opinion that the plan is unsound and, therefore, unanimously recommends its rejection by the Federal Reserve Board. The Council concurs in the essential objections to the plan as set forth in the report of the Advisory Committee of Governors of the Federal Reserve Banks to the Federal Reserve Board dated August 1, 1923."

The Council recommended some changes in Regulation J, which is not yet in effect, the chief of which was that Federal Reserve Banks shall not receive on deposit checks on any nonmember bank which are not collectible at par. The Council also opposed any charge by Federal Reserve Banks for collecting checks drawn on member banks even if endorsed by nonmember banks which refuse to remit at par.