
IN THE HOUSE OF REPRESENTATIVES.

DECEMBER 20, 1923.

Mr. STEAGALL introduced the following bill; which was referred to the Committee on Banking and Currency and ordered to be printed.

A BILL

To provide for a more equitable distribution of the earnings of Federal reserve banks.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That that part of the first paragraph of section 7 of the
4 Federal Reserve Act as amended which reads as follows
5 “after the aforesaid dividend claims have been fully met, the
6 net earnings shall be paid to the United States as a franchise
7 tax except that the whole of such net earnings; including
8 those for the year ending December 31, 1918, shall be paid
9 into a surplus fund until it shall amount to 100 per centum
10 of the subscribed capital stock of such bank, and that there-
11 after 10 per centum of such net earnings shall be paid into
12 the surplus” to be further amended to read as follows:

13 “After the aforesaid dividend claims have been fully
14 met, the net earnings shall be paid into a surplus fund until

1 it shall amount to 100 per centum of the subscribed capital
2 stock of such bank, and thereafter 10 per centum of such net
3 earnings shall be paid into the surplus. The remaining net
4 earnings shall be divided between the United States and the
5 stockholders as follows: The Federal Reserve Board shall
6 determine as nearly as may be possible what proportion of
7 such net earnings was derived from the issuance of Federal
8 reserve notes and what proportion was derived from the re-
9 discount, investment, and other banking activities of the
10 Federal reserve bank. Such proportion of the remaining
11 net earnings as are thus found to have been derived from
12 the issuance of Federal reserve notes shall be paid over to
13 the United States as a franchise tax, and the whole of the
14 net earnings then remaining shall be distributed among the
15 stockholders of such Federal reserve bank in proportion to
16 the average amount of reserve balances required to be main-
17 tained with such Federal reserve bank by the respective
18 stockholders since the last dividend.”

68TH CONGRESS, }
1ST Session. } **H. R. 4145**

A BILL

To provide for a more equitable distribution
of the earnings of Federal reserve banks.

By **Mr. STEWART.**

DECEMBER 20, 1923.

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