

F E D E R A L R E S E R V E B O A R D

WASHINGTON

STATEMENT FOR THE PRESS.

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The passage of the bill making some minor amendments to the Federal Reserve Act has resulted in increasing from \$22,739,901 to \$49,468,341 the combined surplus of the twelve Federal Reserve Banks.

The law before amendment provided that, after payment of expenses and dividends, one half of the net earnings of the banks should be paid in to the Government as a franchise tax and the remaining one half (up to 40% of their paid in capital) could be retained by the banks as surplus. As amended, the law permits the Federal Reserve Banks to retain as surplus their net earnings (including those for the year ended December 31, 1918) up to 100% of their subscribed capital, and 10% thereafter.