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IN THE SENATE OF THE UNITED STATES.

January 22, 1920.

Mr. Gore ( by request ) introduced the following bill; which was read twice and referred to the Committee on Banking and Currency.

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A BILL

To provide for the payment of interest on reserve balances in Federal Reserve Banks.

1 Be it enacted by the Senate and House of Representatives  
2 of the United States of America in Congress assembled,  
3 That section 19 of the Federal Reserve Act, as amended, be  
4 amended by adding to the end thereof the following para-  
5 graph:  
6 "Each Federal Reserve Bank shall pay to each member  
7 bank interest on reserve balances maintained with such  
8 Federal Reserve Bank, to be computed on the daily balance  
9 of such member bank, at the current rate prevailing on de-  
10 mand deposits in the reserve or central reserve city in which  
11 such reserve bank is located: Provided, That in case the  
12 earnings of such Federal Reserve Bank, after all necessary  
13 expenses have been paid or provided for and the dividends  
14 on the paid-in capital stock have been fully met as provided  
15 in section 7, are not sufficient to pay such rate of interest as  
16 herein provided, then interest shall be paid on such reserve  
17 balances at such rate as such earnings will permit."