

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.

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**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."

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By **Mr. STEAGALL.**

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