

111<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6550

To create a full employment economy as a matter of national economic defense; to provide for public investment in capital infrastructure; to provide for reducing the cost of public investment; to retire public debt; to stabilize the Social Security retirement system; to restore the authority of Congress to create and regulate money, modernize and provide stability for the monetary system of the United States, retire public debt and reduce the cost of public investment, and for other public purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 17, 2010

Mr. KUCINICH introduced the following bill; which was referred to the  
Committee on Financial Services

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## A BILL

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “National Emergency  
3 Employment Defense Act of 2010”.

4 **SEC. 2. FINDINGS; PURPOSES.**

5 (a) FINDINGS.—The Congress finds as follows:

6 (1) Nearly 15,000,000 Americans are currently  
7 unemployed, another 12,000,000 estimated Ameri-  
8 cans are underemployed, wages are stagnant and  
9 millions of Americans are being asked to take pay  
10 cuts.

11 (2) Over 43,000,000 Americans live below the  
12 poverty line, 49,000,000 of Americans go to bed  
13 hungry at night, and an estimated 3,000,000 Ameri-  
14 cans are homeless.

15 (3) An all-time high of over 1,500,000 non-  
16 business bankruptcies were filed through June,  
17 2010, and the small business failure rate in America  
18 recently hit 12 percent.

19 (4) More than 2,000,000 homes have been lost  
20 to foreclosure and millions of homeowners are falling  
21 behind in their mortgage payments; the housing  
22 market in terms of construction and sales has un-  
23 dergone an historic decline; and the declining value  
24 of housing means Americans’ largest single invest-  
25 ment, the home, is no longer a safe harbor for sav-

1        ings, nest eggs, social mobility or the transfer of  
2        generational wealth.

3            (5) Notwithstanding recent passage of the Pa-  
4        tient Protection and Affordable Care Act, a  
5        privatized health care system has made quality  
6        health care beyond the reach of most Americans.

7            (6) The cost of higher education has put higher  
8        academic attainment outside the reach of millions  
9        more young Americans, and the current generation  
10       of young Americans will not be able to attain the  
11       quality of life of their parents, reversing a long-  
12       standing trend.

13           (7) Retired Americans are losing confidence  
14       that employment levels will be sufficient to ensure  
15       Social Security will have resources to guarantee 100  
16       percent of the promised benefits. A mechanism is  
17       needed to assure retired American's of Social Secu-  
18       rity's viability.

19           (8) The American Institute of Architects has  
20       estimated that there are \$3 trillion in unmet infra-  
21       structure needs. Cities and States, urban and rural  
22       areas all have an urgent need to rebuild and repair  
23       roads, bridges, railroads, water systems, sewer sys-  
24       tems and other infrastructure but lack the necessary  
25       funds, bond-issuing capacity and other needs which

1 has led to America's infrastructure falling into dis-  
2 repair.

3 (9) The United States is not financially capable  
4 of capitalizing on the burgeoning demand for wind,  
5 solar and other renewable energy technologies which  
6 reduce the cost of energy and help protect the envi-  
7 ronment, the continued use of non-renewable ener-  
8 gies such as coal and oil create a national security  
9 crisis as well as long-term economic vulnerability.

10 (10) The annual United States trade deficit is  
11 \$380 billion, and the flow of jobs out of America has  
12 been accelerated by trade agreements which have not  
13 protected the rights of workers, the environment or  
14 human rights.

15 (11) Tax cuts to top brackets cost the Federal  
16 Government in excess of \$1 trillion, yet have failed  
17 to create significant numbers of new jobs.

18 (12) The monetary policies of the Board of  
19 Governors of the Federal Reserve System have com-  
20 pounded the economic crisis by failing to take deci-  
21 sive action to move the economy forward, Wall  
22 Street—which was bailed out by the American peo-  
23 ple—is not investing its rising assets in Main Street  
24 America, and individual investors are beginning to  
25 turn away from the stock market.

1           (13) Some banks, many of which received gov-  
2           ernment bailouts, are not investing in small busi-  
3           nesses, nor in the creation of jobs, the private sector  
4           is not creating jobs, and in fact most businesses are  
5           freezing their employment levels.

6           (14) The country is stymied by competing  
7           forces: a desire to put people to work and an aver-  
8           sion to borrowing money to create programs to do  
9           so.

10          (15) Confidence in the United States' economic  
11          leadership at home and around the world is waning,  
12          the value of our currency cannot be securely main-  
13          tained, and no other path to economic recovery ex-  
14          ists which will create the changes necessary to put  
15          people back to work, invest in rebuilding America's  
16          infrastructure, i.e. highway, rail, airport, harbors,  
17          light rail, communication, shipping, water, sewer,  
18          education, and civil defense.

19          (16) The aforementioned conditions require  
20          comprehensive action by the United States Congress  
21          to create full employment, invest in America and se-  
22          cure our Nation's long-term economic, social and po-  
23          litical future; and that such action is within our  
24          Constitutional right and responsibility.

1           (17) The authority to create money is a sov-  
2           ereign power vested in the Congress under Article I,  
3           Section 8 of the Constitution.

4           (18) The enactment of the Federal Reserve Act  
5           in 1913 by Congress effectively delegated the sov-  
6           ereign power to create money, to the Federal Re-  
7           serve system and private financial industry.

8           (19) This ceding of Constitutional power has  
9           contributed materially to a multitude of monetary  
10          and financial afflictions, including—

11                 (A) growing and unreasonable concentra-  
12                 tion of wealth;

13                 (B) unbridled expansion of national debt,  
14                 both public and private;

15                 (C) excessive reliance on taxation of citi-  
16                 zens for raising public revenues;

17                 (D) inflation of the currency;

18                 (E) drastic increases in the cost of public  
19                 infrastructure investments;

20                 (F) record levels of unemployment and  
21                 underemployment; and

22                 (G) persistent erosion of the ability of Con-  
23                 gress to exercise its Constitutional responsibil-  
24                 ities to provide resources for the general welfare  
25                 of all the American people.

1           (20) A debt-based monetary system, where  
2 money comes into existence primarily through pri-  
3 vate bank lending, can neither create, nor sustain, a  
4 stable economic environment, but has proven to be  
5 a source of chronic financial instability and frequent  
6 crisis, as evidenced by the near collapse of the finan-  
7 cial system in 2008.

8           (21) Banks pyramided their value by spending  
9 money into existence, greatly inflating the value of  
10 bank holdings, inflating the value of their asset  
11 bases, enticing unknowing investors to participate in  
12 financing schemes like the bundling of subprime  
13 mortgages, and ultimately bringing undercapitalized  
14 banks and the entire financial system to the edge of  
15 ruin, creating circumstances where the taxpayers of  
16 the United States were called upon to save the  
17 banks from their own imprudent money-issuing  
18 practices, misspending and mis-investments. The  
19 banks' ability to create money out of nothing ul-  
20 timately became the taxpayers' liability, and raises a  
21 fundamental question about a practice of money cre-  
22 ation which threatens the wealth of the American  
23 people.

1           (22) Abolishing private money creation can be  
2           achieved with minimal disruption to current banking  
3           operations, regulation, and supervision.

4           (23) The creation of money by private financial  
5           institutions as interest-bearing debts should cease  
6           once and for all.

7           (24) Reclaiming the power of the Federal Gov-  
8           ernment to create money, and to spend or lend  
9           money into circulation as needed, eliminates the  
10          need to treat money as a Federal liability or to pay  
11          interest charges on the Nation's money supply to fi-  
12          nancial institutions; it also renders unnecessary the  
13          undue influence of private financial institutions over  
14          public policy.

15          (25) Under the current Federal Reserve Sys-  
16          tem, the persons responsible for the conduct of  
17          United States monetary policy have been unaccount-  
18          able to the Congress and the Nation, have resisted  
19          auditing by the General Accounting Office, and have  
20          claimed exemptions from some Federal statutes, in-  
21          cluding the Civil Rights Act of 1964, that apply to  
22          all agencies of the Federal Government.

23          (26) The conduct of United States monetary  
24          policy by the Board of Governors of the Federal Re-  
25          serve System, and specifically the failure of Board

1 members to safeguard the financial system against  
2 wholesale fraud and abuse of citizens, demonstrates  
3 the risks of maintaining a system wherein the power  
4 to create and regulate money has been delegated to  
5 private individuals who are unaccountable to the  
6 People of the United States in any way, even  
7 through their representatives in Congress.

8 (27) The Board of Governors of the Federal  
9 Reserve System has acted unilaterally to create and  
10 spend \$1.25 trillion for the purpose of acquiring  
11 mortgage-backed securities, in disregard for the  
12 Constitutional requirement that all Federal Govern-  
13 ment spending originate in the House of Representa-  
14 tives.

15 (28) An examination of the historical record  
16 demonstrates that the exercise of control by the  
17 United States Government over the money system  
18 has provided greater moderation in the supply of  
19 money and promoting the general welfare, and has  
20 been indispensable in times of national emergency  
21 for generating resources required to support public  
22 investment, provide for national defense, and pro-  
23 mote the general welfare, and is therefore superior  
24 to private control over the money system.

1           (29) As our money system is a key pillar in  
2           maintaining general economic welfare and as the  
3           Federal Reserve System and its private banking  
4           partners has consistently failed to promote or pre-  
5           serve the general welfare, it is essential that Con-  
6           gress, in the name of protecting the economic lives  
7           of the American people and the long-term security of  
8           our Nation, reassume the powers and responsibilities  
9           granted to it by the Constitution.

10          (b) PURPOSES.—The purposes of this Act are as fol-  
11         lows:

12           (1) To create a full employment economy as a  
13           matter of national economic defense; to provide for  
14           public investment in capital infrastructure; to pro-  
15           vide for reducing the cost of public investment; to  
16           retire public debt; to stabilize the Social Security re-  
17           tirement system; to restore the authority of Con-  
18           gress to create and regulate money, to modernize  
19           and provide stability for the monetary system of the  
20           United States, and for other public purposes.

21           (2) To abolish the creation of money, or pur-  
22           chasing power, by private persons through lending  
23           against deposits, by means of fractional reserve  
24           banking, or by any other means.

1           (3) To enable the Federal Government to invest  
2 or lend new money into circulation as authorized by  
3 Congress and to provide means for public investment  
4 in capital infrastructure.

5           (4) To incorporate the Federal Reserve System  
6 into the Executive Branch under the United States  
7 Treasury, and to make other provisions for reorga-  
8 nization of the Federal Reserve System.

9           (5) To provide for an orderly transition.

10           (6) To make other provisions necessary to ac-  
11 complish the purposes of this Act.

12 **SEC. 3. DEFINITIONS.**

13           (a) IN GENERAL.—For purposes of this Act, the fol-  
14 lowing definitions shall apply:

15           (1) BUREAU.—The term “Bureau” means the  
16 Bureau of the Federal Reserve established under  
17 section 314 of title 31, United States Code, as added  
18 by section 303.

19           (2) DEPOSIT.—The term “deposit”—

20                   (A) has the meaning given such term in  
21 section 3(l) of the Federal Deposit Insurance  
22 Act); and

23                   (B) includes—

1 (i) a member account (as defined in  
2 section 101(5) of the Federal Credit Union  
3 Act) in a credit union; and

4 (ii) any transaction account.

5 (3) DEPOSITORY INSTITUTION.—The term “de-  
6 pository institution”—

7 (A) has the same meaning as in section 3  
8 of the Federal Deposit Insurance Act; and

9 (B) includes any credit union (as defined  
10 in section 101 of the Federal Credit Union  
11 Act).

12 (4) INSTRUMENT OF INDEBTEDNESS OF THE  
13 UNITED STATES; TREASURY INSTRUMENTS.—The  
14 terms “instrument of indebtedness of the United  
15 States” and “Treasury instrument” include any obli-  
16 gation issued under subchapter I of chapter 31 of  
17 title 31, United States Code.

18 (5) MEMBER BANK.—The term “member bank”  
19 has the same meaning as in the first section of the  
20 Federal Reserve Act.

21 (6) MONEY.—The term “money” refers to  
22 United States Money, as established under title I.

23 (7) MONETARY AUTHORITY.—The term “Mone-  
24 tary Authority” means the Monetary Authority es-  
25 tablished under section 302.

1           (8) SECRETARY.—The term “Secretary” means  
2           the Secretary of the Treasury.

3           (9) STATE.—The term “State” has the same  
4           meaning as in section 3 of the Federal Deposit In-  
5           surance Act.

6           (10) EFFECTIVE DATE.—The term “effective  
7           date” means the date determined and published in  
8           the Federal Register by the Secretary, during the  
9           90-day period beginning on the date of the enact-  
10          ment of this Act, that—

11                   (A) is not less than 1 year after such date  
12                   of enactment and not more than 2 years after  
13                   such date; and

14                   (B) is the date on which the designated  
15                   provisions of this Act take effect.

16          (b) TECHNICAL AND CONFORMING AMENDMENT TO  
17 THE FDIA.—Section 3(l) of the Federal Deposit Insur-  
18 ance Act (12 U.S.C. 1813(l)) is amended by adding at  
19 the end the following:

20 “Such term does not include any amount on which any  
21 interest is paid or which is received or held by a bank  
22 or savings association pursuant to a loan agreement for  
23 a fixed term of time (as determined without regard to any  
24 designation on the agreement as a loan, certificate, or  
25 other particular instrument).”.

1 **SEC. 4. COORDINATION WITH OTHER LAW.**

2 (a) IN GENERAL.—This Act shall supersede any pro-  
3 vision of Federal law in effect on the day before the date  
4 of the enactment of this Act that is inconsistent with any  
5 provision of this Act but only to the extent of such incon-  
6 sistency.

7 (b) TECHNICAL AND CONFORMING AMENDMENTS.—  
8 Before the end of the 6-month period beginning on the  
9 date of the enactment of this Act, the Secretary of the  
10 Treasury shall submit to the Congress a proposed draft  
11 of legislation of the Monetary Authority that, if enacted,  
12 would implement such technical and conforming amend-  
13 ments as the Monetary Authority may recommend—

14 (1) to repeal the provisions of law referred to  
15 in subsection (a) that are inconsistent with this Act;  
16 and

17 (2) to further clarify and implement the provi-  
18 sions of this Act.

19 **TITLE I—ORIGINATION OF**  
20 **UNITED STATES MONEY**

21 **SEC. 101. EXERCISE OF CONSTITUTIONAL AUTHORITY TO**  
22 **CREATE MONEY.**

23 (a) IN GENERAL.—Pursuant to the exercise by the  
24 Congress of the authority contained in the 5th clause of  
25 section 8 of Article I of the Constitution of the United  
26 States of America—

1           (1) the authority to create money within the  
2           United States shall hereafter reside exclusively with  
3           the Federal Government; and

4           (2) the money so created shall be known as  
5           United States Money and denominated and ex-  
6           pressed as provided in section 5101 of title 31,  
7           United States Code.

8           (b) EXERCISE OF SOVEREIGN POWER.—The creation  
9           of United States Money under this Act is the legal expres-  
10          sion of the sovereign power of the Nation and confers upon  
11          its bearer an unconditional means of payment.

12          (c) LIMITATION ON EXPRESSION.—Beginning on the  
13          effective date—

14               (1) only the coin, notes, or other forms of legal  
15               tender, including electronic currency, originated by  
16               the United States Treasury under the authority of  
17               this Act shall be deemed as United States money;  
18               and

19               (2) it shall be unlawful for any person to des-  
20               ignate any credit, note, bond, script or other finan-  
21               cial instrument as United States Money.

22       **SEC. 102. UNLAWFUL FOR PERSONS TO CREATE MONEY.**

23           Any person who creates or originates United States  
24           money by lending against deposits, through so-called frac-  
25           tional reserve banking, or by any other means, after the

1 effective date shall be fined under title 18, United States  
2 Code, imprisoned for not more than 5 years, or both.

3 **SEC. 103. PRODUCTION OF UNITED STATES MONEY.**

4 (a) COMMENCING FULL PRODUCTION OF UNITED  
5 STATES CURRENCY.—Section 5115 of title 31, United  
6 States Code, is amended by striking subsections (a) and  
7 (b) and inserting the following new subsections:

8 “(a) IN GENERAL.—In order to furnish suitable  
9 notes for circulation as United States money, the Sec-  
10 retary of the Treasury shall cause plates and dies to be  
11 engraved in the best manner to guard against counterfeits  
12 and fraudulent alterations, and shall have printed there-  
13 from and numbered such quantities of such notes of the  
14 denominations of \$1, \$2, \$5, \$10, \$20, \$50, \$100, \$500,  
15 \$1,000, \$5,000, \$10,000 as may be required.

16 “(b) FORM AND TENOR.—United States currency  
17 notes for circulation as United States money shall be in  
18 form and tenor as directed by the Secretary of the Treas-  
19 ury.”.

20 (b) CEASING PRODUCTION OF FEDERAL RESERVE  
21 NOTES.—The Secretary of the Treasury shall wind-down  
22 and cease production of Federal reserve notes under the  
23 8th undesignated paragraph of section 16 of the Federal  
24 Reserve Act (12 U.S.C. 418) as quickly as practicable  
25 after the date of the enactment of this Act, but no later

1 than the effective date, in coordination with the start-up  
2 and maintenance of production of United States currency  
3 under section 5115 of title 31, United States Code. The  
4 Secretary shall ensure that at all times the amount of Fed-  
5 eral Reserve notes in circulation is sufficient to meet de-  
6 mand until the production of United States currency is  
7 sufficient to meet such demand.

8 (c) CONTINUING CIRCULATION UNTIL RETIRE-  
9 MENT.—Any Federal Reserve notes in circulation shall  
10 continue to be legal tender until retired in accordance with  
11 applicable provisions of law.

12 **SEC. 104. LEGAL TENDER.**

13 (a) IN GENERAL.—United States Money shall enter  
14 into general domestic circulation as full legal tender in  
15 payment of all debts public and private.

16 (b) TECHNICAL AND CONFORMING AMENDMENT.—  
17 Section 5103 of title 31, United States Code, is amended  
18 by striking “(including Federal reserve notes and circu-  
19 lating notes of Federal reserve banks and national banks)”  
20 and inserting “in the form of United States Money”.

21 **SEC. 105. DISBURSEMENTS TO BE DENOMINATED IN**  
22 **UNITED STATES MONEY.**

23 On the effective date, all United States Government  
24 disbursements shall be denominated in United States  
25 Money, the unit being the dollar, symbolized as \$.

1 **SEC. 106. ORIGINATION IN LIEU OF BORROWING.**

2 (a) IN GENERAL.—After the effective date, and sub-  
3 ject to limitations established by the United States Mone-  
4 tary Authority under provisions of section 302, the Sec-  
5 retary shall originate United States Money to address any  
6 negative fund balances resulting from a shortfall in avail-  
7 able Government receipts to fund Government appropria-  
8 tions authorized by Congress under law.

9 (b) PROHIBITION ON GOVERNMENT BORROWING.—  
10 After the effective date, unless otherwise provided by an  
11 Act of the Congress enacted after such date—

12 (1) no amount may be borrowed by the Sec-  
13 retary from any source; and

14 (2) no amount may be borrowed by any Federal  
15 agency or department, any independent establish-  
16 ment of the executive branch, or any other instru-  
17 mentality of the United States (other than a na-  
18 tional bank, Federal savings association, or Federal  
19 credit union) from any source other than the Sec-  
20 retary.

21 (c) RULE OF CONSTRUCTION.—No provision of this  
22 Act shall be construed as preventing the Congress from  
23 exercising its constitutional authority to borrow money on  
24 the full faith and credit of the United States.

25 (d) TECHNICAL AND CONFORMING AMENDMENT.—  
26 On the effective date, chapter 31 of title 31, United States

1 Code, is hereby repealed, subject to the retirement of out-  
2 standing instruments of indebtedness of the United States  
3 in accordance with section 401.

4 **SEC. 107. RETIREMENT OF INSTRUMENTS OF INDEBTED-**  
5 **NESS.**

6 Before the effective date, the Secretary shall com-  
7 mence to retire all outstanding instruments of indebted-  
8 ness of the United States by payment in full of the amount  
9 legally due the bearer in United States Money, as such  
10 amounts become due.

11 **SEC. 108. ACCOUNTING.**

12 (a) IN GENERAL.—The Secretary shall account for  
13 the disbursement of United States Money and of current  
14 fund balances through accounting reports maintained and  
15 published by the Secretary and by departments and agen-  
16 cies of the United States Government.

17 (b) GAO AUDIT.—The Comptroller General of the  
18 United States shall conduct an independent biennial audit.

19 **TITLE II—ENTRY OF U.S. MONEY**  
20 **INTO CIRCULATION**

21 **SEC. 201. ENTRY OF U.S. MONEY INTO CIRCULATION.**

22 The Secretary shall cause United States Money to  
23 enter into circulation by and through any of the following  
24 means:

1           (1) Any origination or disbursement of funds to  
2           accomplish Federal expenditures authorized and ap-  
3           propriated by an Act of the Congress.

4           (2) Any disbursement to retire outstanding in-  
5           struments of indebtedness of the Federal Govern-  
6           ment or the Secretary of the Treasury as such in-  
7           struments become due.

8           (3) Any contribution authorized by an Act of  
9           the Congress subject to any limitation established by  
10          the Monetary Authority to the Revolving Fund es-  
11          tablished in section 302 of this Act.

12          (4) Any action provided for in the transitional  
13          arrangements specified in title IV of this Act, includ-  
14          ing the conversion of all deposits in transaction ac-  
15          counts into United States Money.

16          (5) Any exercise of “lender of last resort” emer-  
17          gency authorities under the emergency procedures  
18          specified in section 305.

19          (6) Any purchase of stock in a Federal reserve  
20          bank from a member bank and of any other assets  
21          as prescribed under the Federal Reserve Act as re-  
22          quired to accomplish the purposes of section 301.

23          (7) Any other means, and for any other purpose  
24          explicitly authorized by an Act of the Congress that  
25          becomes law after the effective date of this Act.

1 **TITLE III—RECONSTITUTION OF**  
2 **THE FEDERAL RESERVE SYSTEM**

3 **SEC. 301. RECONSTITUTION OF THE FEDERAL RESERVE.**

4 (a) GOVERNMENT ACQUISITION OF ALL NET ASSETS  
5 OF FEDERAL RESERVE SYSTEM.—On the effective date,  
6 the Secretary shall purchase on behalf of the United  
7 States all net assets in the Federal Reserve System, in-  
8 cluding the Federal reserve banks, according to the rules  
9 specified in the Federal Reserve Act (12 U.S.C. 288) for  
10 this purpose.

11 (b) REPAYMENT OF RESERVES.—Any reserves of any  
12 member bank that is held by any Federal reserve bank  
13 shall be returned to the member bank in the form of  
14 United States Money, subject to the provisions contained  
15 in sections 401 and 402(b).

16 **SEC. 302. ESTABLISHMENT OF THE UNITED STATES MONE-**  
17 **TARY AUTHORITY.**

18 (a) MONETARY AUTHORITY.—

19 (1) ESTABLISHMENT.—

20 (A) IN GENERAL.—There is hereby estab-  
21 lished the Monetary Authority as an authority  
22 within the Department of the Treasury under  
23 the general oversight of the Secretary of the  
24 Treasury.

1 (B) AUTONOMY OF MONETARY AUTHOR-  
2 ITY.—The Secretary of the Treasury may not  
3 intervene in any matter or proceeding before  
4 the Monetary Authority, unless otherwise spe-  
5 cifically provided by law.

6 (C) INDEPENDENCE OF MONETARY AU-  
7 THORITY.—The Secretary of the Treasury may  
8 not delay, prevent, or intervene in the issuance  
9 of any regulation or other determination of the  
10 Monetary Authority, including the determina-  
11 tion of the amounts of money to be originated  
12 and most efficient method of disbursement con-  
13 sistent with the appropriations of Congress and  
14 the statutory objectives of monetary policy as  
15 specified in this Act.

16 (2) MEMBERSHIP.—

17 (A) IN GENERAL.—The Monetary Author-  
18 ity shall consist of 9 public members appointed  
19 by the president, by and with the advice and  
20 consent of the Senate.

21 (B) TERMS.—

22 (i) IN GENERAL.—Except as provided  
23 in subparagraph (E), each member of the  
24 Monetary Authority shall be appointed to a  
25 term of 6 years.

1 (ii) CONTINUATION OF SERVICE.—

2 Each member of the Monetary Authority  
3 may continue to serve after the expiration  
4 of the term of office to which such member  
5 was appointed until a successor has been  
6 appointed and qualified.

7 (C) POLITICAL AFFILIATION.—Not more  
8 than 4 of the members of the Monetary Author-  
9 ity may be members of the same political party.

10 (D) VACANCY.—

11 (i) IN GENERAL.—Any vacancy on the  
12 Monetary Authority shall be filled in the  
13 manner in which the original appointment  
14 was made.

15 (ii) INTERIM APPOINTMENTS.—Any  
16 member appointed to fill a vacancy occur-  
17 ring before the expiration of the term for  
18 which such member's predecessor was ap-  
19 pointed shall be appointed only for the re-  
20 mainder of such term.

21 (E) STAGGERED TERMS.—Of the members  
22 first appointed to the Monetary Authority after  
23 the enactment of this Act—

24 (i) 1 shall be appointed for a term of  
25 2 years;

1 (ii) 2 shall be appointed for a term of  
2 3 years;

3 (iii) 2 shall be appointed for a term of  
4 4 years;

5 (iv) 2 shall be appointed for a term of  
6 5 years; and

7 (v) 2 shall be appointed for the full  
8 term of 6 years.

9 (3) CHAIRPERSON.—One of the members of the  
10 Monetary Authority shall be designated by the Presi-  
11 dent as the Chairperson of the Monetary Authority.

12 (4) DUTIES.—The Monetary Authority shall—

13 (A) establish monetary supply policy and  
14 monitor the Nation’s monetary status; and

15 (B) carry out such other responsibilities as  
16 the President may delegate to the Monetary  
17 Authority or that may be provided by an Act of  
18 Congress.

19 (5) GOVERNING PRINCIPLE OF MONETARY POL-  
20 ICY.—The Monetary Authority shall pursue a mone-  
21 tary policy based on the governing principle that the  
22 supply of money in circulation should not become in-  
23 flationary nor deflationary in and of itself, but will  
24 be sufficient to allow goods and services to move  
25 freely in trade in a balanced manner. The Monetary

1 Authority shall maintain long run growth of the  
2 monetary and credit aggregates commensurate with  
3 the economy's long run potential to increase produc-  
4 tion, so as to promote effectively the goals of max-  
5 imum employment, stable prices, and moderate long-  
6 term interest rates.

7 (6) MEETINGS.—The Monetary Authority shall  
8 meet on a regular basis subject to the call of the  
9 Chairperson, the Secretary, or a majority of the  
10 members.

11 (7) PAY.—The members of the Monetary Au-  
12 thority shall receive a salary at annual rates equal  
13 to the annual rate determined under section 5 of  
14 title 28, United States Code, for an associate justice.

15 (8) STAFF.—The Monetary Authority may ap-  
16 point and establish the pay of such employees as the  
17 Monetary Authority determines is appropriate to as-  
18 sist the Monetary Authority to carry out the duties  
19 imposed under this section.

20 (b) RESPONSIBILITY OF SECRETARY.—The Secretary  
21 shall regulate the monetary supply in reasonable accord-  
22 ance with targets established by the Monetary Authority.

23 (c) REPORTS ON DISCREPANCIES.—The Secretary  
24 shall report to the Congress any discrepancy between any

1 monetary target and the monetary supply in excess of 0.5  
2 percent at the end of each quarter.

3 **SEC. 303. ESTABLISHMENT OF THE BUREAU OF THE FED-**  
4 **ERAL RESERVE.**

5 (a) IN GENERAL.—Subchapter I of chapter 3 of title  
6 31, United States Code, is amended by adding at the end  
7 the following new section:

8 **“§ 314. Bureau of the Federal Reserve**

9 “(a) ESTABLISHMENT.—There is hereby established  
10 the Bureau of the Federal Reserve as a bureau within the  
11 Department of the Treasury (hereafter in this section re-  
12 ferred to as the ‘Bureau’).

13 “(b) MANAGEMENT.—

14 “(1) COMMISSIONER.—The management of the  
15 Bureau shall be vested in a Commissioner who, with  
16 the assistance of the Deputy Commissioner and such  
17 staff as the Commissioner may appoint, shall carry  
18 out the duties vested in the Bureau and the Com-  
19 missioner.

20 “(2) DEPUTY COMMISSIONER.—There is hereby  
21 established within the Bureau the position of Deputy  
22 Commissioner.

23 “(3) APPOINTMENT.—The Commissioner and  
24 the Deputy Commissioner shall be appointed by the

1 president, by and with the advice and consent of the  
2 Senate.

3 “(4) TERMS.—

4 “(A) IN GENERAL.—The Commissioner  
5 and the Deputy Commissioner shall each be ap-  
6 pointed to a term of 7 years.

7 “(B) STAGGERED TERMS.—Notwith-  
8 standing subparagraph (A), the person first ap-  
9 pointed Deputy Commissioner shall be ap-  
10 pointed to a term of 4 years.

11 “(5) VACANCY.—

12 “(A) IN GENERAL.—Any vacancy on the  
13 Bureau shall be filled in the manner in which  
14 the original appointment was made.

15 “(B) INTERIM APPOINTMENTS.—Any  
16 member appointed to fill a vacancy occurring  
17 before the expiration of the term for which such  
18 member’s predecessor was appointed shall be  
19 appointed only for the remainder of such term.

20 “(c) DUTIES.—

21 “(1) MONETARY POLICY.—The Bureau shall—

22 “(A) administer, under the direction of the  
23 Secretary, the origination and entry into cir-  
24 culation of United States Money, subject to the

1 limitations established by the Monetary Author-  
2 ity; and

3 “(B) administer lending of United States  
4 Money to authorized depository institutions, as  
5 described in section 403 (‘Revolving Fund’) to  
6 ensure that—

7 “(i) money creation is solely a func-  
8 tion of the United States Government; and

9 “(ii) fractional reserve lending is  
10 ended.

11 “(2) TRANSFERRED FUNCTIONS.—After the ef-  
12 fective date, the Bureau shall exercise all functions  
13 consistent with this Act which, before such date,  
14 were carried out under the direction of the Board of  
15 Governors of the Federal Reserve System.

16 “(3) ITEMIZATION BY SECRETARY.—Not less  
17 than 90 days before the effective date, the Secretary  
18 and the Monetary Authority shall itemize—

19 “(A) the functions of the Board of Gov-  
20 ernors of the Federal Reserve System that are  
21 transferred to the Bureau pursuant to para-  
22 graph (2); and

23 “(B) the provisions of the Federal Reserve  
24 Act and other provisions of Federal law, relat-  
25 ing to the functions so transferred, in the appli-

1 cation of which the term ‘Bureau’ (as estab-  
2 lished under this section) shall be substituted  
3 for the term ‘Board of Governors of the Federal  
4 Reserve System’ or ‘Board’, as the case may  
5 be.”.

6 (b) CLERICAL AMENDMENT.—The table of sections  
7 for subchapter I of chapter 3 of title 31, United States  
8 Code, is amended by adding at the end the following new  
9 item:

“314. Bureau of the Federal Reserve”.

10 (c) ROLE OF BOARD AFTER ENACTMENT.—With ef-  
11 fect on the effective date, the Board of Governors of the  
12 Federal Reserve System shall be dissolved.

13 **SEC. 304. FORECASTING OF DISBURSEMENT REQUIRE-**  
14 **MENTS.**

15 The Secretary shall—

16 (1) forecast disbursement requirements on a  
17 daily, monthly, and annual basis;

18 (2) provide such forecasts to the Congress and  
19 the public;

20 (3) integrate forecasts with the Federal budget  
21 process;

22 (4) maintain a sufficient research capability to  
23 continuously and effectively assess the impact of dis-  
24 bursement of United States Money on all aspects of  
25 the domestic and international economies; and



1           (3) the President issues a certification that a  
2           national emergency exists which requires the exercise  
3           of such authority by the Monetary Authority.

4           (b) EMERGENCY BOARD.—There is established for  
5           purposes of this section the Emergency Board which shall  
6           consist of the following members:

7           (1) The President.

8           (2) The Secretary of Commerce.

9           (3) The Secretary of Labor.

10          (4) The Secretary of the Treasury.

11          (5) The Speaker of the House of Representa-  
12          tives.

13          (6) The minority leader of the House of Rep-  
14          resentatives.

15          (7) The majority leader of the Senate.

16          (8) The minority leader of the Senate.

17          (9) The chairpersons and ranking members of  
18          the Committee on Financial Services and the Com-  
19          mittee on Oversight and Government Reform of the  
20          House of Representatives.

21          (10) The chairpersons and ranking members of  
22          the Committee on Banking, Housing, and Urban Af-  
23          fairs and the Committee on Homeland Security and  
24          Governmental Affairs of the Senate.

1           (c) **RULE OF CONSTRUCTION.**—Except as provided in  
2 subsection (a), no provision of this Act shall be construed  
3 as affecting the authority of the Monetary Authority under  
4 the 3rd undesignated paragraph of section 13 of the Fed-  
5 eral Reserve Act.

6 **SEC. 306. SAVINGS PROVISIONS AND TRANSFER PROVI-**  
7 **SIONS.**

8           (a) **SAVINGS PROVISIONS.**—

9               (1) **EXISTING RIGHTS, DUTIES, AND OBLIGA-**  
10 **TIONS NOT AFFECTED.**—The establishment of the  
11 Bureau of the Federal Reserve shall not affect the  
12 validity of any right, duty, or obligation of the  
13 United States, the Bureau (as the successor to the  
14 Board of Governors of the Federal Reserve System  
15 or any Federal reserve bank), or any other person  
16 that—

17                   (A) arises under any provision of law relat-  
18 ing to any function of the Board of Governors  
19 of the Federal Reserve System transferred to  
20 the Bureau by this title and amendments made  
21 by this title; and

22                   (B) existed on the day before the effective  
23 date.

24               (2) **CONTINUATION OF SUITS.**—This Act shall  
25 not abate any proceeding commenced by or against

1 the Board of Governors (or any Federal reserve  
2 bank) before the effective date with respect to any  
3 function of the Board of Governors (or any Federal  
4 reserve bank) transferred to the Bureau by this title,  
5 except that the Bureau shall be substituted for the  
6 Board of Governors (or Federal reserve bank) as a  
7 party to any such proceeding as of the effective date.

8 (b) TRANSFER OF CERTAIN PERSONNEL.—

9 (1) IDENTIFYING EMPLOYEES FOR TRANS-  
10 FER.—The Secretary and the Chairman of the  
11 Board of Governors of the Federal Reserve System  
12 shall—

13 (A) jointly determine the number of em-  
14 ployees of the Board necessary to perform or  
15 support the functions of the Board of Gov-  
16 ernors that are transferred to the Monetary Au-  
17 thority (if any) and the Bureau of the Federal  
18 Reserve pursuant to a provision of or amend-  
19 ment made by this title; and

20 (B) consistent with the number determined  
21 under subparagraph (A), jointly identify em-  
22 ployees of the Board of Governors for transfer  
23 in a manner that the Secretary and the Board  
24 of Governors of the Federal Reserve System, in  
25 their sole discretion, determine to be equitable.

1 (2) IDENTIFIED EMPLOYEES TRANSFERRED.—

2 All employees of the Board of Governors of the Fed-  
3 eral Reserve System identified under paragraph  
4 (1)(B) shall be transferred to the Monetary Author-  
5 ity or the Bureau of the Federal Reserve, as the  
6 case may be, for employment.

7 (3) FEDERAL RESERVE BANK EMPLOYEES.—

8 Employees of any Federal reserve bank, as of the  
9 day before the transfer date for any employees of  
10 the Board of Governors of the Federal Reserve Sys-  
11 tem, shall be treated as employees of the Board of  
12 Governors for purposes of paragraph (1) and (2).

13 **TITLE IV—TRANSITIONAL**  
14 **ARRANGEMENTS**

15 **SEC. 401. CONVERSION OF FEDERAL RESERVE NOTES.**

16 (a) IN GENERAL.—Before the end of the 120-day pe-  
17 riod beginning on the date of the enactment of this Act,  
18 the Secretary shall establish the rules and procedures for  
19 converting outstanding Federal reserve notes to United  
20 States Money of equal face value.

21 (b) PROVISION OF SUPPLY SUFFICIENT FOR CON-  
22 VERSION AND ISSUANCE.—Before the end of the 150-day  
23 period beginning on the date of the enactment of this Act  
24 and as Federal reserve notes are converted to United  
25 States Money, the Secretary shall begin providing a suffi-

1 cient quantity of United States Money to the domestic  
2 banking system to allow for conversion of all outstanding  
3 Federal reserve notes and the issuance of additional cur-  
4 rency as required.

5 (c) DISBURSAL OF FUNDS.—After the end of the  
6 180-day period beginning on the date of the enactment  
7 of this Act, all financial institutions within the United  
8 States shall only disburse funds in United States Money,  
9 whether as currency, an addition to an available account  
10 balance, or other instrument.

11 (d) DISPOSAL OF OBSOLETE CURRENCY.—The Sec-  
12 retary shall promptly dispose of (in the manner provided  
13 under section 5120(b) of title 31, United States Code, for  
14 the disposal of obsolete United States currency) all Fed-  
15 eral reserve notes as they are returned in exchange for  
16 United States Money.

17 (e) TECHNICAL AND CONFORMING AMENDMENT.—  
18 Effective at the end of the 150-day period beginning on  
19 the date of the enactment of this Act, section 16 of the  
20 Federal Reserve Act is amended by striking the 8th, 9th,  
21 10th, 11th, and 12th undesignated paragraphs (12 U.S.C.  
22 418, 419, 420, 421, and omitted, respectively).

1 **SEC. 402. REPLACING FRACTIONAL RESERVE BANKING**  
2 **WITH THE LENDING OF UNITED STATES**  
3 **MONEY.**

4 (a) CONVERSION PROCESS.—

5 (1) DEPOSITS.—

6 (A) IN GENERAL.—All deposits at any de-  
7 pository institution shall be designated as and  
8 treated as United States Money (either cash or  
9 an electronic equivalent) and as transaction ac-  
10 counts.

11 (B) PROHIBITIONS.—In addition to sub-  
12 section (d), the following provisions shall apply  
13 with respect to United States Money on deposit  
14 in a transaction account at any depository insti-  
15 tution:

16 (i) INTEREST.—No interest may be  
17 paid or may accrue on any United States  
18 Money on deposit in a transaction account  
19 at any depository institution.

20 (ii) DEPOSITS AS BAILMENT.—Any  
21 United States Money on deposit in a trans-  
22 action account at any depository institu-  
23 tion shall—

24 (I) be treated as a bailment for  
25 the mutual benefit of the parties and  
26 terminable at will; and

1 (II) as property held in trust as  
2 bailed property, not be treated as an  
3 asset of the depository institution or  
4 as a source of credit.

5 (C) EXCEPTION FOR LONG-TERM SAVINGS  
6 NOT SUBJECT TO DEPOSIT INSURANCE.—

7 (i) IN GENERAL.—Subparagraph (B)  
8 shall not apply to any liability of deposi-  
9 tory institution to a customer for any  
10 amount in an account at the depository in-  
11 stitution pursuant to a contract that re-  
12 stricts the availability of any such amount  
13 for a fixed term and does not permit  
14 amounts to be transferred in any manner  
15 for the benefit of a third party.

16 (ii) FIXED-TERM SAVINGS NOT IN-  
17 SURED.—Any account described in clause  
18 (i) may not be treated as a deposit, for  
19 purposes of the Federal Deposit Insurance  
20 Act, or as a share draft account, for pur-  
21 poses of the Federal Credit Union Act.

22 (2) OUTSTANDING CREDIT.—Any asset of a de-  
23 pository institution that results from credit extended  
24 against, is attributable to, or has been accounted for

1 with respect to, amounts described in paragraph  
2 (1)(A) shall, as of the effective date—

3 (A) be a liability of the depository institu-  
4 tion to the Federal Government; and

5 (B) as the outstanding balance is repaid  
6 pursuant to its terms, shall be paid over to the  
7 Federal Government.

8 (3) DEPOSIT IN REVOLVING FUND.—The mon-  
9 ies paid to the Federal Government shall be depos-  
10 ited into the Revolving Account established in sec-  
11 tion 403.

12 (4) IN GENERAL.—Before the effective date and  
13 subject to the requirements of this section, the Mon-  
14 etary Authority shall establish and publish the ac-  
15 counting rules, pricing, and processes which will con-  
16 vert all bank credit in circulation as of the date of  
17 such conversion, into United States legal tender  
18 money.

19 (5) RETENTION OF INTEREST PAYMENTS.—A  
20 depository institution may keep as income, any in-  
21 terest payment made by a customer to a depository  
22 institution on an outstanding loan for which the de-  
23 pository institution became indebted to the Federal  
24 Government under paragraph (2).

1 (b) TREATMENT OF AMOUNTS ON RESERVE AT A  
2 FEDERAL RESERVE BANK.—The Monetary Authority  
3 shall determine, by the effective date, how the reserves of  
4 a depository institution at a Federal reserve bank pursu-  
5 ant to section 19 of the Federal Reserve Act shall be treat-  
6 ed, so as to promote a seamless transition to the new sys-  
7 tem.

8 (c) ACCOUNTS IN GENERAL.—Before the effective  
9 date, the Monetary Authority shall prescribe new lending  
10 and accounting regulations for various types of accounts  
11 including transaction accounts and time deposit accounts  
12 described in subsections (d) and (e).

13 (d) TRANSACTION ACCOUNTS.—

14 (1) FRACTIONAL RESERVE BANKING ENDED.—  
15 The regulations prescribed under subsection (c) shall  
16 provide that—

17 (A) any depository institution shall have a  
18 fiduciary responsibility for the money of any de-  
19 positor on deposit in a transaction account  
20 which—

21 (i) shall be held for the exclusive use  
22 of the account holder; and

23 (ii) may not be used by a depository  
24 institution to fund loans or investments;

1 (B) a dollar of United States Money shall  
2 be on hand or in a Federal Government account  
3 for each dollar in a transaction account; and

4 (C) a depository institution may charge a  
5 reasonable fee for providing transaction account  
6 services.

7 (2) TRANSACTION ACCOUNT DEFINED.—For  
8 purposes of this section, the term, “transaction ac-  
9 count”—

10 (A) means a deposit or account on which  
11 the depositor or account holder is permitted to  
12 make withdrawals by negotiable or transferable  
13 instrument, payment orders of withdrawal, tele-  
14 phone transfers, or other similar items for the  
15 purpose of making payments or transfers to  
16 third persons or others; and

17 (B) includes demand deposits, negotiable  
18 order of withdrawal accounts, savings deposits  
19 subject to automatic transfers, and share draft  
20 accounts.

21 (e) UNITED STATES MONEY AS SOURCE OF  
22 LOANS.—After the effective date, all lending by depository  
23 institutions may be accomplished only by the lending of  
24 actual United States Money that is—

1           (1) owned by the depository institution from  
2 earnings and or capital contributions by investors;

3           (2) borrowed at interest from the Federal Gov-  
4 ernment; or

5           (3) borrowed at interest through the issuance of  
6 bonds or other interest-bearing securities by the  
7 lending bank, to the extent that such bonds or secu-  
8 rities are structured in a manner consistent with the  
9 purposes of this Act.

10       (f) ENCOURAGEMENT OF PRIVATE, PROFIT-MAKING  
11 MONEY LENDING ACTIVITY.—The regulations prescribed  
12 and actions taken under this section shall be established  
13 and taken in a manner that—

14           (1) encourages private, profit-making money  
15 lending activity by banking institutions; and

16           (2) prohibits the creation of private money  
17 through the establishment of lending credit against  
18 depository receipts, sometimes referred to as “frac-  
19 tional reserve banking”.

20 **SEC. 403. ESTABLISHMENT OF FEDERAL REVOLVING FUND.**

21       (a) REVOLVING LOAN FUND.—Subject to provision  
22 in advance in an appropriation Act, there is hereby estab-  
23 lished a revolving loan fund in the Treasury of the United  
24 States where amounts received from depository institu-  
25 tions under terms specified in section 402 of this Act shall

1 be deposited and made available for relending to banking  
2 institutions and for other purposes.

3 (b) ADMINISTRATION.—The Revolving Fund shall be  
4 administered by the Bureau under such terms and condi-  
5 tions as the Secretary shall prescribe consistent with the  
6 purposes of this Act.

7 (c) NATIONAL EMERGENCY.—In the event of a find-  
8 ing by the President that a National Emergency exists,  
9 and with the concurrence of the Congress in accordance  
10 with the emergency procedures specified under section  
11 305, the Secretary may draw upon up to 80 percent of  
12 the funds on deposit in the Revolving Fund. Such funds  
13 shall be returned to the Revolving Fund within 3 years  
14 of the date of initial disbursement, either through repay-  
15 ment of loans or through an Appropriation Act, unless the  
16 Secretary receives from the Congress specific authoriza-  
17 tion to extend the term of the loans. The authorization  
18 of Congress shall be given by joint resolution.

## 19 **TITLE V—ADDITIONAL** 20 **PROVISIONS**

### 21 **SEC. 501. DIRECT FUNDING OF INFRASTRUCTURE IM-** 22 **PROVEMENTS.**

23 (a) REPORT REQUIRED ON OPPORTUNITIES FOR DI-  
24 RECT FUNDING.—Before the effective date, the Secretary,  
25 after consultation with the heads of Executive branch de-

1 departments, agencies and independent establishments, shall  
2 report to the Congress on opportunities to utilize direct  
3 funding by the United States Government to modernize,  
4 improve, and upgrade the physical economy of the United  
5 States in such areas as transportation, agriculture, water  
6 usage and availability, sewage systems, medical care, edu-  
7 cation, and other infrastructure systems, to promote the  
8 general welfare, and to stabilize the Social Security retire-  
9 ment system.

10 (b) BROAD EQUITABLE DISPERSION OF FUNDING.—

11 Generally, any program recommended for direct funding  
12 shall be undertaken throughout the Nation.

13 **SEC. 502. INTEREST RATE CEILINGS.**

14 (a) LIMIT ON AMOUNT OF FINANCING FEES.—The  
15 total amount of interest charged by a financial institution  
16 on any extension of loans (other than a mortgage) to any  
17 individual borrower through amortization, including all  
18 fees and service charges, shall not exceed the total amount  
19 of the loan extended.

20 (b) LIMIT ON RATE.—The annual percentage rate  
21 applicable to any loan of money may not exceed 8 percent  
22 on unpaid balances, inclusive of all charges.

23 **SEC. 503. AUTHORITY OF FDIC.**

24 Except as provided in section 402 and the amend-  
25 ment made by section 3(b), no provision of this Act shall

1 be construed as altering or affecting any authority or func-  
2 tion of the Federal Deposit Insurance Corporation. No  
3 later than 12 months after the date of the enactment of  
4 this Act, the Chairperson of the Board of Directors of the  
5 Federal Deposit Insurance Corporation shall study and  
6 make recommendations to the Congress regarding any  
7 changes in authorities, including expanded supervision and  
8 monitoring, required to enhance the oversight and regu-  
9 latory roles of the Federal Deposit Insurance Corporation  
10 under this Act.

11 **SEC. 504. MONETARY GRANTS TO STATES.**

12 (a) IN GENERAL.—Each year, the Monetary Author-  
13 ity shall instruct the Secretary to disperse grants over a  
14 12-month period to the States equal to 25 percent of the  
15 money created under this title in the prior year. In the  
16 first year the amount of such grants shall be 25 percent  
17 of the anticipated money creation in that first year.

18 (b) USE OF GRANTS FOR BROAD-BASED PUR-  
19 POSES.—The States may use such funds in broadly des-  
20 ignated areas of public infrastructure, education, health  
21 care and rehabilitation, pensions, and paying for unfunded  
22 Federal mandates.

23 **SEC. 505. EDUCATION FUNDING PROGRAM.**

24 Before the end of the 120-day period beginning on  
25 the date of the enactment of this Act, the Secretary, in

1 cooperation with the Secretary of Education, shall provide  
2 recommendations to the Congress for a program to help  
3 fund our educational system that will put the United  
4 States on par with other highly developed nations, and to  
5 sufficiently provide for universal pre-kindergarten fully  
6 funded State programs for elementary and secondary edu-  
7 cation and universal college at every 2- and 4-year public  
8 institution of higher learning and create a learning envi-  
9 ronment so that every child has an opportunity to reach  
10 their full educational potential.

11 **SEC. 506. SOCIAL SECURITY TRUST FUNDS.**

12 The Secretary in consultation with the Board of  
13 Trustees of the Federal Old-Age and Survivors Insurance  
14 and Federal Disability Insurance Trust Funds shall sub-  
15 mit to the Monetary Authority any requests to cover im-  
16 pending deficits in Social Security Trust Fund accounts.

17 **SEC. 507. INITIAL MONETARY DIVIDEND TO CITIZENS.**

18 (a) IN GENERAL.—Before the effective date, the Sec-  
19 retary, in cooperation with the Monetary Authority, shall  
20 make recommendations to the Congress for payment of  
21 a Citizens Dividend as a tax-free grant to all United  
22 States citizens residing in the United States in order to  
23 provide liquidity to the banking system at the commence-  
24 ment of this Act, before governmental infrastructure ex-  
25 penditures have had a chance to work into circulation.

1 (b) STUDY OF EFFECTS OF CITIZENS DIVIDEND.—

2 The Secretary shall maintain a thorough study of the ef-  
3 fects of the Citizens Dividend observing its effects on pro-  
4 duction and consumption, prices, morale, and other eco-  
5 nomic and fiscal factors.

6 **SEC. 508. UNIVERSAL HEALTH CARE FUNDING.**

7 The Congress shall be aware that funding through  
8 this Act is available for a universal health care plan as  
9 may be enacted by Congress.

10 **SEC. 509. RESOLVING THE MORTGAGE CRISIS.**

11 The Congress shall be aware that funding through  
12 this Act is available for Congressional enactments for re-  
13 solving aspects of the mortgage crisis.

14 **SEC. 510. INTEREST FREE LENDING TO LOCAL GOVERN-**  
15 **MENTAL BODIES.**

16 Before the end of the 180-day period beginning on  
17 the date of the enactment of this Act, the Secretary shall  
18 provide recommendations to the Congress for a program  
19 of interest-free lending of United States Money to State  
20 and local governmental entities, including school boards  
21 and emergency fire services for infrastructure improve-  
22 ments under their control and within their jurisdictions,  
23 based on per capita amounts and other criteria to assure  
24 equity as determined by the Monetary Authority.

○