LEFT FORUM 2019, SUE PETERS, NEED ACT:

**TITLE III**

**Creation of Bureau of Federal Reserve & Monetary Authority**

301. When the U.S. Government buys all the shares of the 12 Federal Reserve Banks, the following happens to the

Fed’s assets and liabilities:

As of June 20, 2019, there were:

$1.6 trillion of bank reserves ====🡺 Returned to commercial banks as U.S. Money

$3.9 trillion of securities and other assets ====🡺 Becomes possession of U.S. Government

302. A Monetary Authority (MA) is created in Treasury: MONETARY STABILITY

* MA is independent of the Secretary of the Treasury.
* 9 members are appointed by President with consent of Senate (only 4 members in same party)
* Functions of MA:
  + Keep stable prices
  + Determine amount of new money that can be created each year
  + Determine most efficient means of distributing new money, consistent with Congress’ authorization
* Secretary reports to Congress diffs > 0.5%, between MA monetary targets and money supply quarterly

303. Creation of Bureau of Federal Reserve in Treasury

* Led by Commissioner and Deputy Commissioner, appointed by President with consent of Senate
* New function #1: originates and spends NEW U.S. MONEY into circulation:
* With Congress’s authorization
  + Under direction of Secretary
  + With limits established by MA
* New function #2: lends from Revolving Fund to banks
* Old functions: all old functions of Federal Reserve System, consistent with NEED Act, are kept

304. Secretary reports regularly to Congress and public:

* Forecasts of future disbursements
* Impact of current disbursements on economy (domestic and international)
* Impact of disbursements on money supply

305. Lender of Last Resort

If there is an economic emergency, the Monetary Authority (MA) can direct new money be created and dispursed. The State of Emergency is declared when 3 things have happened:

* Emergency Board of top Executive and Congressional people vote 2/3rds members to declare emergency
* 2/3 members of House and Senate vote to declare emergency
* President declares national emergency exists

306. Status of dissolved Federal Reserve Banks: Current employees are transferred either to Bureau of Federal Reserve or Monetary Authority.

**TITLE IV**

**Creation of REVOLVING FUND**

401. Prior to EFFECTIVE DATE: Secretary shall issue U.S. Currency to banks to replace Federal Reserve Notes.

402. On EFFECTIVE DATE:

* All depositors’ bank money is treated as U.S. Money – not bank credit money.
* TRANSACTION ACCOUNTS: checking and savings account money are owned by the depositor.
* By law, banks are responsible for their safe keeping – they do not earn interest.
* These monies can be transferred or withdrawn at will by the depositors (owners); covered by FDIC insurance.
* INVESTMENT ACCOUNTS: All monies, which cannot be transferred or withdrawn at the will of depositor (time deposits, cd’s), are assets of the bank and can accrue interest. Not FDIC insured.
* REVOLVING FUND: All loan principal, repaid to bank (on loans initiated prior to effective date), shall be considered the asset of the federal government and be paid over to the Revolving Fund in U.S. Treasury. All interest paid to bank is kept by bank.
* After the effective date, all bank lending must be with actual US Money from:
  + Bank earnings
  + Investment accounts
  + Money borrowed at interest from federal government
  + Money borrowed by bank from its bonds and other securities

403. REVOLVING FUND created:

* In US Treasury
* All loan principal, repaid to bank from loans initiated prior to effective date, is deposited in Revolving Fund
* Revolving Fund money can be lent with interest to banks as needed
* Revolving Fund money can be used by the government under the declaration of a National Emergency