

# Emmer Introduces Legislation to Prevent Unilateral Fed Control of a U.S. Digital Currency

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**Washington, D.C.**— Today, Congressman Tom Emmer (MN-06) introduced a bill prohibiting the Federal Reserve from issuing a central bank digital currency (CBDC) directly to individuals.

“As other countries, like China, develop CBDCs that fundamentally omit the benefits and protections of cash, it is more important than ever to ensure the United States’ digital currency policy protects financial privacy, maintains the dollar’s dominance, and cultivates innovation. CBDCs that fail to adhere to these three basic principles could enable an entity like the Federal Reserve to mobilize itself into a retail bank, collect personally identifiable information on users, and track their transactions indefinitely,” **Emmer said**. “Not only would this CBDC model centralize Americans’ financial information, leaving it vulnerable to attack, but it could also be used as a surveillance tool that Americans should never tolerate from their own government.”

“Requiring users to open up an account at the Fed to access a U.S. CBDC would put the Fed on an insidious path akin to China’s digital authoritarianism,” **Emmer continued**. “**It is important to note that the Fed does not, and should not, have the authority to offer retail bank accounts.** Regardless, any CBDC implemented by the Fed must be open, permissionless, and private. This means that any digital dollar must be accessible to all, transact on a blockchain that is transparent to all, and maintain the privacy elements of cash”

“In order to maintain the dollar’s status as the world’s reserve currency in a digital age, it is important that the United States lead with a posture that prioritizes innovation and does not aim to compete with the private sector,” **Emmer continued**.

Read the bill, [here](#).

## **Background:**

Unlike decentralized digital currencies like Bitcoin, CBDCs are issued and backed by a government entity and transact on a centralized, permissioned blockchain. In some cases, this provides a central bank control over individual payment and transfer activity. In 2021, the Fed announced plans to launch a review of the potential benefits and risks of issuing a U.S digital currency and present a report including the proposed design of a potential United States CBDC. This report was expected in the summer of 2021 but is still pending.

In October 2021, Congressman Emmer gave remarks during a House Financial Services Committee Hearing entitled *Cashed Out: How a Cashless Economy Impacts Disadvantaged Communities and Peoples* on how decentralized digital currency can allow society to adapt to the digital economy while maintaining the privacy elements of cash. You can watch his remarks, [here](#).

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