

The NEED Act 2011 - FACT SHEET

H.R. 2990, The National Emergency Employment Defense (NEED) Act of 2011

Congressman Dennis Kucinich's Jobs Bill to Secure America's Financial Sovereignty: The Debt Stops Here

Congressman Kucinich has introduced the NEED Act of 2011, a landmark bill to:

- **Create millions of well-paying private sector jobs** and rebuild America's infrastructure
- **Pay off the national debt** as it comes due
- **Reduce federal deficits** or even eliminate them
- **End the fiscal crisis** at Federal, State and local levels
- **Make the U.S. dollar a stable currency** which maintains its purchasing power over time

All without raising taxes or borrowing.

WHAT IT DOES:

- Puts the Federal Reserve (Fed) into the Department of Treasury (Treasury) to make our monetary policy truly accountable to Congress and the American people.
- Ends the banks' special privilege by no longer allowing them to create our money supply when they make loans, through a simple and non-disruptive accounting change.
- Invests money to renew our crumbling infrastructure, making it fit for the 21st Century; creating real wealth and millions of good jobs at the same time.

HOW IT WORKS:

The conflict of interest between private ownership of the 12 Fed banks and management of our nation's monetary policy is ended by incorporating the Fed into the Treasury. The Fed is put on a budget and made accountable to the American people.

A separate Monetary Authority (part of Treasury) made up of experts is made responsible for managing monetary policy. Its governing principle is to ensure that the money supply is sufficient to meet the demand in the economy, and is **not inflationary or deflationary** (i.e., the purchasing power of our money remains stable). The Fed executes monetary policy actions.

Banks continue to make profits by lending money that savers and investors make available to them for that purpose. Banks may also borrow from the Treasury.

The Monetary Authority advises Treasury how much money is needed in the economy. Treasury advises Congress how much recycled or new money is required to pay off debt (as it comes due) and supplement existing revenues to fund infrastructure renewal, grants and loans to State and local governments, education and other priorities, as appropriated by Congress.

Congress uses its Constitutional power to authorize Treasury to issue money to:

Pay off the national debt as it comes due. This releases funds for investment in the private sector to generate more economic activity and revenues – helping to **balance everyone's budget**.

Invest in 21st Century infrastructure renewal. This keeps skills and technology at home and makes the whole economy work more efficiently, assuring **competitive advantage**.