

110TH CONGRESS
2D SESSION

H. R. 6690

To stimulate the economy and provide for a sound United States dollar
by defining a value for the dollar, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 31, 2008

Mr. POE introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Ways and Means and Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To stimulate the economy and provide for a sound United States dollar by defining a value for the dollar, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Sound Dollar and Eco-
5 nomic Stimulus Act of 2008”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) Article I, section 8 of the Constitution of
2 the United States provides that the Congress shall
3 have Power to coin money, regulate the value there-
4 of, and of foreign coin, and fix the standard of
5 weights and measures.

6 (2) Congress effectively delegated the power to
7 regulate the value of United States money and for-
8 eign money to the Federal Reserve System via the
9 Federal Reserve Act of 1913.

10 (3) The value of the United States dollar has
11 fallen dramatically relative to gold, crude oil, other
12 real commodities and major foreign currencies.

13 (4) The value of the United States dollar has
14 become unstable and uncertain.

15 (5) The Board of Governors of the Federal Re-
16 serve System has not produced a stable and reliable
17 value for the United States dollar.

18 (6) The Board of Governors of the Federal Re-
19 serve System cannot reasonably be expected to
20 produce a stable and reliable value for the United
21 States dollar.

22 (7) An unstable dollar slows the growth of the
23 economy by increasing the cost of capital, increasing
24 the risks attendant to long-term capital investment,

1 and increasing the effective rate of the corporate in-
2 come tax.

3 (8) An unstable dollar reduces the real earnings
4 of American workers.

5 (9) An unstable dollar reduces the real value of
6 financial assets held by the public.

7 (10) An unstable dollar reduces the real value
8 of pension plans and retirement accounts upon
9 which Americans depend for their security.

10 (11) An unstable dollar damages the economic
11 and political standing of the United States in the
12 world community.

13 (12) An unstable dollar gives rise to anxiety,
14 uncertainty, and risk among the financial markets
15 and the public.

16 **SEC. 3. DIRECTIVES TO THE BOARD OF GOVERNORS OF**
17 **THE FEDERAL RESERVE SYSTEM.**

18 (a) IN GENERAL.—Before the end of the 90-day pe-
19 riod beginning on the date of the enactment of this Act,
20 the Board of Governors of the Federal Reserve System
21 shall make the value of the U.S. dollar equal to the market
22 value of 0.05 of a troy ounce of gold and maintain the
23 value of the United States dollar at this level.

1 (b) TARGET.—In regulating the value of the United
2 States dollar, the Board of Governors of the Federal Re-
3 serve System shall—

4 (1) conduct open market operations against an
5 explicit target for the price of gold on the exchange
6 operated by the Commodities Exchange, Inc
7 (COMEX) of the New York Mercantile Exchange,
8 Inc.; and

9 (2) shall not conduct open market operations
10 indirectly, as in the current practice of targeting the
11 Federal Funds rate.

12 (c) PROMOTION OF STABLE AND EFFECTIVE FINAN-
13 CIAL MARKETS.—The Board of Governors of the Federal
14 Reserve System shall use the banking and bank regulatory
15 powers of the Board to maintain and promote stable and
16 effective financial markets during and after the transition
17 to a defined value for the United States dollar.

18 **SEC. 4. TAX DEPRECIATION.**

19 Effective January 1, 2008, all entities that depreciate
20 capital assets for tax purposes shall be entitled to 100 per-
21 cent expensing of all capital investment for tax purposes
22 in the year that the investment is made.

1 **SEC. 5. DIRECTIVE TO THE CONGRESSIONAL BUDGET OF-**
2 **FICE.**

3 In addition to the scoring that the Congressional
4 Budget Office will do of the tax changes provided in this
5 Act in the normal course of events, the Congressional
6 Budget Office shall also calculate the impact on Federal
7 revenues on a present value basis. This calculation shall
8 be done in the manner that such calculations are done by
9 the Social Security Trustees, and shall take into account
10 the following:

11 (1) That first year expensing of capital invest-
12 ment accelerates, but does not change the total
13 amount of the depreciation that taxpayers take
14 based upon their investments.

15 (2) Capital investments by businesses have his-
16 torically earned much higher returns than the inter-
17 est rate on government bonds.

18 **SEC. 6. CONFLICT OF LAWS PROVISION.**

19 In the event that any provisions of this Act are found
20 to be in conflict with those of the Full Employment and
21 Balanced Growth Act of 1978, the provisions of this Act
22 shall supersede the provisions of such Act to the extent
23 of the conflict.

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