

108TH CONGRESS
1ST SESSION

H. R. 2778

To abolish the Board of Governors of the Federal Reserve System and the Federal reserve banks, to repeal the Federal Reserve Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 17, 2003

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

A BILL

To abolish the Board of Governors of the Federal Reserve System and the Federal reserve banks, to repeal the Federal Reserve Act, 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 “Federal Reserve Board
5 Abolition Act”.

6 **SEC. 2. FEDERAL RESERVE BOARD ABOLISHED.**

7 (a) IN GENERAL.—Effective at the end of the 1-year
8 period beginning on the date of the enactment of this Act,

1 the Board of Governors of the Federal Reserve System
2 and each Federal reserve bank are hereby abolished.

3 (b) REPEAL OF FEDERAL RESERVE ACT.—Effective
4 at the end of the 1-year period beginning on the date of
5 the enactment of this Act, the Federal Reserve Act is here-
6 by repealed.

7 (c) DISPOSITION OF AFFAIRS.—

8 (1) MANAGEMENT DURING DISSOLUTION PE-
9 RIOD.—During the 1-year period referred to in sub-
10 section (a), the Chairman of the Board of Governors
11 of the Federal Reserve System—

12 (A) shall, for the sole purpose of winding
13 up the affairs of the Board of Governors of the
14 Federal Reserve System and the Federal re-
15 serve banks—

16 (i) manage the employees of the
17 Board and each such bank and provide for
18 the payment of compensation and benefits
19 of any such employee which accrue before
20 the position of such employee is abolished;
21 and

22 (ii) manage the assets and liabilities
23 of the Board and each such bank until
24 such assets and liabilities are liquidated or

1 assumed by the Secretary of the Treasury
2 in accordance with this subsection; and

3 (B) may take such other action as may be
4 necessary, subject to the approval of the Sec-
5 retary of the Treasury, to wind up the affairs
6 of the Board and the Federal reserve banks.

7 (2) LIQUIDATION OF ASSETS.—

8 (A) IN GENERAL.—The Director of the Of-
9 fice of Management and Budget shall liquidate
10 all assets of the Board and the Federal reserve
11 banks in an orderly manner so as to achieve as
12 expeditious a liquidation as may be practical
13 while maximizing the return to the Treasury.

14 (B) TRANSFER TO TREASURY.—After sat-
15 isfying all claims against the Board and any
16 Federal reserve bank which are accepted by the
17 Director of the Office of Management and
18 Budget and redeeming the stock of such banks,
19 the net proceeds of the liquidation under sub-
20 paragraph (A) shall be transferred to the Sec-
21 retary of the Treasury and deposited in the
22 General Fund of the Treasury.

23 (3) ASSUMPTION OF LIABILITIES.—All out-
24 standing liabilities of the Board of Governors of the
25 Federal Reserve System and the Federal reserve

1 banks at the time such entities are abolished, includ-
2 ing any liability for retirement and other benefits for
3 former officers and employees of the Board or any
4 such bank in accordance with employee retirement
5 and benefit programs of the Board and any such
6 bank, shall become the liability of the Secretary of
7 the Treasury and shall be paid from amounts depos-
8 ited in the general fund pursuant to paragraph (2)
9 which are hereby appropriated for such purpose
10 until all such liabilities are satisfied.

11 (d) REPORT.—At the end of the 18-month period be-
12 ginning on the date of the enactment of this Act, the Sec-
13 retary of the Treasury and the Director of the Office of
14 Management and Budget shall submit a joint report to
15 the Congress containing a detailed description of the ac-
16 tions taken to implement this Act and any actions or
17 issues relating to such implementation that remain
18 uncompleted or unresolved as of the date of the report.

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