

— T H E —
DAILY WIRE

‘Simply A Bad Idea’: Ted Cruz Introduces Bill To Stop Creation Of A ‘Central Bank Digital Currency’

Ben Zeisloft

March 22, 2023

Sen. Ted Cruz (R-TX) introduced a bill on Tuesday that would prevent the Federal Reserve and the Biden administration from establishing a central bank digital currency.

Opponents of a potential central bank digital currency observe that the asset, which would be managed by the Federal Reserve and tethered to the value of the dollar, may increase government surveillance and control of private citizens. The legislation submitted by Cruz, as well as Sen. Mike Braun (R-IN) and Sen. Chuck Grassley (R-IA), would ban monetary policymakers from implementing the technology.

“The federal government has no authority to unilaterally establish a central bank currency,” Cruz remarked in a press release. “This bill goes a long way in making sure big government doesn’t attempt to centralize or control cryptocurrency and instead, allows it to thrive in the United States. We should be empowering entrepreneurs, enabling innovation, and increasing individual freedom, not stifling it.”

Cruz noted that the Federal Reserve could effectively establish itself as a retail bank and monitor the transactions of all Americans should officials create a central bank digital currency. He asserted that the centralization of financial information would also leave the nation vulnerable to cyberattacks and resultant economic disruption.

Nations such as China, Australia, Japan, India, Russia, and South Korea are exploring central bank digital currencies, which have already been established in the Bahamas, Nigeria, and Jamaica, according to a report from the Atlantic Council. Sizable majorities and supermajorities of Americans oppose the adoption of a central bank digital currency, especially if the technology induced the end of physical cash or permitted the government to monitor financial transactions, according to topline survey results from the Cato Institute shared last week with The Daily Wire.

President Joe Biden has supported the study of a possible central bank digital currency and launched a “whole-of-government approach to addressing the risks and harnessing the potential benefits of digital assets and their underlying technology.” The Federal Reserve recently conducted a simulation with Citi, Mastercard, BNY Mellon, and other companies to

determine the “feasibility of payments between financial institutions” using a central bank digital currency.

“The American people ought to be able to spend their money how they choose without the possibility that every transaction could be tracked by the government,” Grassley commented in the press release. “Allowing the government to centralize Americans’ financial information and increase surveillance of Americans’ financial activity is simply a bad idea,” Braun added.

The encroachment on financial liberties by government actors is indeed a core concern among skeptics of central bank digital currencies, who have noted that such restrictions on private commerce have already occurred in response to political expression. Canadian Prime Minister Justin Trudeau invoked emergency powers last year to freeze the personal and corporate bank accounts of individuals involved with demonstrations against the nation’s vaccine mandates.

Central bank digital currencies could emerge as a point of contention in the forthcoming Republican presidential primary race. Vivek Ramaswamy, an asset management executive and former pharmaceutical entrepreneur who is running an issues-based campaign, has pressed every Republican candidate to denounce the digital assets. Gov. Ron DeSantis (R-FL) unveiled a proposal this week designed to prohibit the use of central bank digital currencies in Florida and encouraged other states to follow suit, while Gov. Kristi Noem (R-SD) vetoed legislation that would have classified the asset as money in South Dakota. Neither DeSantis nor Noem have officially declared their candidacy for the Republican nomination.