[HTTPS://WWW.FOXNEWS.COM/OPINION/POLITICIANS-QUIETLY-PREPARING-DIGITAL-DOLLAR-ITS-NOT-GOOD-YOUR-FREEDOM](https://www.foxnews.com/opinion/politicians-quietly-preparing-digital-dollar-its-not-good-your-freedom)

OPINION

Published March 20, 2023 10:00am EDT

Politicians are quietly preparing for a digital dollar. It’s not good for your freedom

Legislation is being pushed in all 50 states to ease implementation of a digital dollar

By **Justin Haskins | Fox News**

Gov. Kristi Noem: This idea is paving the way for the government to control currency

Gov. Kristi Noem, R.-Sc., explains why she vetoed a central bank digital currency bill on 'Tucker Carlson Tonight.'

South Dakota Governor Kristi Noem just vetoed a little-publicized, but extremely important bill that would have made it easier for the federal government to implement a central bank digital currency (CBDC). Stopping House Bill 1193 helps fend off one of the biggest threats to freedom facing Americans today.

In choosing to veto the legislation, Noem, a Republican, bravely took on her own party, which dominates South Dakota's legislature. Hopefully, lawmakers in other states will soon take notice. Identical legislation is being offered in more than 20 other states, and many lawmakers — Republicans and Democrats alike — have continued to move the bills forward despite claiming in many cases to be opposed to the development of a digital dollar.

Similar legislation is now being considered in Arkansas, Montana, New Hampshire, North Dakota, Tennessee, Texas, and California, among many other states.

TOP DEMOCRAT REJECTS POLITICIZATION CLAIMS AFTER SVB FAILURE: BIDEN 'NOT BAILING OUT ANYBODY'

The attempt to pass bills like H.B. 1193 nationwide is part of an effort to amend various parts of the Uniform Commercial Code (UCC). The UCC is not a federal law, but rather a state law passed in all 50 states. It's been around for more than a century, and it continues to play an important role in ensuring that commercial activity operates smoothly across state lines.

South Dakota Governor Kristi Noem vetoed a bill that would have made it easier for the federal government to implement a central bank digital currency or CBDC. (John Raoux)

Because the nature of commerce is always changing, the UCC must be updated on occasion, and that’s exactly what bills like this aim to do.

Many of the proposed amendments to the code in H.B. 1193 are valuable, but the drafters of the legislation also included a few extremely troubling, completely unnecessary, provisions. Those would make it easier for consumers to use a programmable, traceable, controllable central bank digital dollar in certain kinds of commercial activities, should the federal government choose in the future to create one.

The existing UCC already includes provisions that would effectively allow central bank digital currency to be used in many commercial arrangements. Instead of making it easier to use CBDCs, which, for the most part, do not yet exist in any major economy in the world, the UCC should be amended to make it much harder. Rather than encourage the use of CBDCs, lawmakers should be discouraging it.

In addition to new language that would apply to future CBDCs, the proposed amendments would also make it difficult for cryptocurrencies like Bitcoin to ever be considered "money."

Video

For those reasons and more, Noem vetoed the bill, and we should all be very glad she did.

It’s important to note that the proposed updates to the UCC would not establish a digital currency, nor require its creation in the future. It would, however, help lay the foundation for a central bank digital currency or other government-mandated digital currency in the future. The bill would have made it easier to use CBDCs in certain kinds of transactions and included absolutely no provisions that would forbid the use of a programmable central bank digital currency as it applies to the commercial code.

The amended UCC includes several provisions dealing with cryptocurrencies and a future central bank digital currency. For example, H.B. 1193 defines "electronic money," even though no such thing has yet to be established by a major global economy.

Another section would prevent all or nearly all existing cryptocurrencies and digital currencies from being considered "money" under the UCC, including Bitcoin. Thus, only a government-created currency could ever be considered electronic money under H.B. 1193 and similar bills offered in numerous other states.

> **This is extremely troubling. If Congress were to someday create an official electronic currency that is programmable, it would pose significant threats to Americans' liberty and privacy rights. Why, then, would so many lawmakers want to make it easier for such a currency to be used in their states?**

A significant provision would impose detailed rules governing when a person would be considered to have "control of electronic money." Most disturbingly, the definition of "exclusive control" of electronic money appearing in Section 45 includes a provision that states "a power is exclusive … even if: (1) The electronic money, a record attached to or logically associated with the electronic money, or a system in which the electronic money is recorded, limits the use of the electronic money or has a protocol programmed to cause a change, including a transfer or loss of control."

As this language clearly shows, the update to the UCC was written specifically to account for the future development of a programmable digital currency or currencies created and/or controlled by government, one that could be manipulated by "a system" or "protocol" designed for the currency.

CLICK HERE TO GET THE OPINION NEWSLETTER

This is extremely troubling. If Congress were to someday create an official electronic currency that is programmable, it would pose significant threats to Americans' liberty and privacy rights. Why, then, would so many lawmakers want to make it easier for such a currency to be used in their states? They should instead be revising the UCC so that it's harder to use a CBDC.

A programmable digital currency could easily be controlled and tracked by a government agency or central bank. Everything you buy using a digital dollar could be recorded, no matter where you go in the country. A programmable digital currency could also be manipulated so that it could only be used in certain situations or designed so that Americans would not be permitted to buy certain products or services.

Video

This all might sound like a crazy plot from a science-fiction film, but it isn't. The Federal Reserve has been studying the advantages of developing a programmable central bank digital currency for years, and President Joe Biden ordered the federal government to weigh the advantages and disadvantages of a programmable currency in March 2022.

In September 2022, Biden released "policy objectives" for a future digital currency. He also directed the federal government to study the issue further, and instructed the leadership of key government agencies, including the National Security Council and Treasury Department, to meet "regularly" with officials from the Federal Reserve to "discuss the working group's progress and share updates ... on CDBC and other payments innovations."

The Biden administration appears to be gearing up for the development and distribution of a programmable digital dollar, something the vast majority of voters likely don't want. That is why it is so strange that numerous Republican state lawmakers are choosing not to do everything in their power to stop the use of a future CBDC through the commercial code.

Noem was right to veto the UCC changes. Lawmakers should go back to the drawing board so that the UCC limits the use of CBDCs, not enhances it. Hopefully, other lawmakers will also come to the same conclusion soon. Time is running out.

CLICK HERE TO READ MORE FROM JUSTIN HASKINS

Justin Haskins is the director of the Socialism Research Center at The Heartland Institute and a New York Times bestselling author.