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True Texas Project Essay.

11/30/2023

True Texas Scholarship Essay

The Current US debt of \$33 trillion and the accompanying unfunded liabilities of \$194 trillion is a ticking time bomb placed upon the American people and the only way to defuse it is to pay it off. The current federal interest rate on the United States debt is 5.5%, which means that it costs our government \$1,815,000,000,000 annually in interest payments. That's one trillion, eight hundred fifteen billion dollars each year. To understand the impact of this amount of debt, one must understand the roots of inflation, since debt and inflation, which is a form of counterfeit money, are closely interwoven. Debt causes inflation and the debasement of the monetary system because it is printed as notes on paper and increases the money supply without increasing goods and/or services. This leads to an abundance of money that is trying to purchase a limited amount of goods and therefore increases the prices. Our money supply needs to be standardized as it is with our standard weights and measures. Debt and inflation, also, are the premises for dictatorial governments such as communism and fascism because inflation causes instability of the country's economic and political systems. Our debt began with the formation of our country, but inflation began with president Franklin Delano Roosevelt in 1936 along with both houses of congress and both political parties. He forced the American people to turn in their gold coins and made it illegal to own gold. The American people also contributed to this factor by voting for these politicians. Therefore, all of America is responsible for this debt. The federal government, the president, both houses of congress, both political parties, and the American people will have to work together to pay off the debt. It has been many years in the making and

will not be solved quickly. Paying off this debt will need to involve the shrinking of the federal government, eliminating some bureaucracies, and returning to the gold and hard metal standard; silver and gold are among man-kinds most desirable goods. Even though America is socially and economically fractured, the American people must find a way to curb our runaway spending. We must, because, the alternative would be similar to the Banana Republics which resulted in a total collapse of their economic system.

The proposed BRICS is a result of the unstable United States dollar and the current political strife. The debased monetary system in use today in our country and the resulting inflationary currency in use is being felt not only here, but also around the world. Brazil, Russia, India, China and South Africa (BRICS) are some emerging markets that are trying to work together and cooperate with trade and economics using their own currency. This alternative economic block could weaken the dollar even more and politically weaken the power of the U.S. sanctions. This would affect us as Americans with more inflation for our economy. This is even more reason that the United States should get its act together to stabilize the dollar, pay down the debt and create a gold and hard metal standard for our currency.

The CBDC proposed for legal tender in the United States is influenced by the widespread use of technology and a demand for new payment models. It could reduce the cost of transactions by not having to produce, store or transport cash. Many Central Banks are reluctant to adopt this digital currency practice because some companies have developed payment systems that can bypass the Central Bank. Additionally, it seems to be a major concern for the Central Banks because it presents a threat to the monetary system and fiat currencies. Financial stability and monetary policy need to be defined in a standardized policy just as our current system needs this standardization. For the CBDC to define its own policy is like putting the fox in charge of

the hen-house! This CBDC would also make it easier for the Federal Government to have the power to control American Citizens by overseeing their finances. One should recall what happened in Canada during the Covid-19 scare. The truckers who protested had their bank accounts frozen.

The Central Bankers in the U.S. have put out statements demeaning the value and ownerships of gold even-though, historically gold has been a measure of true wealth, even mentioned in Babylon. Could the banker's demeaning statements be a power play that would allow the Central Banks to have power and control without using any type of real wealth? It is much easier to have the printed paper than to purchase hard earned gold and silver. It allows these banks to have power over its customers and to create wealth for themselves by just printing on paper without any dependable backing.

If the U.S. dollar were to lose its status as the world reserve currency the repercussions would be felt all across our nation as well as internationally. It has allowed us to have the advantage of greater buying power and a lower exchange rate; actually, there is no need to exchange our currency to do a trade most of the time. In the event of losing this world reserve status the U.S. would have less access to capital, higher borrowing costs (interest rates), and lower stock market values. In addition to these consequences, there could be global and political unrest. There would be a lot of belt tightening financially.

The recent failures of Silicon Valley and Signature Banks were caused by poor planning, fiat money, risky business strategies and weak risk management. The ruin occurred when the Fed increased interest rates to offset the rise of runaway inflation; thus, the bonds that the banks were holding lost their value. Federal oversight and response failed to prevent this banking failure. A

stable, unwavering standard currency backed by the time tested Gold standard would have avoided this disaster of inflation and bank failures.

If I were to have the sole power to correct the problem of our monetary woes, I would start by ending the progression of our out-of-control spending. Then I would begin a decade of many spending cut-backs which would include getting rid of many man-made government bureaucracies. I would have the government start investing in gold, silver and other hard metals to be used as true wealth for the backing of our currency.