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Current and Future Issues in the US Monetary System

Most people turn a blind eye to what the government does with our monetary system. Because of people's inaction and the lack of accountability of the government, we can see the US government throwing away the people's ability to have privacy. Particularly, the privacy of a cash based system. This cashless system, ultimately, could lower the value of the dollar bill, and cause several issues elsewhere. The benefit of a cash system is the spender only spends the amount of cash that they have on hand. A danger of a cashless system is the rabbit hole of easy access to debt. The Federal Government spending more than they have is a problem and needs to be corrected. Most of the departments of the Federal government should be reverted to the States.

When most people are asked what their understanding of the US debt is, they are at a loss for words. Many people have a poor education when it comes to the US Government, whether due to a lack of quality teachers or a lack of initiative on their part. However, with a little bit of research it becomes evident of who is at fault and when the debt will be repaid, if ever. The National Debt can be defined as; the total amount of money that a country's government has borrowed, by various means (Oxford Dictionary). The current US debt is \$33 trillion and counting. With how the U.S. debt is currently escalating, many people believe the debt will never go away. This can be seen mainly in how the current Federal spending would have to be reduced

by about \$2.5 trillion a year in order to stop growing the debt. Even more cuts would be needed to start paying off the mounting existing debt.

Without a doubt, everyone acknowledges that the US debt is growing at a rapid pace. The National Debt clock increases every second at a pace that makes one's head spin! This clock increases by one million dollars every 16 seconds. Unfortunately, politicians and citizens can not come to an agreement on how to stop the madness. A reasonable solution is to remove unnecessary spending. Eliminating and reverting many of the highest spending departments back to the States is a quick and effective solution while honoring the rights of the citizens in their own States. The Federal Government has proven over and over that they run things inefficiently and with little regard to the cost of their decisions and regulations. It is clear that our government is the reason that inflation is so high.

Upon researching money systems, BRICS is an acronym for: Brazil, Russia, India, China, and South Africa. This is a current list of countries that wish to make an alternate monetary system for the reserve currency. This would hurt the US dollar exponentially, making it so that in the future, the US dollar could be worth the same as the Mexican Peso which has a current exchange rate of 1:17. This can be recognized with how one year ago the exchange rate was 1:20. If the exchange rate declines at the same pace in five years there would be a one to one ratio. Time and time again, we see the government trying to devalue the US dollar by using their department's time and resources in their attempts to prevent or slow down this free market process. They are using tax dollars to try to salvage the US dollar.

What would happen if a non-US dollar system becomes an alternate reserve currency, and how would it affect the US dollar? That could be seen by comparing the “Public Debt to GDP Ratio” and comparing it to the “External Debt to GDP Ratio.” The Gross Domestic Product

(GDP) is “*the standard measure of the value created through the production of the goods and services in a country during a certain period.*” (data.oecd.org) The more money that is loaned out to us by other countries (External Loaning), the more the External Debt (the amount we owe) goes up. However, if the government would cut back on their excessive spending by eliminating Federal departments, the idea of an alternative reserve currency wouldn't be an issue. The other countries only think that they can get away with creating an alternative reserve currency because they see the volatility of the US dollar and know that this is a weakness created by the Fed. This can be observed with the understanding that the only reason the dollar bill has as much worth as it does now, is that it is the world reserve currency.

There are many other alternative currency systems. The CBDC (Central Bank Digital Currency) is one of those banking systems that some people believe would be a viable replacement for the dollar bill. Before we evaluate this system, let's define what the CBDC system is: “*Some form of central bank money handled through electronic means, and accessible to the broad public.*” (Bindseil). We commonly call this a cryptocurrency. Some benefits to this would be to have easier access to money, loans, accounts, etc. There could be fewer physical bank robberies as the bank money isn't physically there. Sadly, the negatives outweigh the positives. The system has serious potential problems with grievous consequences. This system could be easier to hack causing digital bank robberies, the government would have more control as it would be less obvious when more money is created, and there would be less confidentiality. The government would know every purchase made with the CBDC, and could tax every purchase. This goes against the 10th amendment that makes taxing purchases a matter for the state or the people. They could also be able to ban purchasing certain items, which is not a power granted to them under the Constitution.

The quasi-Federal department that exhibits this waste of US dollars is the Central Bank. With how many countries buy gold to put in their reserves, you would think that Central Banks would say it has tremendous value. This however has been seen to be false recently, the central bankers are demeaning the value of gold. Why, though? The only reason is that they wish for control. They are afraid of the people owning gold and cash as they aren't able to control its circulation. *"Only a government that is afraid of its citizens tries to control them."* (Thomas Jefferson) With many departments controlled by the Feds, the federal government is able to control more and more of our lives. Controlling gold, controlling education, controlling energy usage, and many others is evidence that this multifaceted problem can only lead to one conclusion; which is the need to shrink the size of the federal government.

My proposal is to eliminate departments of the Federal government that are not best overseen by the Federal government and should be reverted back to the States. These include the EPA, Department of Education, HUD, IRS, Department of Commerce, Department of Energy, Department of Interior, Department of Health and Human Services, FEMA, the CIA, the FBI, Medicare, and Social Security. With Medicare and Social Security, you would slowly phase them out as many citizens have paid into these programs and are relying on the promises made to them dating back as far as 60 years. Ultimately, none of these departments should be controlled by the government as all of these break the Constitution as they are only allowed to be managed by the state and held accountable by the local people. These departments also create a sense of dependency on the Federal government for help rather than encouraging the value of hard work, smart planning, and seeking those in your local community for help. Just eliminating Social Security and Medicare would bring the government spending to a neutral number where the debt

doesn't rise or fall. Once you make all of the cuts that I have proposed, the national debt would start to be repaid because the deficit would turn into a surplus. "Life, liberty and pursuit of happiness" is an inalienable right of the people. The Federal Government interfering in micromanagement of everyday social and financial decisions does not create a confident and sustainable economy. It's like Reagan used to say, "*The most terrifying words in the English language are: I'm from the government and I'm here to help.*" (Ronald Reagan)

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