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True Texas Scholarship Essay

November 30, 2023

A Strong Economy

“I think the U.S. economy wants to be strong.” (Mary Callahan Erdoes) I, for one, want the same thing. However, national finance is a complicated issue, to say the least. As a freshman in high school, I have an extremely limited understanding of only a few of the monetary matters that concern our country today. Not unexpectedly, a wide variety of both proven and untried proposed solutions to the problems compete for attention, planning, and execution. Our vast national debt, the possibility of a Central Bank Digital Currency, and the corrective actions I would take if I was the sole decision maker for our monetary system are addressed below.

Dripping with sarcasm, President Herbert Hoover in 1936 stated to the Nebraska Republican Conference, “Blessed are the young, for they shall inherit the national debt.” Although from its infancy the United States accrued millions of dollars in debt to France as a result of the Revolutionary War, it paid off that balance by 1795. Once upon a time, believe it or not, the United States was not in debt to anyone. That was nearly 200 years ago in 1835. Since then, the national debt has gotten completely out of control and has skyrocketed to trillions of dollars. About the time that my parents were born, the national debt was approximately \$500 billion under President Nixon. Now, under President Biden, it is a whopping \$33 trillion! If \$33 trillion is divided by 336 million, the current population of our country, the result is \$98,215. This means that all Americans from 0 to 100 and beyond would need to pay that sum to lift the U.S. out of debt! I know that I don’t have \$98,215. And that does not begin to finance the \$194 trillion of unfunded liabilities, debts that have none of the necessary funding. Even my brief 14 years of experience tell me that this is a dreadful situation. In Proverbs 22:7, God says, “The borrower is a slave of the lender.” According to this ancient wisdom literature, we are slaves to those who own our debt, namely communist China. The people to blame for this are the Houses of Congress, who approve the budgets, and the President, who proposes and endorses the budgets. Additionally, based on the current trend, I do not think that the debt will be repaid. Admittedly, I do not have even an elementary understanding of the relationship between the national GDP and the debt, but I do realize that is an important factor in gauging the health of our economy. I am young, yet upon examining even the barest of the facts, I do not feel especially “blessed.”

Before I even started researching the CBDC, Central Bank Digital Currency, I knew that this was not a spectacular plan. "Central" indicates government-run, which is always a subpar idea. "Digital currency" means online money. I immediately noticed several flaws with this proposition. Supposedly, you would have no cash, nothing physical, nothing you can touch. Take iTunes, for example. You purchase rights to listen to songs, but what if iTunes goes out of business? Gasp! What if they do not agree with your lifestyle choices, like which church you attend, or that you drive an "air-polluting," diesel F-250 Super Duty truck? They would have the power to take away your access to those songs for a week, a year, or even permanently if they so desired. Now, what if those songs were instead your life's savings? Additionally, what if the CBDC mainframe was hacked or the technology failed? If this push for CBDC materializes, the government would have complete access to all of your money to do with it as they wish. As I get older, and start making increasingly significant amounts of money, I do not necessarily want the government to know how I manage my finances or have unrestrained and potentially unpoliced control over my money. I do not want to entrust personal financial assets to a government-controlled digital bank. Now that I have researched this a bit, I am even further convinced that it is a poor idea.

The problem with the U.S. monetary system put simply is that too much money is leaving our country and not enough is staying here. For example, the government has sent billions of taxpayer dollars to Ukraine, which is an exceedingly corrupt country, to counter the recent, unprovoked Russian attack. However, our motives for funding the Ukrainian defensive actions are highly suspect by those who view the Bidens and other powerful Americans as using Ukraine for personal gain. Our federal government also sends money to the Middle East where numerous terrorist groups base their evil, destructive operations. Recently, in September of this year, President Biden negotiated for the release of five detained Americans in exchange for \$6 billion being transferred to Qatar and made available to Iran. Seriously? We ought to return to the policy explicitly insisted on by President Ronald Reagan in 1985 in response to the hijacking of TWA Flight 847, "We don't negotiate with terrorists." We also should not fund them. So I have brought to light a few problems, but what would I do to solve them? Let's take a look at the opinions of the founding father and first president George Washington on this issue. In his farewell address in 1796, Washington urged his fellow Americans, "(We ought to be) ...avoiding the accumulation of debt, not only shunning occasions of expense but by vigorous exertion in a time of peace to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear." His sage advice has either been forgotten or rejected. We are over \$1.3 trillion in debt to communist China. So, according to Proverbs,

we are slaves to China. One hundred and twenty-two years later, shortly after the conclusion of World War I, Henry Cabot Lodge, an American Senator, gave a speech in which he proclaimed, "I will do as far as anyone in world service, but the first step to world service is the maintenance of the United States." According to his advice, before we dispatch billions of dollars to help Middle Eastern refugees, or aid to all countries of the world, we should start with aiding our own homeless. We have our own border crisis, our own drug problems, and our own veterans suffering from PTSD. We should resolve to first assist our underfunded police departments, our hungry children, and our crumbling infrastructure. To recap, America comes first, then foreign nations. We need to cut spending, and build ourselves up because when we do, we will provide better service to the world. If I were the sole decision maker for our current monetary system, I would keep more money in and give less out.

The following is a brief, undisguised attempt at bonus points: The recent bank failures were likely caused when the value of the bank's assets fell to below the market value of the bank's liabilities. Often bank failures occur because too many wealthy customers withdraw their money out of fear that a bank failure is on the horizon. Next topic... BRICS, an acronym for Brazil, Russia, India, China, and South Africa, is a bloc of nations committed to providing a platform for its members to challenge a world order currently dominated by the United States and its Western allies. I cannot imagine that if a group led by founding members such as Russia and China, which at best can be referred to as frenemies of the United States, were to succeed at an impressive scale would do anything but harm the U.S. dollar.

In conclusion, there are quite a few obvious problems with our monetary system. First of all, the reality of our multi-trillion dollar, out-of-control national debt makes us slaves to our lenders. The next issue is the push for a digital money system run by the government, the CBDC. Putting one's life savings into the hands of the government and potentially unreliable and easily compromised technology and expecting that to go well is foolishly unrealistic. Furthermore, another fundamental problem is that our government is sending too much money out to other nations, and not enough is staying here in America. To resolve this, we need adhere to common sense and return to the principles of wise politicians such as Presidents Ronald Reagan, George Washington, and Senator Henry Cabot Lodge. Unless one does not want what is best for this country and consequently the world, we can all agree with Mary Erdoes' statement in that not only does the U.S. economy want to be strong, but with some policy changes, it could be.