

Congress can easily avoid and eliminate federal debt on which Congress gives away interest

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Congress gave away \$522,767,299,265.34 of interest on our federal debt during fiscal year 2020. This give-away, of roughly \$1,584 per year for each man, woman, and child, or \$6,337 per year per four-person family, does immense harm to Americans and enriches creditors, including the Federal Reserve System, Japan, and Communist China.

Any delay by Congress to issue money to creditors to pay down our federal debt results in the accumulation of more interest, increases the amount of money that Congress must issue to pay off our federal debt, and, thereby, weakens the dollar and worsens long-term inflation. Congress should, as soon as possible, pass a bill to avoid and to eliminate federal debt on which interest accumulates.

Congress can easily pass a bill to direct the U. S. Treasury to issue money to pay for all goods and services that Congress acquires and to pay down our federal debt by at least \$3 Trillion per year (or \$57.495 Billion per week). By passing such a bill, Congress would completely avoid new federal debt on which interest accumulates and would eliminate our current federal debt* in less than 10 years.

Congress can, to extents allowed by federal debt contracts, first pay off creditors to whom Congress has given away the highest interest rates. Congress can allow creditors to voluntarily reduce their interest rates in order not to be paid off first.

For a debt of \$28 Trillion* and an interest rate of 2.2 percent per year, if only interest payments are made, then the debt remains at \$28 T forever, the interest payments are \$616 Billion per year, and the total interest paid after 10 years, 20 years, 30 years, 40 years, 50 years is, respectively, \$6.16 T, \$12.32 T, \$18.48 T, \$24.64 T, \$30.80 T, etc..

If principal payments of \$3 Trillion per year are also made, then the debt is eliminated in 10 years and the total interest paid is just \$3.163 T. Compared to no principal payments, the total interest **saved** after 10 years, 20 years, 30 years, 40 years, 50 years is, respectively, \$2.997 T, \$9.157 T, \$15.317 T, \$21.477 T, \$27.637 T, etc..

An immediate payoff of all federal debt would minimize Congress' give-away of interest.

Congress never needs to incur federal debt on which interest accumulates. Failure to pass a surplus or balanced budget is no excuse for Congress to incur debt on which interest accumulates. Members of Congress, including those who vote for deficit budgets, should consider it to be their duty to issue money to pay for all goods and services that Congress acquires instead of to incur federal debt on which interest is given away.

Do not re-elect members of Congress who do nothing to avoid and to eliminate federal debt on which Congress gives away interest.

States should pass a Constitutional amendment to prohibit Congress from incurring federal debt on which Congress gives away interest. Such an amendment should be favored over a balanced budget amendment. Deficit budgets, to acquire goods and services during emergencies and at low cost during economic downturns, may be necessary, can save money, and should not be prohibited.

* The Total Public Debt Outstanding is \$27,768,470,977,306.81 (as of 26 January 2021) or about \$84,147 for each man, woman, and child or \$336,588 per four-person family.