

It's Highly Unlikely the United States Will Ever Payoff Its National Debt
(How do you payoff \$20+ trillion dollars of debt— you don't.)

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As of the date of this missive the estimated publicly held debt is \$20.6 trillion and counting. By the end of calendar 2020 the publicly held debt could easily be over \$22 trillion. If the US were to adopt the goal of eventually paying off this debt how would it do it?

One possibility would be to adopt a fifty or hundred year plan whereby a prorated portion would be repaid each year. Ignoring interest, the payment each year for both scenarios would be \$440B and \$220B respectively. Those sums do not appear insurmountable; however, recall in order to do so the US Federal Government budget would have to be balanced otherwise including any interest payments. No small order—never been done or likely to be.

The US Government could repudiate its debt as some other governments have tried in the past. The US Government would thereby forfeit any hope of borrowing at least in the foreseeable future. The national and international implications are so severe that no rational person would endorse such a move.

One possible solution that lies between the above two alternatives is to issue *Consols*—debt obligations that pay interest but never mature. The British government has issued such instruments. Many financial analysts on the west side of the Atlantic consider such a suggestion heretical.

The US could just continue paying the interest on said debt. The difficulty here, assuming no increase in interest rates, is the rising yearly interest payments would consume a greater and greater proportion of government revenues leaving less room for everything else. Fortunately, current interest rates, due in part to the Corona Pandemic, are relatively low with little guarantee they will stay low in the post pandemic world.

A way of ameliorating the current US Treasury/Congress *de facto* debt policy is to adopt a policy of *limiting budget deficits to the rate of growth in GDP*. In this manner the relative burden of the debt would remain

stable at least over the long term. That may be the best our political system can do.

There is no easy solution. The easiest solution is to continue on continuing on. Why not let future generations deal with it. Past generations have not so endeavored. Why should we? We probably won't.