

**CONCURRENT RESOLUTION CALLING ON CONGRESS TO
DEVELOP A RESPONSIBLE MONETARY POLICY**

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ken Ivory

Senate Sponsor: _____

LONG TITLE

General Description:

This concurrent resolution calls upon Congress to end deficit spending, balance the federal budget, and begin paying off the national debt.

Highlighted Provisions:

This concurrent resolution:

- ▶ describes the depth of the national debt;
- ▶ warns against the consequences of uncontrolled inflation;
- ▶ calls upon Congress to end deficit spending, balance the federal budget, and begin paying off the national debt; and
- ▶ advocates for a return to a fixed standard for U.S. currency.

Special Clauses:

None

Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:

WHEREAS, the United States Department of the Treasury reported that the total public debt outstanding for the United States federal government is nearly \$21 trillion as of February 2018, which amounts to more than \$60,000 of debt for every man, woman, and child in the United States;

WHEREAS, unfunded federal obligations for the federal Medicare, Medicaid, and



28 Social Security programs are now estimated to be in excess of \$100 trillion;

29 WHEREAS, the nonpartisan Congressional Budget Office estimates that the 2017 tax
30 reform package passed by Congress will increase the already sizeable deficit by nearly \$1.5
31 trillion over the next 10 years, resulting in threats of a credit rating downgrade to the United
32 States by at least one credit rating agency;

33 WHEREAS, Congress has demonstrated for decades an abject inability to control
34 spending or balance a budget, and all indications point to indefinitely continued deficits;

35 WHEREAS, the bipartisan Grace Commission, established by President Ronald Regan,
36 reported to Congress in January of 1984 that without serious reforms, the national debt -- then
37 less than \$1.4 trillion -- would balloon to more than \$13 trillion within a few decades, but
38 Washington ignored the warning and kept on spending;

39 WHEREAS, in the aftermath of the 2008 financial meltdown, President Obama
40 established the bipartisan Simpson-Bowles Commission, which established a plan in December
41 of 2010 that was projected to:

- 42 (a) cut spending by \$2.2 trillion over the next 10 years;
- 43 (b) reduce interest payments on the national debt by \$672 billion;
- 44 (c) secure the solvency of Social Security for the next 75 years;
- 45 (d) reduce the national debt to 60% of the nation's gross domestic product by 2023, and
46 40% of the nation's gross domestic product by 2035; and
- 47 (e) set the stage for the nation's continued prosperity well into the future;

48 WHEREAS, ignoring the Simpson-Bowles plan, Washington chose to sacrifice
49 "continued prosperity" for even more debt and more spending;

50 WHEREAS, the National Journal noted in 2012, "Hardly a day goes by in Congress . . .
51 without some lawmaker extolling Simpson-Bowles as the kind of potent fiscal medicine
52 Americans must swallow if the country is to fix its debt and deficit problems, reform
53 government, and revive the economy.";

54 WHEREAS, diagnosed with fiscal cancer, Washington simply inserted an IV drip line
55 of monetary morphine;

56 WHEREAS, in February of 2011, Speaker of the U.S. House of Representatives, John
57 Boehner, spoke "hellfire and damnation" over this national debt purgatory:

58 "Here we must speak the truth . . . this level of debt [\$14 trillion] is unsustainable. It is

59 also immoral . . . It is immoral to bind our children to as leeching and destructive a force as
60 debt. It is immoral to rob our children's future and make them beholden to China . . . No society
61 is worthy that treats its children so shabbily.";

62 WHEREAS, despite these warnings, Washington ignored its inner Jiminy Cricket,
63 opting for more everlasting burnings of an inevitable debt hell;

64 WHEREAS, the burden of federal overspending will be born in rapidly approaching
65 years by all Americans, and in greatest measure by our children and grandchildren who have
66 had no representative voice in this burden;

67 WHEREAS, the perpetual promise of greater growth to offset the cost of indefinite
68 deficits has only resulted in a metastasizing mountain of debt;

69 WHEREAS, the options available to a deficit spending government include taxing
70 more, spending less, or artificially increasing the supply of money, also known as
71 monetization;

72 WHEREAS, for each dollar the money supply is increased, a hidden tax is imposed by
73 degree on the value of every other dollar earned or saved;

74 WHEREAS, John Maynard Keynes warned against such destructive policies when he
75 wrote, "Lenin is said to have declared that the best way to destroy the capitalist system was to
76 debauch the currency. By a continuing process of inflation, governments can confiscate,
77 secretly and unobserved, an important part of the wealth of their citizens . . . As the inflation
78 proceeds and the real value of the currency fluctuates wildly, all permanent relations between
79 debtors and creditors, which form the ultimate foundation of capitalism, become so utterly
80 disordered as to be almost meaningless . . . Lenin was certainly right. There is no subtler, no
81 surer means of overturning the existing basis of society than to debauch the currency. The
82 process engages all the hidden forces of economic law on the side of destruction, and does it in
83 a manner which not one man in a million is able to diagnose." JOHN MAYNARD KEYNES,
84 THE ECONOMIC CONSEQUENCES OF THE PEACE Ch. 6 para.13-14 (1920); and

85 WHEREAS, the approximately one in a million American citizens that comprise the
86 three million citizens of the state of Utah do recognize and "diagnose" "the hidden forces of
87 economic law on the side of destruction" that "debauch the currency" through federal fiscal
88 recklessness:

89 NOW, THEREFORE, BE IT RESOLVED that, in order to protect future generations,

90 the Legislature of the state of Utah, the Governor concurring therein, calls upon Congress in
91 the strongest possible terms to:

- 92 (1) end its destructive policy of deficit spending through monetization;
- 93 (2) balance the federal budget; and
- 94 (3) begin paying off the enormous debt Congress has incurred.

95 BE IT FURTHER RESOLVED that, in order for the nation's monetary policies to be
96 moored in constitutional foundations, and in order to restore congressional oversight over
97 monetary policy, the United States federal government should reestablish a fixed standard for
98 U.S. currency ~~to be~~ as ~~it~~ ~~has~~ existed until 1971.

99 BE IT FURTHER RESOLVED that each state, and every branch of government,
100 department, agency, and political subdivision within each state, should be aware of and provide
101 a plan to respond to the destruction of the spending power of the U.S. dollar that will result
102 from the federal policy of monetization.

103 BE IT FURTHER RESOLVED that a copy of this resolution be mailed to:

- 104 (1) each member of Utah's congressional delegation;
- 105 (2) the speaker of the United States House of Representatives;
- 106 (3) the majority leader of the United States Senate; and
- 107 (4) the president of the United States.

Legislative Review Note
Office of Legislative Research and General Counsel