

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

A Series of Answers by the Eminent Scholar Ata bin Khalil Abu Al-Rashtah, the Ameer of Hizb ut Tahrir to the Followers of his Facebook Page (political)

Answer to Question

America's Budget Deficit

To Ahmad Saeed

(Translated)

Question:

Assalam Alaikum Wa Rahmatullah Wa Barakatuh

We are aware that America has a budget deficit of nearly \$20 trillion; my question is of two parts:

1- Is it a debt? And to whom?

2- If so, what prevents it from issuing its own currency, the dollar, which it imposes on the world, though it is not covered with gold and silver, what prevents it from printing enough dollars to fill its deficit? Jazak Allah Khair

Answer:

Wa Alaikum Assalam Wa Rahmatullah Wa Barakatuh

Previously we had been asked such a question and answered it on 22 Jumada I 1430 AH - 16/5/2009 CE

And here is that question and the answer:

“Question: the economic crisis continues to consume the entire world. America has a huge debt for a number of countries in the world, especially China, can America not print dollars and pay off its debt to China, or does the IMF law forbid this?

Answer: America can print banknotes, with the IMF's approval, or secretly and “even publicly”, without its consent, it has the actual influence in the fund, and it can show false reasons and hide the truth of the matter and the Fund will support it! But printing banknotes in this way leads to a devaluation of the dollar, and hence to inflation, that is, increase in prices, so America does not do it unless it has a vested interest.

For example, it was reported that America printed between "2 trillion - 4 trillion" during the oil speculation that caused the price increase to nearly \$150 a barrel, "America was not far from that speculation," so it printed those banknotes to be able to buy the largest amount of oil directly or indirectly to add it to its reserves. America saw it as an interest for it that outweighs the increase in prices and the dollar's decline. But it stopped as the global economic crisis began, because America's

markets could no longer afford more inflation due to the bankruptcy of many companies, rising debts, and falling production and consumption.

America cannot print banknotes now without a rising economy, which may continue in the foreseeable future.

However if America finds an interest at any time in printing banknotes, it will do it. It is the only country whose currency controls a large proportion of the reserves of other countries as well as its actual influence in the IMF.

Therefore, if it prints banknotes to pay its debts, it will not be feasible for two reasons:

First: because its price will decrease, the greater the amount of banknotes offered the lower is its price, and therefore an economic problem will occur between the creditor and the debtor. If the creditor is a big country such as China, for example, this will affect the economic relations between the two countries and will increase America's economic crisis further. Especially since America and Europe want China to contribute in solving the crisis and not to abandon it.

Second: the increase in the supply of banknotes without a strong economy will lead to an increase in the prices of goods inside America, which the economic markets in America can not handle...

For all this, it is not expected that America will print new banknotes without a rising economy, at least in the foreseeable future.

But, as we have said, the probability remains. If America finds that there is a vested interest, political or economic, it will do so because of the spread of its dollar in the reserves of many countries in the world and its actual influence in the IMF. 22 Jumada I 1430AH -16/5/2009” **End of Quote.**

I hope that this is sufficient

Your Brother,

Ata Bin Khalil Abu Al-Rashtah

4 Rabi' Al-Awwal 1440 AH

12/11/2018 CE

The link to the answer on the Ameer's Facebook page:

<https://web.facebook.com/AmeerhtAtabinKhalil/photos/a.122855544578192/945137029016702/?type=3&theater>

The link to the answer on the Ameer's Google Plus page:

<https://plus.google.com/u/0/b/100431756357007517653/100431756357007517653/posts/2a9GBjAdvvq>