

TUA NEWS RELEASE

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TAX ACCOUNTABILITY PRES. ENDORSES CANCELING GOV. DEBT TO ITSELF

CHICAGO—The President of Tax Accountability, economist, former Federal Reserve Bank examiner, and legendary tax fighter Jim Tobin, today endorsed the plan by U.S. Rep. Alan Grayson (D-9, Florida) that Federal Reserve Chairman Ben Bernanke use his powers to [end the debt limit crisis](#).

Grayson, quoted in *Business Insider*, Oct. 11, 2013, states that "...this idea was put forward not by me...but by Republican Rep. Ron Paul."

"The solution advocated by Paul and Grayson is brilliant and elegant," said Tobin. "Bernanke should simply cancel the Treasury debt that it owns. The government can just forgive the government's debt."

The Federal Reserve doesn't own all of the U.S. government debt, but it does own roughly \$2 trillion of it. Canceling this portion of the debt would, in Grayson's words, "give the government substantial room under the debt ceiling standoff in Congress, and it would prevent a default."

"Grayson is absolutely correct when he says the debt held on the balance sheet can be canceled without any significant consequence," said Tobin. "It is a bookkeeping artifact corresponding to the money supply. In essence, the government owes this money to itself. This is not a debt problem; it is an accounting problem."

Grayson, a Democrat, and Ron Paul, a Republican and former U.S. Rep. from Texas, are among the strongest critics of an out-of-control Federal Reserve.

Paul has campaigned to dissolve the Fed for 35 years, and wrote an entire book called "End the Fed." Grayson has repeatedly slammed the Fed. Paul and Grayson also co-sponsored a bill to audit the Federal Reserve.

"Rep. Grayson has written to Chairman Bernanke asking that he cancel the debt held on the Fed's balance sheet. If Bernanke were to do this, his legacy would be his being considered the greatest Federal Reserve Chairman in U.S. history."

Tax Accountability is the political action arm of Taxpayers United of America.
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