
Cancel The Coin Act

Background

The “debt ceiling” is the limit set by Congress on the amount of money that the United States government can borrow. It is one of the few tools that Congress has to force Members in each chamber to debate the size of our national debt, currently capped at \$31.4 trillion, or more than \$92,000 per person living in the United States.

Rather than face difficult conversations about runaway spending, members of the public, and even some Members of Congress have called for the President to bypass the legislative branch completely by minting a trillion dollar coin. As it turns out, a loophole in the U.S. Code could actually allow the Secretary of the Treasury to mint a trillion dollar platinum coin and deposit it at the Federal Reserve to bypass the debt ceiling. While coins made of other metals can only be minted at specific face values or volumes, no such limit exists for coins made of platinum—theoretically giving the Secretary the discretion to mint a coin of any amount.

With the Treasury utilizing extraordinary measures to fund federal government operations, after the government reached the debt ceiling in January 2023, the #MintTheCoin strategy has reemerged in public discourse, ahead of debt limit negotiations. Despite the fact that minting such a coin would spark massive inflation and completely upend Congress’ unilateral, constitutional power over the purse, the movement to #MintTheCoin continues to make serious political inroads whenever the debt ceiling looms large. If the loophole isn’t closed, it may become a political reality.

Bill Specifics

- Amend the portion of the United States Code governing the Treasury Secretary’s discretion to mint coins of different materials and denominations, 31 USC § 5112.
- Cap the maximum face value of coin that the Secretary can mint or issue at \$200.
 - This generous cap would give the Secretary continued leeway to produce special or commemorative coins that are valued by collectors without risking undermining the careful separation of powers established by our Founders.
- Prohibits the Treasury from depositing platinum coins at the Federal Reserve.
 - This prevents the loophole of the Treasury minting and issuing a volume of platinum coins sufficient to finance U.S. government financial obligations and operations.