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Trump Floats Paying Off U.S. Debt with Cryptocurrency: A Bold Vision or Unrealistic Gamble?

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President Donald Trump made waves once again with a bold proposal: using cryptocurrency to eliminate the U.S. national debt, which currently stands at approximately \$35 trillion. The remark delivered with his trademark confidence sparked strong reactions

across the political and financial spectrum. But beyond the attention-grabbing soundbite lies a more complex and less feasible financial reality.

The U.S. national debt is issued and held in United States dollars (USD) and managed through U.S. Treasury securities such as Treasury bills, notes, and bonds. These instruments represent formal agreements between the federal government and investors, both domestic and foreign, and are backed by U.S. law. Any attempt to repay those debts in a form other than dollars, such as cryptocurrency or digital currencies secured by a cryptographic system, would require bondholders to agree to a change in repayment terms. That is highly unlikely under current international financial norms.

Trump's comment "\$35 trillion in crypto, we have no debt" resonated with some digital currency advocates, particularly among younger investors and tech-focused conservatives. Yet, this statement oversimplifies the way government debt works. Even if the U.S. Treasury were to acquire the equivalent of \$35 trillion in crypto assets, doing so wouldn't legally satisfy its obligations without comprehensive reforms to how public debt is structured and honored.

Moreover, crypto markets are famously volatile. Assets like Bitcoin (BTC) and Ethereum (ETH) can fluctuate by double digits in a single day. This instability poses significant risks for a government looking to use digital assets as a cornerstone of fiscal policy. Converting the national debt into crypto without undermining confidence in U.S. Treasury instruments could trigger wide-scale market uncertainty, domestically and abroad.

There's also a geopolitical dimension to consider. U.S. Treasury securities are widely held by global partners, including China and Japan. The U.S. dollar's role as the world's primary reserve currency underpins the global financial system. Abruptly pivoting to digital currency could shake that foundation, causing international tension and potential economic retaliation.

Trump's crypto pitch does, however, reflect growing skepticism toward traditional monetary policy and fiat currency management. Among conservatives and many libertarians, there's a desire for decentralized financial alternatives. And digital currencies, once a fringe topic, are now a legitimate political and economic discussion point. But turning that debate into concrete policy would demand sweeping legal, regulatory, and constitutional changes.

In the end, Trump's proposal isn't likely to become policy in its current form. But it underscores a broader shift in how Americans, particularly on the right, are thinking about money, debt, and government accountability. As with many of his ideas, Trump's crypto debt plan might be less about immediate feasibility and more about shaping the conversation. Whether that's enough to shift the course of U.S. fiscal policy remains to be seen.