

Keynesian Egalitarianism

and

The Dillard Economic Model

By Carvel Gordon Dillard

1. Universal Income
2. No Income or Profits Tax
3. Keynesian Conundrum
4. Multiplication Effect
5. Transaction Taxes
6. Dated May 21, 2021

“A small transactions tax on all and everything...”

Third Edition
May 21, 2021
Version

Keynesian Egalitarianism

And

The Dillard Economic Model

By Carvel Gordon Dillard

Mathew Wilburn King wrote “we might be...blind to what capitalism could look like in another two centuries...that does not mean we should not ask how it might evolve into something better...”

King further writes: “capitalism has contributed to a significant gap between the wealth of the richest and poorest people...in the U.S., where the poorest individuals have seen no real income growth since 1980, while...the rich have seen their income grow...6% per year...”

Keynesian egalitarianism solves the problem that King writes about by making changes that will cause everyone's income to grow raising the standard of living for everyone but most substantially for the poor and the middle class.

I offered my economic and other expertise to then President Trump but he refused to do the math himself – “stable genius” that he was he refused to do any real thinking on his own and always differed to his “experts” which was often the first so called expert who walked through the White House door claiming superior knowledge like Kudlow in Economics and Fauci in Medicine, ect. This with some exception such as firing Bolton, his foreign policy expert, and replacing him with advice from Rand Paul.

But always it was Trump adopting the policy of an “expert” and Trump has a poor track record of picking experts Fauci and Brix being prime examples. Paul is a mixed bag.

I thought Trump likes Paul and is ignoring me so I will just send Senator Paul information about Keynesian Egalitarianism and about the pandemic and cause Trump to supplant Fauci and supplant Kudlow and to adopt Pauls advice on the pandemic and on economics.

Paul is an ideologue as opposed to me, a pragmatist, and his foreign policy advice has been disastrous causing loss of the wars in Afghanistan and in Syria and in Iraq. But Doctor Paul's medical knowledge and perhaps my complaints about Fauci did cause Paul to call Fauci out to the benefit of the American people – but Trump still refused to fire Fauci and Senator Paul refuses to do the arithmetic maybe rejecting Keynesian Egalitarianism maybe because it provides universal income which maybe he thinks is socialist and anti Ayn Rand?

I do not know because Paul did not advise Trump on my economic model nor has he expressed his reservations about it and I suspect that he has not studied it at all.

This is the third major revision – each time I dumb it down and I think that maybe it will find a truly smart person who has the ability to do the math and that person will declare his results publicly – to the great benefit of all Americans. Addition, subtraction, multiplication, and division is the only math necessary to confirm this latest dumbed down model. You know, confirm that it will work.

Here is hoping.

You might read: The Economics of John Maynard Keynes: The Theory of Monetary Economy by Dudley Dillard.

The Keynesian conundrum is that you can enjoy greatest prosperity by deficit finance but deficit finance is a guarantee

of future economic disaster which everyone told Keynes and he agreed with them; but he said “we are all dead in the long run...” and he suggested that we should enjoy current prosperity and delay the economic disaster by forever burdening the next generation in the hope that future genius would solve the Keynesian Conundrum before the inevitable economic crash and I have in fact solved it and published the solution.

Tax collections are about 3.5 trillion. Transactions taxes independent of profits or income can generate up to 8 trillion in revenue and we only need about 4 trillion to cover current expenses and to cover governments obligation to the taxpayers or \$1,200 a month universal income.

I show modifications to our economic system which will propel the US into prosperity by eliminating US poverty with a guaranteed and fully paid for \$1,200 a month for every

American and by eliminating most taxes in favor of a small tax on all and everything with no tax reduction or tax break for anybody ever and a progressive energy tax on fossil fuel.

Everyone has enough money for life's necessities and there is no restriction on how much money an American citizen can make – no limits on riches.

All inheritance taxes, income taxes and profit taxes must be abolished! And no tax credit for tax debt extends past 2021 and no tax owing extends past 2021.

Every American receives \$1,200 on the first day of each month in perpetuity – starting January 1, 2021, and each American is owed \$1,200 for each month since then but not paid.

Please see: Keynesian Egalitarianism. “It eliminates the poor and the limits on the rich.”

Keynesian Egalitarianism is the solution to wealth inequality and is capitalism on steroids with no profits tax.

My economic plan if adopted will cause the dollar to appreciate to parity with the euro and the only reason that the dollar is substantially in tandem with the euro is because Europe destroyed their economy – like the US – with pandemic lockdowns and the dollar is dropping in value as is the euro as governments deficit spend. The currency of the country with greatest deficits will depreciate most.

I advocate the Congress should terminate all income taxes as of Jan 1, 2021 midnight and nothing – no tax credits or taxes owed is transferred over – the tax system is simply terminated as of Jan 1, 2021 – and if not as of 2021 then as of 2022 but as soon as possible.

A 2% transaction tax is imposed upon all sales and a 2% tax is imposed on all purchases and a transaction can be taxed

at \$0.02 even if it involves no transfer of money and a broker is taxed at a flat rate of at least \$0.02 or 2% also. And the 2% is never less than 2% but can be increased to whatever is necessary.

You might think that a small tax on all and everything – on all goods and all services and on all expenditures for anything including existing real estate, and on replacement of existing anything and on stock and bond transfers, on all and everything – would be inadequate to compensate for loss of income and profit taxes of up to 37%.

But you would be wrong.

All the previous editions of this writing exhibit error. I told you to use your calculator to come up with the conclusion that a 4% tax on all and everything coupled with a 10% progressive gas tax would about same revenue as income and profits taxes – but I did my calculations in my head and did

not use a calculator and you can not get that conclusion from my explanation. From my intuitive grasp of the math I will explain it another way.

I will now walk you through the math in a way that everyone can understand.

We have a 40 trillion dollar tax base not counting gas which will be taxed.

Say:

2 Trillion Financial Instruments (it is more than 2 trillion but certainly that amount could be easily taxed)

11 Trillion Used Goods Sales

21 Trillion Gross Domestic Product

2 Trillion Residential Home Sales

2 Trillion Other Real Estate Sales

2 Trillion Commercial and Residential Rent and other

Rent

40 Trillion Tax Base + Gas Tax

With margin for error:

Need 4 Trillion (compensate for current taxes 3.5 trillion)

Need .5 Trillion (compensate for Universal Income 300 billion)

Buyer and Seller at 4% each side plus 4% Broker Fee - Gives us 12% - But most transactions have no broker. Say 8% x 40 = 3.2 trillion. The shortage due to non brokered transactions is made up by a gas tax and oil trading income and income off of the assets owned by the U.S. Sovereign Wealth Fund which is calculated to be outside the 40 billion tax base and by the 2% financial transfers tax. Buyer is taxed, seller is taxed, broker is taxed, and financial transfers are taxed.

Need 4 trillion: which is 3.5 trillion for canceled income and profits tax and 300 billion for universal income with a .2 trillion reserve. $40 \text{ trillion} \times 12\% = 4.8 \text{ trillion}$. $40 \text{ trillion} \times 8\% = 3.2 \text{ trillion}$ by estimate eliminating all broker taxes and is .8 trillion short to be made up by some broker taxes and the financial transfers tax and the gas tax and income from oil and gas and from wealth fund assets.

The US government should be exempt from any financial instruments taxes but not from sales taxes.

I suggest that Yellen should ask Congress to ratify a 3% buyer, 2% broker and financial instruments, 3% seller tax for 2021 – and adjust it up or down for 2022 based upon revenue and create a Sovereign Wealth Fund and sell Dillard Bonds of about 50 billion backed by the oil reserve and immediately grant a billion dollars to each states governor to build infrastructure for his state as he sees fit

and cancel all stimulus appropriations of every kind whatsoever if not yet spent and to send each American citizen – but not illegal aliens – 5 x \$1,200 or \$6,000 less the \$2,000 already paid. And each American gets \$4,000 now and \$1,200 each month thereafter. \$1,200 each month from January 1st, 2021 and at this writing we are five months in. But even if Congress does this immediately inflation of say 5% per year is already built into the economy because of all the funny money already spent – but after hitting 10 to 15% per annum in a few years it will drop back down – pretty much like 1970 to 1980 whereas the Biden plan or the Democrats plan of high taxes and ever increasing deficits will result in inflation in excess of 20% which will persist and the Republicans do not have a plan at all except low taxes that will result in a two tiered economy where the very rich get richer and everyone else will have a reduced

standard of living without the Democrat welfare state – but the Democrat welfare plan to tax the rich and use the money to provide for the poor will not work because the high taxes will kill small business and tax collections will be inadequate to pay for the trillions of dollars that are being squandered and we will have stagflation. The high taxes which are supposed to pay for the deficit in future time will not do it in part because in future time all dollars will be reduced in value – Keynesian Economist that I am I tell you truly. Inflation will ravage the Earth.

The Fed and Yellen say that inflation because of coming out of the economy depression of the pandemic lockdowns will be transitory. Okay I will buy that but the inflation caused by the Biden economic model of large and repeated deficits has not hit yet; but when it does it will be relentless and it will feed on itself regardless of the expansion or

contraction of the economy as the economy overheats there will be high inflation and as the economy contracts there will be high inflation – some call that situation stagflation. A stagnant economy and yet high inflation – and with the amount of deficit planned in either case inflation will relentlessly increase.

To prevent rampant inflation we must collect taxes and bank the dollars first – Keynesian economists do not spend the dollars creating a deficit and then pay down the deficit with tax.

Keynesian economists tax, buy an asset, borrow against the asset, spend the loan revenue and never create a deficit and you always have the asset to pay off the loan; otherwise, there will be ever increasing inflation.

Inflation can not be controlled by higher taxes and inflation will cause gross impoverishment of everyone rich and poor.

All the Keynesian economists except for me are dead and the Biden administration economic experts are incompetent.

What Venezuela needs to do is control inflation with higher taxes and pay down their deficit – well no – everyone realizes that their economy has collapsed yet some in the US somehow think that economic laws that apply to every economy somehow do not apply to the United States and that we are somehow in “uncharted territory” and that nobody knows what’s going to happen next.

We are going to have inflation of about 6% or more this year and 7% next year and 10% the year after most probably and nothing can stop it because of trillions already deficit

spent and continuing to deficit spend will cause inflation to continue to go up – an economy cannot deficit spend itself out of inflation and inflation increases with every deficit.

Adopt the Dillard Economic Model and we will still have inflation because of trillions already deficit spent. But it will be less and come down every year without deficit instead of increasing – and we will not eventually have 40% inflation because beyond 2022 the US will have a balanced no deficit budget.

Deficits cause inflation and inflation causes ever increasing deficits! Sure there are other causes but deficit is the primary cause of large nationwide inflations.

To stop inflation stop deficits!

This is hardly “uncharted territory” there are a host of historical examples.

Transpose the economic model of 1971 to 1980 with 2021 to 2030 and what do we have?

An inflation rate of 4.38% in 1971 and an inflation rate in 2021 of 5% at midyear and rising.

And in 1979 the inflation rate was 13% - and in 2029 the inflation rate will be substantially in excess of 13% if the United States continues to try to finance everything with a deficit.

A 4% buyer, 2% broker, 4% seller tax is what is necessary to provide revenue equal to 3.5 trillion income and profits tax plus 300 billion for universal income. But it may take a year or two of deficit to work into it. The Democrat plan which Yellen endorses exhibits over a trillion dollar deficit every year! I suggest tax of 3%, 2%, 3% for 2021 – which will create a deficit of less than a trillion dollars and then in 2022 the rate of tax can be

increased to 4%, 2%, 4% and the US will be deficit free ever after.

Under my plan, it would cost a minimum 2% tax to transfer any item to a buyer from a seller which Amazon now does tax free. With the 3%, 2%, 3% model Amazon pays 2% as a broker and 3% if it is a buyer on which it pays no tax now and it pays 3% as a seller on which it pays a profits tax now but under the new tax system profit would be immaterial, and 3% would be taxed regardless of profit.

Bezos would certainly pay more tax than the \$1,200 he is going to get each month and Amazon would pay more tax than it does now but it is in Bezos enlightened self interest to support the Dillard Economic Model for a host of good reasons not the least of which is because not only does it eliminate the poor it also removes the limits on the rich by

allowing Amazon to pay dividends to its shareholders without any tax at all to the corporation or to shareholders.

Egalitarianism: To everyone \$1,200 a month – from everyone a small transactions tax, The Dillard Economic Plan.

Please tell me what is wrong with every American receiving a monthly basic income – on top of earned income or social security or both – even though it will be paid to all Americans rich or poor.

Respectfully I suggest that you cannot find anything wrong with the idea or anything that might make it economically undoable.

I suggest that the only reason that you are not now receiving say \$1,200 on the first day of every month is because few know of my suggested improvement to the United States economic model

which will 1) allow the government to provide a basic income – 2) eliminate deficit spending – 3) maintain but never increase the current deficit (National Debt) and 4) build a Sovereign Wealth Fund that will in time exceed the deficit in value and build 50 billion in infrastructure immediately at no cost at all using stored oil. Nobel Prize for me anyone?

Math is an exact science. – and the numbers work and all an economic model is – is numbers.

The \$1,200 will be adjusted up in future time and no income taxes will cause the economy to boom and within say ten years Americans may receive as much as \$3,000 a month.

Please read and analyze – use a calculator – and determine if it is possible and it is – and realize that not only is

my system much better than the current economic system – but know that the current system is in trouble and without change will collapse; **the projections for the current economy show ever increasing deficits whereas my system exhibits reduced deficit and shows a balanced budget U.S. economy increasing exponentially with fully funded \$1,200 a month for every American out of the U.S. government Sovereign Wealth Fund.**

I suggest that no one who understands my plan will oppose it. But the problem is that current “economists” do not understand it and they are afraid to ask any question because they suspect that it might expose that they are not Keynesian Economists. Biden picked Yellen for Treasury Secretary because several well known Democrats had read of my claims of Keynesian Egalitarianism and were most especially excited by the universal income aspect and

Yellen claimed to be a “Keynesian Economist”. But Yellen has neglected to adopt my economic model or to explain what she thinks is wrong with it.

Tax would be adjusted each year based up the collections and expenditures of the year prior. If we collect more than we spend the money is kept but the tax percent is reduced an appropriate amount the following year and if we spend more than was collected the tax amount is increased the following year. Thus, the budget is always balanced.

I advocate egalitarianism: to everyone a guaranteed income from everyone a small transactions tax. It is a contract between the people and the government.

A 4%, 4%, and 4% tax would be much less drag on the economy than are income and profits taxes and would provide much more than enough money to fund everything

without any deficit and it would fund a guaranteed monthly income for every American.

I suggest a ten-cent gas tax. Ten cents this year and twenty cents the year after and so on to \$1 a gallon in 5 years – feeding the Sovereign Wealth Fund.

A Sovereign Wealth Fund will be established with the U.S. oil reserve being transferred as the 1st asset of the Fund.

Most public welfare that some politicians say the government should provide could be paid for out of the \$1,200 a month and the individual citizen could prioritize his expenditure of \$14,400 every year based upon his own self-interest. For example, one might buy supplemental health insurance or pay off student debt or pay rent or mortgage.

The Congress should start paying the \$1,200 now and lump sum back pay every American \$1,200 for each month from January 1st, 2021 less the \$600 and \$1,400 already paid.

This plan is the only one that provides rent, and mortgage money for millions of Americans. The government must prevent millions of Americans from being evicted – and at the same time millions of Americans live off of collected rents. The mortgage and the rent must be paid – not only the past due but future rent and mortgage which is hard to do with a government mandated job loss and many of the jobs lost are lost forever and \$2,000 payment to every American is good but it does nothing to pay future rent and does not cover rent and mortgage arrearage and stopping evictions is not a long term solution unless you intend to bankrupt all landlords.

All the other stimulus plans waste huge amounts because of the laws of unintended consequences.

For example there is no point in sustaining jobs at a zombie company that will be unable to do anything but go out of business after the federal subsidy ceases.

The \$1,200 a month to every American in perpetuity should be the only stimulus and it should eliminate public welfare payment of all kinds whatsoever.

No other federal money should be spent on stimulus.

I suggest that a guaranteed income is an idea whose time has come.

I suggest that whoever announces that every American eighteen years old will receive \$1,200 a month each month every month forever is certain to win the elections in 2022 and 2024 regardless of them being Democrat or Republican if the other side does not and **if they intend to win they should announce it now.**

The Democrat plan is deficit spending forever to pay the poor which will not work and **any more deficit spending will cause permanent damage to the economy which cannot be fixed.**

I know how to provide every American with \$1,200 a month without deficit and with a decrease in taxes.

1. Eliminate income taxes, except social security and medical
2. Eliminate profits taxes
3. Eliminate most other taxes excepting the gas tax
4. Impose a tiny tax on all and everything

For 2021 or failing that for 2022:

3% tax to buyer and 3% tax to seller and a 2% tax to a broker on: finished products, components of finished products, on all financial transactions, such as purchase of stocks, and bonds, and real estate on automobiles, rents, and washing machines and on everything, essentially a small tax on both parties to any transaction excepting only government financial instruments; a tiny tax on every transaction and the government has the authorization to tax non-monetary

transactions at a flat rate each and thus the internet can be taxed – a year at a time since the tax is adjusted every second year as is necessary. You can roughly figure 1% tax equals one trillion in tax revenue because the tax is on all and everything and no one gets any tax breaks.

Right now the mantra of the Democrat party is tax the rich and give their money to the poor.

But the economy is not a 0 sum game and if you have a rich person it does not mean that a poor person has any less. Forget about income disparity and concentrate on increasing EVERYONE'S wealth.

Business and corporations do not pay an income tax – they pay a profits tax which is an incentive for corporations, Amazon for example, to get bigger and bigger ad infinitum without ever paying much tax because they shield profit by

putting it into expansion or moving it offshore or any of many, many lawful ways to avoid tax.

With the new system Amazon would pay a small tax on each transaction and American business and industry would overnight become much, much more profitable compensating for the small tax.

A smart and highly beneficial to others individual would not have his income diminished by an income tax; nor would anyone have to hide their profits.

If you crunch the numbers it will show that a small transactions tax on everything can provide maybe about 4 trillion dollars a year more than income tax and profits tax which provides or is supposed to provide (much tax is never paid) about 4 trillion dollars worth of revenue (actual collections total about 3.5 trillion) – the tax on all and everything can provide up to 8 trillion per annum with less tax

disruption than the current system which collects half as much. It is an equitable tax and those who acquire the most pay the most and it imposes a same tax on everyone. Again – I say that under my plan a 1% tax on all and everything will produce about one trillion dollars in tax revenue. Each 1% = about one trillion dollars which shows that the transaction tiny taxes will generate more cash than high income taxes and makes it easy to understand.

It will eliminate both the poor and the limits on the rich.

Nobody will be poor and retirees and minimum wage workers will see prosperity unlike any they could achieve under the old system.

The budget will always be balanced because the small tax on all and everything can be adjusted each year based

on the federal expenditures of the previous year, up for a deficit and down for a surplus.

“**Treasury bonds**” to pay any cash unavailable deficit in a given year can be compensated for by increased tax (the tax would be adjusted up or down annually) the following year and that tax revenue money would be deposited along with all other tax revenue into the United States Sovereign Wealth Fund that with all tax revenue buys equities and then borrows the value of those equities and then issues “**Dillard Bonds**” specifically guaranteed by a mortgage against those equities and then takes the revenue from the sale of the bonds and buys tanks, and planes, and bombs and pays the salary of the legislators and the President and pays for infrastructure, and border security and all and everything that the federal government pays now plus it pays \$1,200 a month to every American.

I propose certain changes to the current United States Keynesian economic model: Put all tax revenue into a managed wealth fund and buy an equity asset and borrow against that asset and then spend the loan revenue; always spending only the loan revenue off of an income producing asset and when the 30 year bonds encumbering the asset come due then liquidate assets sufficient to pay off the bonds and then actually pay off the bonds releasing the mortgage.

A Sovereign Wealth Fund must be created in part to facilitate these transactions and in order to cause the “multiplication effect.” Which will cause great prosperity. I invite economists to analyze my solution to the “Keynesian Conundrum” and to analyze my proposed “multiplication effect” and then to nominate me for a Nobel Prize. I can manage the wealth fund for maybe the

first two years if the President can not find anyone else with the necessary expertise.

I propose that the Wealth Fund be started with transfer of the US Oil Reserve into the Wealth Fund as an equity at a value of 25 billion dollars with oil at 35 or 50 billion with oil at 70.

I propose that the wealth fund trade oil selling the entire reserve at \$75+ a barrel and buying to the capacity of the reserve at – \$35 a barrel and the U.S. should purchase 51% of a brokerage company – say Interactive Brokers and use it as a depository and as a trading platform and sell or buy using hence one year futures contracts and also sell liquid natural gas.

I propose a ten cent a gallon increase in the gasoline tax with all proceeds being deposited into the Wealth Fund – and that the gas tax shall be a progressive tax, 10 cents

this year, 20 cents next year, 30 cents the year after and so on.

I propose that the current federal gas tax shall be continued and also be deposited into the Wealth Fund.

I suggest that we maintain the current system and impose on top of it, not in place of it, a mirror model with differences. We will call model “1 current” or Treasury Bonds and model “2 Dillard” or Dillard Bonds.

Model 2 differs from model 1 in that it most usually buys equities rather than debt instruments and that the 30 year bonds issued under model 2 are never bought by the US Government although our ideal buyer is a foreign government and whereas model 1’s bonds (Treasury Bonds) are guaranteed by the faith and credit of the United States model 2’s bonds (Dillard Bonds) are guaranteed by a mortgage lien against real value, the

equity, may it be stock or real estate or any kind of equity whatsoever that exhibits certain characteristics – most especially including income in excess of the interest to be paid on the bonds.

The bonds are issued only in exact amount of the value of the equity and the interest rate is set by the market at whatever it takes to sell all the bonds to other than US Government buyers and the bonds are ultimately paid off by sale of the equity or sale of part of the equity.

The math works! Most especially the fiscally conservative effect of putting all revenue into a Sovereign Wealth Fund and selling “Dillard Bonds” that are guaranteed by real value and are actually paid off 100% at maturity. Right now, the national debt is never paid off; it is simply refinanced – that is new treasury bonds are

issued to pay off the old ones at maturity creating an ever-growing national debt.

The printing of trillions of dollars in debt backed by nothing is not sustainable without rampant inflation. I understand Venezuela is printing million dollar bank notes worth less than 1 US dollar.

The US now sells bonds with no collateral but the faith and credit of the United States and never pays about half of them off but simply refinances them by issuing new bonds. And we burden our children with the debt that they may put the burden subsequently on our grandchildren and so on forever.

When the great John Maynard Keynes was asked about this by economists who quite correctly pointed out that in the long run this system was certain to collapse – he famously said “in the long run we are all dead!”

Keynes also said that he hoped that the problems with the system could be solved by modification and innovation of future economic genius – and I have in fact provided an economic model which does exactly that. I have solved the “Keynesian Conundrum” and explained the “Multiplication Effect” and explained a “new system of taxation”. Nobel Prize for me anyone?

If our President acts to modify our financial system in the manner I have outlined there will never be an American economic collapse but Trump did not get it. And Biden does not get it either – maybe the coming man 2024? But by then our economy will be destroyed beyond recovery if Yellen does not have an epiphany and “get it...”

Keynes and other economists knew what would cause a collapse.

The question was not if but when – Hey! Maybe not in my lifetime was everyone’s hope.

Whether the many trillions of dollars of debt that has been recently added to the national debt will cause enough inflation to collapse the system where it will take a wheelbarrow full of dollars to buy a loaf of bread remains to be seen it mostly depends upon stopping deficits now!

Collapse of the system is certain if the U.S. continues to deficit spend an amount equal to a third of tax revenues each year and economic experts that would approve of any such plan should be arrested.

The US Government should never buy its own bonds except in emergency, if ever, and doing that can cause the system to collapse even without inflation but today nobody seems to know this maybe because all the

Keynesian economics experts are all long dead – except perhaps for me.

Yellen’s claims that she can control the rampant inflation that is certain to come from Biden’s huge deficits is silly.

It might be a good idea if she explained exactly how she intends to control inflation because sustained inflation will be uncontrolled it is 5% now and will go to at least 10% because of the amount of funny money already spent any more deficit spending and inflation will be higher.

The inflation of the 1970’s is instructive.

Johnson deficit financed the Great Society and the Vietnam War printing much less funny money than Trump has done to finance the lockdown. And, despite Nixon’s wage and price controls and Fords Whip Inflation

Now policy, subsequent inflation was inexorable and by 1980 the prime interest rate was 22%.

There is a lag time between the issuance of the funny money and the inflationary effect on the economy. **The pandemic caused a deflationary depression which will last until the economy picks up at which time there will be inflation.**

The classic collapse comes when debt of huge size must be refinanced, and the interest rate is high and the interest compounds the debt exponentially – which Keynes admitted must happen eventually, unless he said somebody in future time figures out appropriate modifications to his economic engine and I have in fact done exactly that.

If anybody can find anything wrong with the math which demonstrates that my proposed system will work and that it will propel the US to great prosperity then let

him say so now – otherwise I suggest that both the Democrats and the Republicans shall float legislation to implement my economic model – for the greater health, wealth and prosperity of the American people.

Jeff Bezos and Steve Forbes and Bill Gates and all regardless of income or wealth get the cash each and every month until the day that they die.

It is not a wealth redistribution.

The \$1,200 is going to mean nothing to Bezos but Amazon transaction taxes will raise billions. But if Bezos does not get his \$1,200 the philosophical underpinning of the plan falls apart and besides trying to declare an income or wealth level is impossible in an ever-changing environment. And **why begrudge the very rich their \$1,200 when each of them is certainly going to be paying more in transaction taxes than their \$1,200. And why exempt the poor from paying a**

transaction tax when the amounts they will pay is certainly going to be less than the \$1,200 that they are getting? The only objections that I have heard to my economic model from Democrats is objection to giving a universal income to those who do not need it, the rich – but the rich will in fact be paying for almost all of it and the objection makes no sense.

The Democrats do not understand the rules for running a Keynesian economic engine – if they know the rules at all. But lucky them – I volunteer my expertise at \$1,000 a day with a 30K minimum to advise anyone and I will assist and advise the President and members of Congress pro bono.

Violate the rules and our Keynesian Economic Engine will collapse but no one in current government seems to know the rules.

Printing trillions of dollars backed by nothing but credit extended by one government agency to another is a violation of the rules as is the minting of trillion dollar coins.

There was inflation causing 22% prime rate in 1980; what if all our national debt had to be refinanced at 22%? Or what if it had to be refinanced at say 40%? And it is reasonable to assume that inflation of between 10 (with no more deficits) to 40 (with continuing deficits) percent is already built into the current system which makes now the time to make changes in order to mitigate that inflation – **my proposed changes to the current United States Keynesian Economic model will not halt inflation but it will limit it to desirable levels and it will halt the slide in the value of dollar. The value is decreasing even as the value of the euro is decreasing also.**

My changes will keep the United States economic system from collapsing which will certainly happen if the U.S. continues deficit expending a couple of trillion dollars every few months. My plan exhibits a balanced budget – forever more.

The current system finances with “Treasury Bonds” guaranteed by nothing but faith whereas I propose financing excepting only a deficit with “Dillard Bonds” which are 100% collateralized by liens against real value equity and are always paid off 100% at maturity: whereas treasury bonds are mostly not paid off but are simply refinanced causing an ever growing mountain of debt that is now so large that it can never be paid off and therefore must become an obligation of future generations yet unborn.

“Dillard Bonds” unlike “Treasury Bonds” are always collateralized by at least 100% of the amounts borrowed

and that collateral is always available at maturity to be used to pay off the bonds – and note the “multiplication effect”: the tendency for an equity to be worth more in 30 years than it is worth today, for example stocks are worth ten times as much today as they were worth 30 years ago.

It is reasonable to assume that if a tax dollar is spent on an equity and that equity is designated as value into the United States Sovereign Wealth Fund and that amount of equity is borrowed against for say 30 years at 3% that the stock or other equity will provide income of dividends and from sale of options to buy the equity in excess of the 3% interest cost and the equity value itself will rise 100% maybe 5 or 10 times in the next 30 years and for a fraction of that value can be sold to pay off the bonds at maturity leaving maybe 50 to 90 percent of the original value of the

bonds in the Sovereign Wealth Fund after the “Dillard Bonds” are paid off:

The plan exhibits exponentially growing wealth forever instead of growing debt and yes my plan shows government debt interest rates tripling but the current rates are not sustainable and the difference is that under my plan rates will rise to 3% tops and under current economic model rates will rise to 40%+ eventually and the value of the dollar will depreciate to pennies. No question about it!

“Treasury Bonds” are collateralized by nothing so there is no income from the collateral to offset the interest cost of the loan and there is no collateral owned by the US

which can subsequently be tapped to pay off the bonds at maturity.

And of course, there is no benefit to the US taxpayer of the “multiplication effect” under current economic model.

If we do not have a US Wealth Fund buying up high quality income producing stocks and the best US real estate, foreign persons and foreign wealth funds will in the fullness of time own the majority of our economy.

The foreign buying up of America is happening now and it is long term bad for Americans and the solution is a US Wealth Fund.

My plan:

It is not capitalism.

It is not socialism.

It is Keynesian Egalitarianism.

The plan is consistent with my belief that all people are equal, and all people deserve equal rights and equal opportunities.

Everyone is taxed exactly the same.

Everyone receives from the government exactly the same benefits.

The government is blind to a citizen being a thousandaire or being a millionaire or being a billionaire and the government is colorblind.

The government is blind to a business being a mom and pop store or being General Motors and the government does not know if you are black or white or in between.

Every citizen should receive from the government exactly equal benefits and every citizen should be taxed by the government exactly equally.

Homelessness will be eliminated; \$1,200 a month is enough to rent an apartment almost anywhere. Public welfare programs can be eliminated saving a lot of money.

Persons dependent on social security to live will be able to enjoy a greatly increased prosperity as will everyone who is paid by the hour worked.

It eliminates huge corporations from shielding themselves from almost all tax which is the current norm. **It will be less of a drag on the economy than the income tax but can produce twice the revenue.**

At the same time, it allows corporations to make profits and to pass on those profits to the owners of those businesses without any tax at all and the rich will get richer and the poor will get richer.

Government confiscation of profits by tax has distorted the economy and the economy would perform better if

everyone could keep everything that they earned and the current income tax system is dysfunctional and grossly unequal.

A cost to buy and sell stock would stabilize the markets and stop the public being whipsawed by huge drops and appreciations, which huge drops and rapid appreciations are of no economic benefit to any except the hedge funds.

Vested interests of the hedge funds and gross Biden Administration stupidity pushing high taxes pan welfarism are all that is stopping this now.

There are many things some of the Democrats say we ought to do like forgive student debt and support pensions and bail out dysfunctional local governments and provide affirmative action money to minorities but all of these give money away ideas cost money which the US does not have but we have a Keynesian Economic System that allows the US to

pay for anything and everything by deficit finance and never pay the money back just refinance the debt forever so why not pay off student debt and give money to the airlines and other select essential business? Why Not? We can.

Well first off it is not fair and it violates the fundamental principal of Egalitarianism that government cannot favor any citizen or group of citizens over any others. And Keynesian Economics suggests as a desirable and necessary course of action that deficit finance never be done except in case of national emergency; well, you say this is a national emergency – true, but that does not mean that at a single point in time – now for example – that printing trillion after trillion after trillion dollars ad infinitum with those dollars backed by no underlying value will have anything but disastrous economic consequences. It's like being starved and having a great banquet of food before you but the food is poisonous and will

have fatal effect if eaten in large quantity especially at one sitting and there is no end to it – even with several trillion more, rents and mortgages and aid to many damaged or bankrupted is not going to be funded except maybe by the next stimulus bill of ? trillion. What about the eviction moratorium and unpaid rents and unpaid mortgages? My economic model takes care of housing for all Americans by providing \$1,200 each month forever. But the Biden administration simply ignores the problem.

Unless the tax system is changed and the ever increasing wealth of the Dillard Economic Model replaces ever increasing deficits the entire economy will collapse sooner or later.

President Biden has appointed Janet Yellen as Secretary of the Treasury of the United States. Yellen claims to be a

Keynesian Economist and claims to have a son and husband who are also Keynesian Economists.

Secretary Yellen should announce immediately that unless Congress specifically prohibits that she is implementing the Dillard Economic Model by creation of the wealth fund, and she should ask for legislation abolishing income taxes and establishing transaction taxes.

Thus, the US economy might have no future deficits whatsoever and yet every American would receive \$1,200 a month.

Note that I say future deficits – I have urged Yellen to risk a deficit each year for maybe the next two years because of insufficient tax collection as she phases in the Dillard Economic Model, in lieu of deficit squandering trillions of dollars on stimulus for select business and industry. Note that I said in lieu of not in addition to; “in addition to” will cause

rampant inflation. But a year or two moderate tax abatement will pull the entire economy up, not just favored parts and all business and industry gets cancellation of all income taxes, a real boost.

The minimum wage should be set by the action of the economy. Perhaps minimum wage Americans should be asked if they prefer the safety net of \$1,200 a month regardless of how much money they make and payable even if they were to become unemployed or a \$15 minimum wage? A high minimum wage drives small business out of business to the benefit of big business and raises living costs for everyone.

The Robinhood-GameStop scandal would be fixed and become a non-issue if on every stock transfer the buyer at least paid a tiny tax which would stop hedge funds from using the market as a casino and fixing the odds in their favor by pump and dump buying and by selling non-existent stock to drive

the price down victimizing the owners of the stock and it would appropriately restrict milking the market by rotational buying and selling a no benefit to anyone except hedge funds practice made possible by no cost buying and selling.

The actions of the hedge funds pumping up a stock or depressing the value by no cost transfers provides no economic benefit for anyone except the hedge funds. Short selling would still be allowed but the funds could not use infinite money to manipulate stock value without prohibitive cost.

Yellen is proposing that U.S. taxes be increased to match highest tax rates in the world which will put the United States at a gross competitive disadvantage with China.

The Biden administration is attempting to get Yellen to manipulate taxes and federal subsidies to benefit people of

color – this should not be done – and if it is done it will split the nation and in the fullness of time result in a civil war.

It is unconstitutional for the US Government to favor any citizen over another.

The constitution says, “all men are created equal.” But the Democrats would have us believe that “some men are created more equal than others.”

Pre-civil war blacks were created less equal than whites because blacks were “created” i.e., “born” as slaves.

That was unconstitutional but it was fixed by the civil war. But in the antithesis of that blacks are now born more equal than whites and deserving of governmental favors because of past injustice which is also unconstitutional. Forgiveness of government loans for minorities but not for whites is unconstitutional!

At the moment a person is born in America the US constitution mandates absolute equality with every other American – some can never be more equal than others. Reparations for U.S. blacks is a bad idea. Reparations of any kind are almost always a bad idea. For example: The German government wants to spend a billion dollars of the German taxpayers money for atrocities committed by dead Germans against dead Namibians.

If the German taxpayers want to give away German money for humanitarian considerations fine, I find no fault in that, but reparations because of injury to long dead people committed by other long dead people should never be done.

The bible says the sins of the fathers shall not be visited on the sons. The Constitution of the United States says that every new generation starts off fresh owning no one anything – why? Because “born equal” is a long time good idea.

If rich Germans want to give poor Namibians money that is good; but it is very bad to say that Germans today owe Namibians anything because of what their forefathers did.

When does it stop and how much is enough?

Should Norwegians pay a tax to the Roman Catholic church for atrocities committed over a thousand years ago?

No, of course not but some say if it was a big atrocity – a “genocide” – then all genocides must be acknowledged and paid for.

Atrocity creates a debt certainly but the people who should pay it are all dead and the people who were owed the debt are also dead – and it is foolish to pretend otherwise not to mention the fact that carried to its logical conclusions it creates generations of eternal victims and generations of eternal debtors who may wind up killing each other in attempt to exact payment or to cancel payments.

Say blacks in the United States “BLM activists” – pay me or I am going to burn down your city = Riot.

Say whites in the United States – “white supremacists” – take my money for this and I will not tolerate the government = Riot.

Multigenerational reparations are a bad idea that will always end very badly and reparations are never appreciated.

If governments truly want to do something to prevent atrocity and genocide then do something about what is happening now!

The Uyghurs will cease to exist in China within 50 years but it does not do anyone any good to threaten future Han Chinese with having to pay reparations for the genocide.

Putting the supposed welfare of future Americans ahead of the welfare of Americans who are alive today is stupid; everything government does should concern the current alive

generations of persons – and government should do nothing about supposed dead people’s debts except maybe to say, “sorry about that.” And it certainly should not impoverish the current generations even just a little in order to atone for their ancestors crimes nor should government in any way impoverish alive persons for an assumed unproven, not in your lifetime environmental improvement, such as getting rid of fossil fuel greenhouse gas. Whereas government must get rid of suspended particulates in the air that harm breathing using a cost benefit analysis for those currently alive – but the cost benefit to those currently alive to eliminate so called greenhouse gas is huge cost and provides unproven benefit in the lifetimes of those currently alive and the Biden plan to throw away America’s energy independence by eliminating American use of fossil fuels even clean (no particulates) natural gas is madness.

I suggest that the Congress should declare the federal income tax laws repealed as of January 1, 2021 – and that no tax credits nor taxes owed shall carry over into 2021 and that a transactions tax of at least 2% or two cents to the broker and at least 2% of cost to the seller and at least 2% of cost to the buyer shall be imposed as of January 1, 2021 (3%, 2%, and 3% tax) on all transactions and that the only income tax extant is the social security and medical tax and that a progressing 10 cent a gallon tax is imposed upon gasoline. Ten cents this year, twenty cents next year, thirty cents the year after and so on.

The \$1,200 a month for every American citizen shall be paid starting Jan. 1st, 2021 and on the 1st day of each month ever after and that a lump sum be paid to every American for any month from Jan 1 which has not been paid.

Using Bezos and Amazon as example to explain the
Dillard Economic Model:

In order for it to work:

1. Bezos must receive the \$1,200 universal income each month
2. Federal income and profits taxes on both Amazon and on Bezos himself are cancelled
3. Transactions on Amazon are taxed at least 2% from the seller and 2% from the buyer and two cents or 2% from Amazon for brokering the transaction at the discretion of Congress to be adjusted up or down annually dependent upon the expenditures of the prior year.

Yellen would declare each year the amount and percentages of tax – and then by vote of Congress her findings would be ratified or Congress could at its option set the tax in different amount or in different combination of who pays –

and override Yellen. Yellen would provide a report to the nation annually something like: “due to unprecedented expansion of the economy and a surplus in collected taxes of umpteen billion next year’s tax will be 2%, 2%, and 2%.”

Or “due to exactly correct projections next year’s taxes will be the same as prior year at 3%, 3%, and 3%.”

Or “due to deficit of umpteen billion occasioned by the issuance of treasury bonds to provide aid to Taiwan in their victory in the Taiwan war next year’s taxes will be 8%, 3%, 7%.”

Regardless of how much the taxes are it is a **small tax to any one payer** when split between buyer, broker, and seller and tax always matches expenditures and if deficit is necessary it can be compensated for the following year – at the direction of the Secretary of the Treasury as ratified by

Congress or large spending deficit emergency funds can be generated by issuance of treasury bonds.

Thus, with infinite ability to raise and lower taxes based upon receipts of the previous year and infinite ability to generate cash with bond sales no deficit is ever necessary or if it is because of national emergency congressional spending then the budget can still be balanced by increased taxes the following year in estimated amount of deficit and collection of say up to eight trillion in taxes is guaranteed by ability of the government to set tax rates annually at whatever rate is required. I figure 8% to be the practical limit of an all and everything transaction tax.

We need about 3.5 trillion to compensate for current tax revenue and 300 billion more to pay the \$1,200 each month to every American citizen and to every lawful Congress approved immigrant or about 4% tax: only half of 8%.

We have about 210 million over 18 in US and cost to pay each one \$14,400 a year is about 300 billion dollars a year and we need 4 trillion to pay both the \$1,200 and to compensate for lost income and profits taxes of about 3.5 trillion with a .2 trillion reserve and this year **Yellen should declare taxes to be 4% and 4% and 4% and be awash in cash or 3%, 2%, 3% with a moderate deficit.**

The economy would have less drag on it than is caused by the current income and profits taxes and yet Yellen could **collect more money.** And it would be equitable and although the gap in wealth would increase greatly in the US: Everyone regardless of economic status would have more money to spend.

All stimulus not spent already should be rescinded. All infrastructure spending proposed should be canceled – and refigured using a specific percentage of tax over 30 years as an add on to transactions taxes to finance two trillion dollars or more – say one billion per state initially – worth of infrastructure as per the request of each state’s governor. And when that 50 billion is spent then expend another 50 billion with the money allocated to the states by populations percentage. **The US oil reserve should be used to finance the 1st 50 billion and trillions more can be financed incrementally quicker than money can be spent under the procedures I suggest without any deficit.**

Deficit trillions primarily for social programs having nothing to do with infrastructure when there is not cash in hand to pay for it will feed inflation, drop the value of the dollar and cause destruction of the economy by high income

taxes that will be insufficient to avoid huge inflationary deficit and the Democrat plan if you can call it that is one of increasing deficits forever.

I have sent copy of this to Janet Yellen and to several senators by sending a postcard telling them to access this and more at **carvelgordondillard.com**.

Our political philosophy can be poles apart but we are all Americans and all of us want the best for every American and an economic system must not be political it is simply numbers and **The Dillard Economic Model promises more money for everyone – rich and poor alike and it saves America from a dystopian future.**

I hesitate to include my analysis concerning the pandemic because media will refuse to publish that which exposes the “experts” guesses to be exactly that debunking

“official” information – I am an expert. I provide no proof except comparative analysis of deaths in Sweden and in the United States – one society that locked down and one that did not.

Deaths in Sweden: Sharp up steady decline from peak – United States not as sharply up and not as sharply down leveling off and then up again and the U.S. model is that of most of the world that locked down.

No lives are saved by lockdown quarantine, social distancing or wearing masks. It only spreads the deaths over a longer period – same number of deaths but people die sooner without quarantine unless of course government concentrates susceptible persons as in New York and then quarantine increases deaths and when all is said and done in future time I suggest that deaths per million people will be substantially the same worldwide – lockdown or no lockdown and the lingering

effect of the pandemic will be the destruction of the world's economies which will kill more people over time than the pandemic.

The World Health Organization finally realized the economic cost and issued a finding that lockdowns should cease – but it was ignored by governments loath to expose their error.

Another effect of the lockdowns is delay in the pandemic burning itself out allowing mutant strains to develop – perpetuating the duration of the pandemic and increasing the number of deaths in places with most lockdown. Unless lockdowns cease we may never be rid of the pandemic.

Following this is Specific Proposal and Financing Method for Two Trillion Dollars Worth of Infrastructure which I wrote for the Pelosi, Schumer, Trump meeting that was canceled and following that is Trumponomics For

Dummies which explains some of the advantages of Keynesian Egalitarianism and my application of computation science and my economic model exhibits numbers showing that two trillion dollars worth of infrastructure could be funded – **without any deficit spending**. And that is what should be done immediately along with adoption of the new tax system and immediate payment to each and every American of \$1,200 every month.

On this 21st day of May 2021 at San Antonio, Texas – I

am

Carvel Gordon Dillard

Polymath

Computational Scientist

Physicist

Economist

Libertarian

Egalitarian

Texan.