Trumponomics for Dummies
Ghostwriter: Carvel Gordon Dillard

Scenario #1

One million dollars of tax revenue which is

One million dollars received by the U.S. Treasury and then spent on something. Boosts the economy once when spent or 1x and then is gone forever.

Scenario #2

Same one million dollars of tax revenue from a tax received by the U.S. Treasury and then instead of being spent it goes into a Sovereign Wealth Fund. Sovereign Wealth Fund <u>then spends it</u> for an income producing asset worth one million dollars; asset is mortgaged for one million dollar loan: proceeds of the loan are <u>then spent for exactly what would have been bought in scenario #1.</u> Boosts the economy when spent 1x and then 1x again when spent again for 2x and then instead of being gone forever after

being spent only 1x as in scenario #1: the wealth fund owns a mortgaged asset worth one million dollars offset by a one million dollar 30 year mortgage at an interest rate substantially less than the income off of the asset so no deficit is created by the loan and in 30 years the asset, say common stock in Apple, is certainly going to be worth many times what it was bought for 30 years ago and then maybe ten or twenty percent of the stock needs to be sold to pay off the bonds and the bonds are paid off 100% leaving maybe eight or nine million dollars worth of stock unencumbered in the wealth fund. <u>Which is then again borrowed against</u> and perhaps nine million more dollars are spent; this boosts the economy 9x more times and remember it already boosted the economy 2x times already and it is not done yet because in 30 years the new loan bonds will be paid off by selling maybe 10% or 20% of then value and then maybe 80 million more dollars will be

pumped into the economy and so on forever…and we really do not have to wait 30 years if properly managed we can add to the payout into the economy as soon as the asset has appreciated. The effect on the economy is a factor of 1x in scenario #1. The effect on the economy is a factor of 2x immediately and 3x, 4x, 5x, 6x, 7x, 8x, 9x, 10x, 11x, 12x ect and so on forever in the fullness of time in scenario #2. So, which is best for the U.S. economy? It is cutting edge economic theory sure but <u>the math works</u> and isolation of 1 million dollars of tax revenue, all other things being equal, demonstrates conclusively that <u>Trumponomics, i.e. putting all revenue into a managed wealth fund, buying an asset, borrowing against the asset, and then spending the loan revenue has a multiplication effect</u> on the economy far in excess and much longer lasting than simply tax and spend. All tax revenue will be deposited into a United States Sovereign Wealth Fund and be used to buy income

producing assets of every kind whatsoever and those assets will be borrowed against by issuing bonds at market rate interest of from 1% to 3% or whatever interest rate is necessary to sell all the bonds as long as it is less than the 6 to 12 percent probable revenue off of the assets and the proceeds will then be used to purchase whatever the tax money was supposed to pay for in scenario #1. The taxpayer gets whatever the tax was supposed to be for and gross domestic product is increased exponentially over time. All revenue is deposited into the trust fund; all purchases are made from money in the trust fund and the multiplication effect creates great prosperity over time.