6 July 1990

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C Span
400 N Capitol St. NW
Washington, D.C.

Dear Brian:

Thought you might like to look this over. A new concept in Gov't finance.

Sincerely -

[redacted]

THE ANNUNITY & INSURANCE PROGRAM

THE CONCEPT

The program advocated uses the compounding of interest to provide the MEANS to attain Long Term Public Goals. This avoids the necessity of the government imposing ruinious taxation or exponential endebtedness on the American taxpayer. This program puts the government in the position of a farmer fertilizing his fields.

THE PROGRAM

For each citizen (at age one) born in the United States an annunity is established.

Funds for this annunity originate from either a Federal or a combination of Federal and State general tax revenues.

This annunity is placed for administration in a Swiss Type - quasi governmental Banking Entity, with branches across the nation. Thus a very liquid and stable "third leg" is added to our commericial banking and saving and loan industries.

In addition to the annunity carried in each citizen's name by the Swiss Type Banking Entity, two insurance policies are initiated for each citizen:

a. $250,000.00 Health and Dental Policy

b. $ 50,000.00 Unemployment Policy

The cost of these insurance policies is born by the interest earnings of the annunity.

THIS IS THE PROGRAM

BENEFITS

Based on a $10,000.00 Annunity Investment per Citizen, at a national cost of 38 Billions per Year for 30 Years, ONLY.

FOR SOCIETY & THE FUND

1. A steady stream of new investment funds become available yearly.

2. Insurance liability is known, defined and spread out; therefore Costs are reduced.

3. The tax burden of this program is limited to a thirty year period when the original investment is returned to the US Treasury. Thus a thirty year cycle is established.

4. The Swiss Type Industry created by the program will provide new employment by the thousands; and provides a stable and liquid compliment to our current Banking and Saving & Loan Industries.

5. This program, if implimented, should institute a more rational Political Climate for our society as everyones reasonable Health, Education, Retirement and Unemployment NEEDS are honestly met; without the present endless clamor for MORE from a government that is obviously already overburdened.

FOR THE CITIZEN & THE FAMILY

1. Birth Costs are Met from the Annunity.
2. Complete Health & Dental Care including Long Term and Cataclysmic Illness is Met.
3. College Education Costs are met up to $8,500.00 per year.

At year thirty, the annunity will have increased by a factor of four at the projected 6% interest, this includes the previously described three benefits. The original investment is now returned to the state (Federal/State) that put up the funding. The PROGRAM is thus funded by Taxes for thirty years only; and then becomes self sustaining from thereon.

From Year 31 to year 65 of the annunity, three draws are allowed each citizen; consisting of the years interest earning for each draw:

4. For a Home Downpayment.
5. For Starting a Business.
6. For a Car, Boat, 2nd Home, General Use.
7. Unemployment Benefits are Met.
8. Retirement at $ 9,000.00/ Year is met.
9. Burial Expenses are Met.

FOR THE GOVERNMENT

1. The eventual beneficiary of each annunity, upon the death of the citizen, is the State or Federal government that originated the funding; accrued benefits go to them in the proportion of funding. (Using the $10,000.00 annunity, some $ 120,000.00 per citizen) would accrue.)

As a result of this annunity PROGRAM our entire current Public Debt could be retired over the next seventy five years without additional taxation. Note, that this is a new technique for raising public revenue. One that is also inherently more efficient than taxation.

2. This program can be initiated without dislocating our current welfare systems at all. In fact this program would provide coherence to our current fragmented programs.
3. Most of our current Welfare Programs are funded from FICA taxes on LABOR. This tax on a poor mans only means of improving himself is on its face self defeating. But, it also has two salient detrimental results for society in general:
   a. The Tax decreases employment opportunity particularily among the poorer elements in our society.
   b. This Tax increases the COST of everything produced in the land.

This program over time would relieve the government of the necessity of raising revenue in such an inefficient manner.

FOR THE GOVERNMENT

4. As benefits are provided each citizen, the PROGRAM provides the basis for reducing the NEED OF; and therefore the COST OF the following Bureauocracies:
   HUD, HEW, VA, SOC. SEC., MEDICARE, etc.

5. This Program meets Long Term Public Goals and Policies with an equitable Long Term Solution that maximizes Benefits at the minimum of Cost. Every citizen participates, every citizen bares the Cost.

[redacted]
Vero Beach, FLA. 32966

AN ANNUITY INSURANCE PROGRAM

FACTS:

Population	Births
250,000,000	3,800,000 per year
66	1
$ 151.50	$ 10,000.00

AXIOMS:

Most birthing deaths occur within the first year of life; therefore, the Annuity Feature starts at age one of each citizen.

There are certain "Social Costs" which inorder to provide the "Benefits" for everyone should be borne by everyone in this modern industrialized era. Looked at from the perspective of both Society and the individual, these Benefits should include:

Birth Costs	$ 2,000.00
Education thru college or trade school	$ 8,500.00/year
Complete Health & Dental Care	$ 250,000.00
Includes Old Age Care	
Unemployment Benefits	$ 50,000.00
Unburdens production from this cost per se	
Car Downpayment	$ 3,000.00 *
Home Downpayment	5,000.00 *
General Purpose Payment	8,500.00 *
For any worthwhile use	
Retirement	$ 10,000.00/year*
* Funds withwhich to partially compensate crime victims	
Burial	$ 3,000.00

In the USA most of these "Social Costs" are currently being met by a combination of Taxes on Labor, and Debt. In addition they are being met as they occur in Time.

Not only is this the most costly means of meeting ongoing obligations but it is also the most ineffective way; due to its adverse effect on employment and competition.

By paying for these "Social Costs" as they occur in Time, Society loses the efficacy of lower net costs today, as well as the wealth production of compounding interest. As these "Social Costs" are legislated, one knows that they must be met. The question should now become: How are they to be met at the least cost to Society ? Clearly the answer is by An Annuity Insurance Program. The welfare problem intellectually from the single citizen point of view is one of Time inherently. You are now 16, many years will pass before you will need major benefits; thus the Annuity Answer.

A child crawls, walks, and then runs. This program can be initiated in this same manner; with the running and final investment by the government $ 10,000.00 per citizen at age one.

This is a very long term program; but one that should be started now inorder to at least partially repay current public obligations. Our debt situation has taken sixty years to accumulate. Debt as a way of economic life has become standard operational procedure; and in the minds of many it is doubtfull if any debt will ever be repayed. The Annunity Program would relieve such concerns.

CRAWL STAGE YEAR		INVESTMENT	ANNUAL COST	Per Citizen RETURN
1st		$ 1,000.00	$ 10.86	$ 1,049.14
20th		—	10.86	2,687.01
30th	Repay	1,000.00	10.86	3,418.86
39th		- 0 -	- 0 -	5,184.14
WALK STAGE				
40th : 1st		5,000.00	54.30	5,245.70
60th : 20th		—	54.30	13,435.05
70th : 30th	Repay	5,000.00	54.30	17,094.30
RUN STAGE See the Printout of the Two Annunities with Benefits and Costs				
71st : 1st		10,000.00	108.62	10,491.38

During the crawl and walk stages the only benefits would be complete Health and Dental Care, partial Education and Debt Repayment of $ 184.14 at year 39, and $ 7,094.30 per citizen at year 70.

It should be noted that on along term basis this program will not only repay our debt; but would become the basis for funding all government expense. THIS IS A NEW AND MORE EFFICIENT MEANS OF RAISING REVENUE THAN IS TAXATION.

Our current programs only envision endless ever increasing taxation and debt; which in the long run is obviously self defeating. As this program is studied, it will become clear that the capitalistic free market answer to our socialistic welfare programs will not only provide many more benefits at greatly reduced costs; but will provide them more equitably.

For Additional Information, kindly Contact:

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