How the Washington Investment Trust would Create Thousands of Jobs

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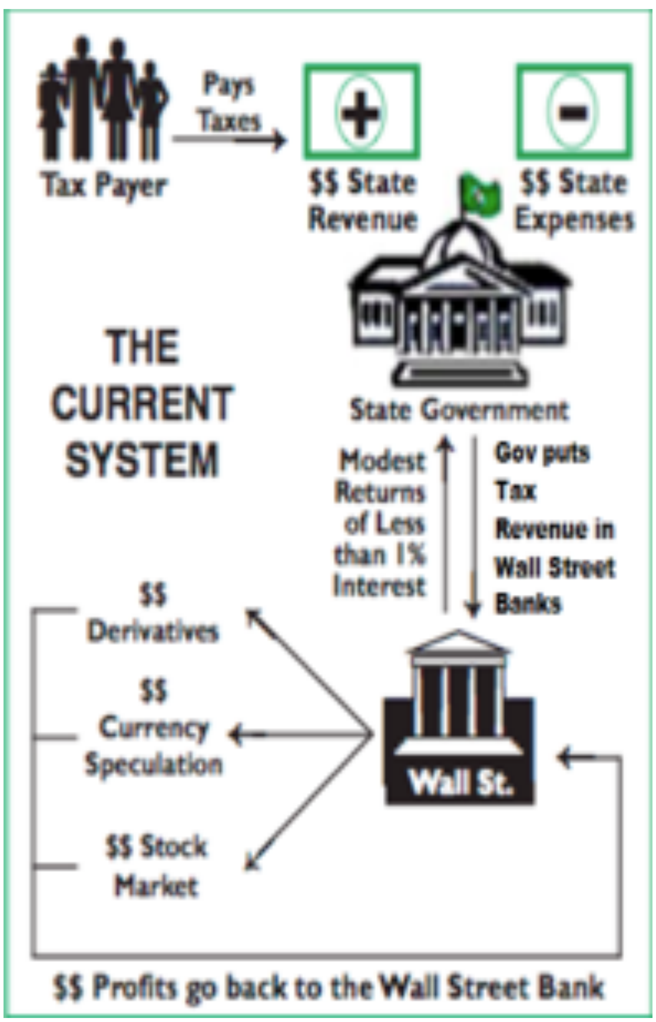
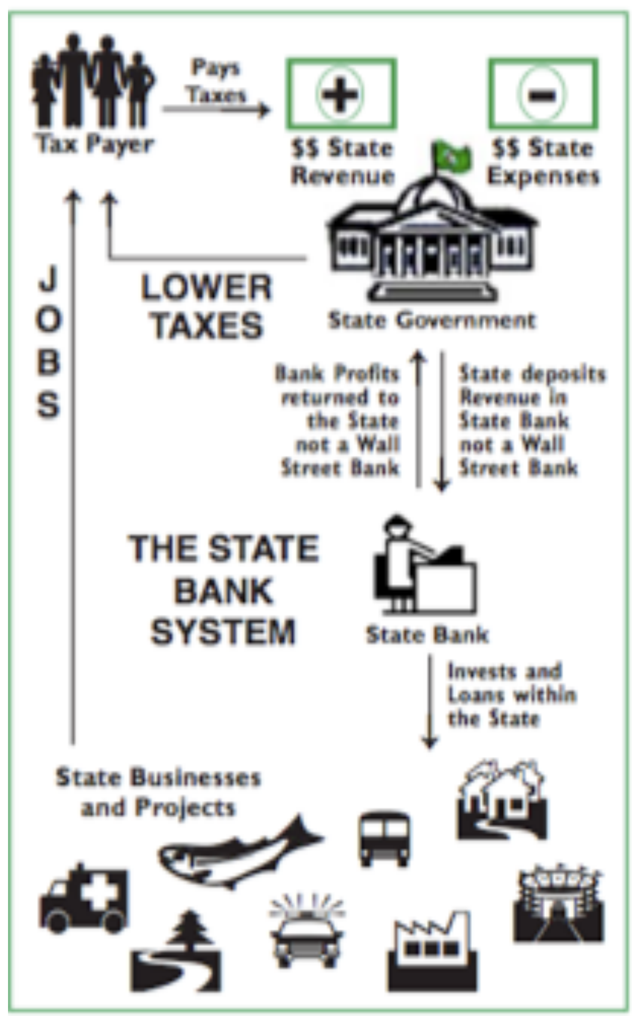
Our State has borrowed about $30 billion dollars in public bonds to build roads, schools and other public projects. We, taxpayers, pay about **$1.5 billion every year in interest** to Wall Street Bankers on these $30 billion in public bonds (through gas taxes, sales taxes and property taxes).

An Investment Trust will eliminate the Wall Street Middlemen - allowing us to cut the interest rate in half - and saving taxpayers $750 million per year. Equally important, the entire amount will remain in our State creating thousands of local jobs.

Please support **House Bill 2434** and **Senate Bill 6310**. For more information on the benefits of creating an Investment Trust in our State, visit our website: **wapublicbankproject.org**.

Compare the two systems. Which do you prefer?





Here is a how each system works. Which do you prefer?

How the Current State Borrowing System Robs Tax Payers

A State Agency, such as the Transportation Commission, needs to borrow one billion dollars to build roads…

The voters approve a Referendum to borrow one billion against a source of revenue (such as the gas tax).

The State Treasurer goes to Wall Street bankers to buy bonds at 4% to 5%.

Wall Street Bankers (aka the middlemen) go to the Federal Reserve and borrow one billion from the Federal Reserve at near zero percent interest.

Wall Street Bankers lend the State Agency the same billion at 4% to 5% interest.

5% of one billion is $50 million dollars per year. The State taxpayers pay this interest for 20 years. We eventually pay one billion in interest plus paying back one billion in principal. **<u>We pay two billion dollars for one billion in roads</u>.**

Wall Street Bankers get one billion in profit which they use on stock market gambling. One billion dollars in capital leaves our State...Costing Jobs!

How the Investment Trust would Save Tax Payers Billions

A State Agency, such as the Transportation Commission, needs to borrow one billion dollars to build roads…

The voters approve a Referendum to borrow one billion against a source of revenue (such as the gas tax).

The Investment Trust goes directly to the Federal Reserve and borrows one billion at near zero percent interest. Like a private bank, the Investment Trust can borrow up to ten dollars for every dollar in reserve capital. So one hundred million dollars in startup investment can be turned into one billion in loan capacity.

The Investment Trust loans the billion dollars to the State Agency at 2% interest.

2% of one billion is $20 million dollars per year. The State taxpayers pay this interest for 20 years. We eventually pay $400 million in interest plus paying back one billion in principal.

$400 million is returned to the Investment Trust which keeps $200 million to increase capital to permit increased loan capacity. The remaining $200 million is returned to the State General Fund to pay back the initial startup capital.

$400 million saved times $3 billion = $1.2 billion per year! All of the capital remains in our State creating jobs!