

# Children of Liberty Economic Policy

## Why is the COL Economic Policy Best?

1. Tax and Spend
  - a. The COL plan to balance the budget in a single year.
  - b. The COL reduce the size of the national government.
  - c. The COL simplify the delivery of national services.
  - d. The COL simplify government accounting and reporting, allowing a broader spectrum of voters to engage on fiscal policy and monitor government actions.
2. National Debt
  - a. The COL would place our government in a strong position to respond to future economic and national defense emergencies by balancing the budget and starting to pay down the national debt.
  - b. By eliminating an unnecessary accounting procedure, the COL would reduce the national debt by \$6.1 trillion dollars!
3. Big Business
  - a. The COL establish a policy firmly committed to capitalist, free market solutions.
  - b. The COL promote economic growth for both domestic producers and consumers.
  - c. The COL would work to limit the power of monopolies and oligopolies, stopping the theft of wealth from the middle class.
  - d. Restoring free market principles to banking, the COL would implement a 20 year plan removing the government from credit markets and ending all explicit bond and loan guarantees.
4. Regulation
  - a. Regulation is not a bad thing. Bad regulation is bad. The COL would limit government regulation to achieving four goals: social health, individual safety, economic equality, and national conservation.
  - b. While recognizing the equity of government intervention, the COL would reduce current regulation and limit future government intervention.
  - c. The COL would change how government produces regulation, eliminating federal agencies and restoring the separation of powers to our national government.
5. The Federal Reserve System
  - a. The COL feels that the Federal Reserve banking system continues to appropriately manage the economy.
  - b. When the national government balances its budget, pays down its debt, and reduces its role in the credit markets, the effectiveness of the monetary tools available to the FED will be restored.
  - c. The COL support an improved audit and monitoring system for congressional oversight.

## What Needs To Be Changed?

### 1. Tax and Spend

- a. Improve Account Planning. Effective budgeting requires UNDER estimating revenue and OVER estimating expenses. This is sound conservative economic planning.
- b. Balance the budget, move towards a surplus, and start paying down the debt. We must be in a position to respond to a recession. Recessions are inevitable. The question is not “if” but “when” will the economy decline?
- c. On the revenue side, we need to promote economic investment and personal savings so that we can move away from income support programs.
- d. On the spending side, we need to significantly reduce spending and move towards spending that promotes education, infrastructure development, and scientific and technological innovation.
  - i. Reduce the size of government without significantly reducing government service.
  - ii. Solve the growing social security financing crisis.
  - iii. Solve the income support spending crisis.
  - iv. Solve the growing health care cost crisis.
- e. Government can improve optimal social equity during times of war and economic downturns through debt-financing designed to promote national defense or economic growth. Otherwise, the government must run a budget surplus, paying off previous debt.

### 2. National Debt

- a. Simplify government accounting methods. Eliminate Trust Fund Accounting which would reduce the national debt by 6.1 trillion dollars. Trust fund accounting neither protects money from government spending nor insures that government keeps its promises. Eliminate Off-Budget Accounting. One Congress cannot bind a future Congress.
- b. Increase budget transparency by producing two views of spending: department and activity. Both views should allow internet, drill-down capabilities to the smallest office level.
- c. The Keynesian economic system adopted by the national government should only be applied during short-term economic recession, but the United States needs to express a firm commitment to free-market capitalism and implement government policies, as often as possible, that promote economic growth.

3. Big Business
  - a. Perfectly free markets always are the most efficient, maximizing consumer and producer satisfaction.
    - i. Government intervention ALWAYS shrinks the market and raises prices.
    - ii. Capitalism does NOT always produce perfectly free markets.
  - b. Oligopolies and monopolies shrink markets and increase prices and demonstrate market failure. The government MUST take strong legal action to break the hold of oligopolies and monopolies on all markets.
    - i. Any business that controls over half of a market is a monopoly and either needs to be regulated if it is a natural monopoly or divided into competitive firms.
    - ii. The free flow of information requires that the media conglomerates be divided into smaller highly competitive firms.
    - iii. Large technology internet companies (“Big Tech”) cannot be allowed to control the flow of commerce and simultaneously compete in those markets.
    - iv. Slander and liable laws should be reviewed to apply to the new social media markets.
    - v. Banks and insurance companies cannot be “too big to fail” and must be divided into competitive firms.
    - vi. Unions cannot be restricted by states, choking the fair negotiation of wages between labor and business.
  - c. Free markets fail when either a social cost or benefit is not factored into the market. If a market fails to achieve optimal social equality, then and only then, the government should:
    - i. Work with the affected parties to achieve a private settlement.
    - ii. If that fails, implement a market-based, government-imposed solution.
    - iii. If that fails, enforce a government-imposed solution.
4. Regulation, as administered, grants the president too much authority and stagnates market development due to uncertainty. The COL call for a change in how government regulations are produced, reducing the current number and slowing additional regulations.
5. The Federal Reserve System needs additional audit and monitoring for congressional oversight.