

## Long Term Growth

### and Federal Reserve Actions...

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Just a few months ago, the Economist magazine warned of "the risk of global deflation"; a few weeks later the magazine critiqued the Fed for not raising rates sooner. A huge swing in opinion from the same respected source in a rather short period of time.

So the Fed raised the fed fund rate a "teensy bit". The markets had already factored in the change and bond yields shrunk, commodity prices rose and stock buyers smiled, believing the Fed is in control and they continued to invest into the land of "more".

However, if we are going to meet our nation's growth potential, we must look to places other than the Fed. We must find means to strengthen solid non-inflationary growth. And we do this not with Fed rate changes, but rather with changes and improvements in the way our country lives. Taking actions which will direct attention not to the Fed but rather to governmental decisions which will make huge differences in the long-term improvement in the standard of living for all Americans. Actions which will also help calm some of the anxiety concerning the viability of continued economic expansion. Here are but a few solid steps we could take towards sound non inflationary growth:

1. *Slower Government Spending*
2. *Incentives For Better Education*
3. *Incentives To Create New Jobs*
4. *Employer Job Training Incentives*
5. *A Simpler Income Tax System*

### "What It Really Takes"

While the Fed will continue to adjust monetary policy to accommodate their interpretation of needed fiscal controls, it is the policy makers in the various branches of government who must **take the initiative** and do their part to insure strong, solid economic growth.

The larger question is not "what the Fed is going to do", but rather, "*do our elected officials have the courage and the will to help the country attain solid economic growth?*" The future economic growth of America is not assured with the reappointment of Alan Greenspan; growth will continue if our politicians visualize the greatness of this country and assist, rather than hinder, the attainment of our potential.