

The World Economy



STUDENT ACTIVITY: ASSESSMENT

List possible actions that conservatives and liberals would propose in response to each of the scenarios below. Provide a rationale for each response that reflects the political philosophy.

Scenario 1: Due to a strong economy, the Congressional Budget Office projects a budget surplus of \$100 million that will continue to grow at a rate of 10 percent per year for 20 years.

Conservative Perspective:

Liberal Perspective:

Scenario 2: Legislation has been submitted in Congress to allow parents to take off up to a year to stay home with a newborn child at 75 percent of their salary that would be funded by employers.

Conservative Perspective:

Liberal Perspective:

Scenario 3: Congress is considering whether to extend “Most Favored Nation” (MFN) trading status to China but not to link it to improving human rights in the country.

Conservative Perspective:

Liberal Perspective:

Scenario 4: The city council is considering giving tax breaks to a company that would build a saw mill in the community, creating a substantial number of jobs.

Conservative Perspective:

Liberal Perspective:

Scenario 5: In 1932, the nation's unemployment rate climbed to 24.1 percent compared to 8.9 percent only two years before.

Conservative Perspective:

Liberal Perspective:

Scenario 6: A proposal in Congress seeks to repeal the North American Free Trade Agreement (NAFTA).

Conservative Perspective:

Liberal Perspective:

Scenario 7: A Congressional proposal would eliminate the progressive federal income tax and replace it with a flat tax.

Conservative Perspective:

Liberal Perspective:

Scenario 8: A Congressional proposal would eliminate all immigration rules and allow anyone to enter the country.

Conservative Perspective:

Liberal Perspective: