

Coley Brown 695 Knight Island Rd Earleville, MD 21919

Rules and Executive Nominations Committee

Dear Madam Chairman and Committee Members,

I am Coley Brown, a resident of Earleville in Cecil County. I have undergraduate degrees in math and economics and received my MBA in 1972. I am the COS District Captain representing the 912 HJ6 supporters in District 36. I'd like to discuss fiscal responsibility but 1st there is a reason HJ6 requests Maryland participate in the debate of three Constitutional amendments. Without all three, no single amendment will be effective. Let me explain.

The debate towards putting into place fiscal restraints is critical. Government deficits are a financial drug addiction. History has proven that inflationary budgets ultimately result in the collapse of societies. Rome, The British empire and the catastrophic collapse of the Weimar Germany economy in 1919 are classic examples. Our budget deficits are supported by the Treasury that creates money by issuing bonds, notes and printing money. The Federal Reserve – brother to the Treasury - has become the largest buyer of Treasury paper. This inter-government shell game makes funding the deficit a rob from Peter to pay Paul scheme where the taxpayer will ultimately have to pay the bill.

In 2019 every tax-paying citizen in the United States owed an estimated \$160,000 to the Federal government. In 2020 the early estimate is that this number is now over \$200,000. This is while Federal politicians worry about forgiving \$10,000 of student debt! In 2019 Federal tax revenue was \$3.5 trillion and expenses were \$4.4 trillion, resulting in a \$.9 trillion shortfall. This shortfall was facilitated by excess funding to 40 of the 50 states. This is the additive cornerstone of our budget gridlock. To receive these reimbursements, states must beg for money back and agree to political conditions and programs. This is the essence of Federal overreach, power and control. It is also a reason both HJ6 topics are necessary.

Many COS naysayers argue that if budgets are balanced, as one way to impose fiscal restraint, it would mean higher taxes. This does not need to be true. One idea for restoring fiscal responsibility at the Federal government is to reduce Federal spending to balance the budget. To achieve this there should be a process to transfer some federal functions back to the states where all budgets must be balanced and there is local control and direct accountability. To balance this transfer, states must be allowed to retain a portion of their current Federal tax revenue allocated for these programs. The result will be to replace expensive federal departments with local "balanced" programs.

Why should Maryland Legislators and citizens want this change? In short, this approach could double Maryland's state budget and give local legislators more control and accountability over critical government programs.

Citizens are increasingly aware of the financial consequences of the Federal deficit and its use to control states. We need a solution to avoid the inevitable history of collapse. In short, this approach could double Maryland's state budget and give local legislators control and accountability over critical State programs. HJ6's proposed 3 topics for a convention of states will facilitate the legal process to achieve this while returning back control of our liberty, justice and the pursuit of happiness.

Sincerely,

Coley Brown

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