	Deficit Hawks	Deficit Doves	Functional Finance view
Policy objectives	Laissez-faire	Growth, no inflation	Full employment, no inflation
Views about government deficit and government debt	No Deficit ($G - T = 0$)[1], no debt: the government should not spend beyond its means.	Deficit and debt are ok as long as they are "sustainable," that is to say, as long as debt/GDP and deficit/GDP do not reach a certain arbitrary percentage. Deficit is good in period of recession and bad in period of growth.	The size of the deficit does not matter as long as full employment is not reached. The size of the debt does not matter but its structure matters: the proportion of foreigners who owe domestic public debt matters.[2]
Underlying Economic model	Neoclassical model	Keynesian Model	Keynes's theoretical framework.
Role of government spending (G) and taxes (T)	Disturb the economy except for the expenditures a Nation needs: defense, law, etc. G leads automatically to a crowding out.	Smoothing the business cycle to avoid deep depression and inflationary expansion. Government spending leads to crowding out under special conditions.[3]	Reaching and maintaining full employment without creating inflation G cannot ever lead to a crowding out.
Role of bond issues	Borrowing in order to spend.	Borrowing in order to spend.	Interest rate management: propose interest-bearing assets rather than cash to people (too much money in the economy decreases the interest rate).
Role of money	Disturbs: printing money leads to inflation.	Disturbs: printing money leads to inflation "in the long run." It is not a sustainable option.	Essential: printing money and destroying money is what is involved in taxing, spending, issuing/redeeming bonds. To print/to destroy are not options of the government: they are what the government does. G increases the amount of money in the economy, T decreases the amount of money in the economy. As long as the economy is not at full employment and that T can rise to destroy enough money, there will not be any inflation.[4,5]
Conclusion	The government should be constrained as much as necessary.	The government should have some liberty but be fiscally responsible.	It is essential to let G and T vary as much as necessary to reach the policy goals. If $G - T < 0$, do not try to propose policies to reduce the surplus (or to "use" the surplus) If $G - T > 0$, do not try to propose policies that reduces it. $G - T$ is ultimately not determined by the government.

[1] This is different from arguing that $G = 0$. Deficit hawks still want a minimum involvement of the government (for defense, etc.) but the level of G should be equal to the level of T.

[2] Related to exchange matters (if the foreigners want to get rid of their U.S. Treasury bonds and to go back to their own currency, they will sell the T-Bonds, get dollars and sell those for their own currency. If the supply of dollars is higher than the demand for dollars, the price of the dollar (its exchange rate) will go down). Also, the payments of interest to foreigners decrease national income instead of promoting the income of domestic agents. Note that, as long as the government is indebted in its own currency, it is not in danger of bankruptcy even if it is indebted toward foreigners.

[3] You will see how in Econ 301 when you will study the IS-LM model (extension of the Keynesian model).

[4] Note that an increase in T does not imply an increase in tax burden. Indeed $T = tY$ so that T will increase automatically with Y. An increase in the tax-burden would mean an increase in t (average tax rate).

[5] Stated alternatively, at full employment, government spending (printing money) will lead to inflation *like any other spending* (C, I, X). At full employment, the government taxes should be high enough to avoid inflation.