

New Video Explains Why Keynesian Spending is Wrong Prescription for Ailing Economy

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(Washington, DC, December 15, 2008) The **Center for Freedom and Prosperity Foundation** today released a new mini-documentary analyzing whether more government spending is an effective way to boost the economy. Entitled "**Keynesian Economics Is Wrong: Bigger Government Is Not Stimulus**," the video is extremely timely since policy makers already have been making government bigger and there is talk of a \$500 billion-plus "stimulus" plan early next year. The video's narrator, **Daniel Mitchell of the Cato Institute**, explains why Keynesian theory is misguided and then cites historical examples - including the failure of big-spending policies under Presidents Herbert Hoover and Franklin Roosevelt - to demonstrate that government expansion does not lead to economic growth.

Youtube Link: <http://www.youtube.com/watch?v=VoxDyC7y7PM>

Other Links to the video: [EyeBlast.TV](#) | [Google](#) | [Yahoo](#) | [Capitol Hub](#)

"This new mini-documentary explains why more government spending is the wrong way of boosting economic performance," said **Andrew Quinlan the president of CF&P Foundation**. "Borrowing from one group of people and giving money to another group of people is a way of redistributing national income. Policy makers instead should focus on policies - such as lower tax rates - that increase national income."

The video begins by reviewing Keynesian theory, followed by an analysis of the Keynesian track record when it has been tried in the real world. The unavoidable conclusion is that bigger government does not improve growth. The mini-documentary also notes that even international bureaucracies have concluded that expanding the burden of government spending hurts economic performance by misallocating resources.

Executive Summary for the Keynesian Economics Is Wrong: Bigger Government Is Not Stimulus video:

"Based on a theory known as Keynesianism, politicians are resuscitating the notion that more government spending can "stimulate" an economy. This mini-documentary produced by the Center for Freedom and Prosperity Foundation examines both theory and evidence and finds that allowing politicians to spend more money is not a recipe for better economic performance."

The following is the link to other CF&P Foundation videos including Tax Competition Primer, Global Flat Tax Revolution, Cutting the U.S. Corporate Income Tax and two three-part series on both the Laffer Curve and the Benefits of Tax Havens.
Link: <http://www.freedomandprosperity.org/videos/videos.shtml>

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