

# The Economy: *Liberal Propaganda vs. Economic Reality*

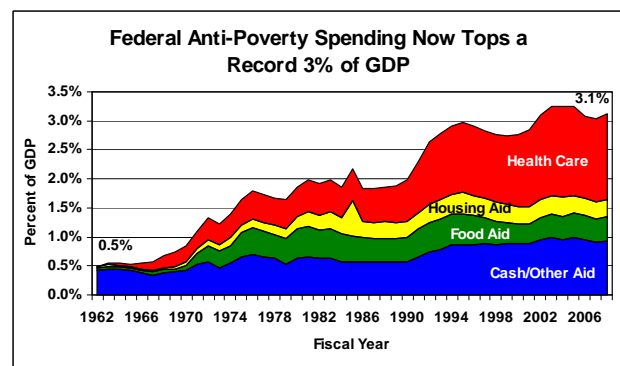
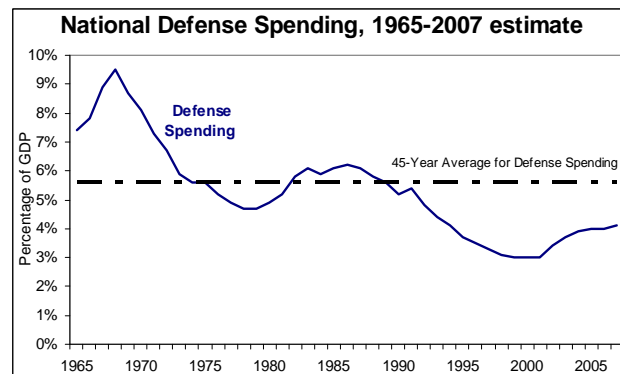
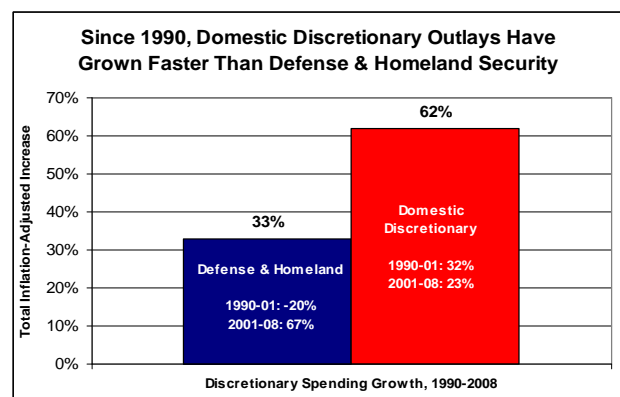
## LIBERAL PROPAGANDA:

*“As long as we keep pouring that money down the drain in Iraq, we’ll never solve our economic woes. We won’t have the money to take care of people hurt by the economic downturn, or to invest in making our economy more competitive.”*

- MoveOn.org – Accessed February 26, 2008

## ECONOMIC REALITY:

- **Domestic spending has actually grown faster than defense spending.**<sup>1</sup> Since 1990, federal outlays on domestic programs have increased 62 percent, nearly twice the 33 percent rise in Defense and Homeland Security spending. The latter rose under President Bush, not only to respond to global terrorism, but also to make up for Clinton-era budget cuts that had left America’s military in danger of becoming a “hollow force.”
- **Defense spending is well below historical levels.**<sup>2</sup> At 4 percent of GDP, up from 3.0 percent when President Bush took office, current Defense spending remains well below the 40-year average of 5.6 percent of GDP.
- **Health care and anti-poverty spending are already at record highs.**<sup>3</sup> Since 2001, anti-poverty spending has increased 29 percent despite record-high employment.
- **In the last 7 years, domestic discretionary spending increased 6.6 percent per year, on average.** Had domestic spending increases been limited to “only” 38 percent during that time—5.5 percent annually—the budget would already be in balance. Proposals to pile on even more domestic spending in the name of “stimulus” will only put a balanced budget further out of reach.



<sup>1</sup>Riedl, Brian, “Federal Spending By the Numbers 2008,” The Heritage Foundation, February 27, 2007, p. 6 at [www.heritage.org/Research/Taxes/wm1829.cfm](http://www.heritage.org/Research/Taxes/wm1829.cfm).

<sup>2</sup>FY2008 Historical Tables, Budget of the United States, see [www.heritage.org/research/features/BudgetChartBook/charts\\_S/s7.cfm](http://www.heritage.org/research/features/BudgetChartBook/charts_S/s7.cfm).

<sup>3</sup>Riedl, “Federal Spending By the Numbers 2008,” p. 9.