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- [Issues](#)
- [Where we stand](#)
- [Experts](#)
- [Press & Media](#)
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- [Submit](#)

### The Foundry

#### [Video: The Empirical Evidence Against Big Government](#)

-  Posted September 18th, 2009 at 11.00am in [Enterprise and Free Markets](#).

[CATO](#)'s Dan Mitchell has a new video out produced by [The Center for Freedom and Prosperity Foundation](#) on the relationship between government spending and economic growth. Watch:



If all of those cites to economic papers flashed by too quickly, don't worry. You can find many of them in this paper written by Mitchell when he was with The Heritage Foundation:


[The Impact of Government Spending on Economic Growth](#)

Also check out current Heritage fellow Brian Riedl's post on a similar topic:

## [Why Government Spending Does Not Stimulate Economic Growth](#)

Riedl writes:

Government cannot create new purchasing power out of thin air. If Congress funds new spending with taxes, it is simply redistributing existing income. If Congress instead borrows the money from domestic investors, those investors will have that much less to invest or to spend in the private economy. If Congress borrows the money from foreigners, the balance of payments will adjust by equally reducing net exports, leaving GDP unchanged. Every dollar Congress spends must first come from somewhere else.

- Author: [Conn Carroll](#)
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- [Enterprise and Free Markets](#) (654)
- [Entitlements](#) (129)

- [Family and Religion](#) (63)
- [First Principles](#) (125)
- [Health Care](#) (421)
- [Ongoing Priorities](#) (836)
- [Protect America](#) (545)
- [Rule of Law](#) (191)

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