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MRC Study: Reporters Say Tax Cuts & War Caused Federal Deficit; Poor Economy Led to State Gaps

Won't Blame Big Spending for Big Deficits

Last night, NBC and CBS both touted the "record" 2003 federal deficit of \$374 billion announced Monday, but when it comes to pinpointing the cause of all that red ink, a new MRC study found TV reporters minimized the huge increases in spending over the past several years.

Indeed, TV news frequently featured horror stories about the harm that would come to citizens if politicians could not spend all that they wished.

MRC researchers studied 108 federal deficit stories and 64 stories on state government deficits aired between October 1, 2002 and September 30, 2003 (the federal fiscal year) on ABC's *World News Tonight*, CBS *Evening News* and NBC *Nightly News*. Key findings:

■ **Most stories blamed tax cuts for the federal deficit.** There were 66 network stories linking the budget deficit to Bush's tax cuts, and another 45 that blamed the war on terrorism, homeland security costs or the war in Iraq. (Some stories suggested more than one cause.) Only 12 stories mentioned non-war related federal spending as a reason for the rising red ink, even though such spending has risen sharply in the past three years. ABC's Peter Jennings reflected the media mentality perfectly on December 9 when he remarked of the new Treasury Secretary John Snow, "He is said to be in favor of further tax cuts, but against deficits. Doesn't one lead to the other?"

But the overwhelming focus on tax cuts is misplaced, according to free market experts. In a Heritage paper published in June, budget analyst Brian Riedl calculated "the 2001 recession and new government spending caused 78 percent of the declining surplus projection," with tax cuts accounting for just 22 percent of the shortfall.

■ **While Bush was blamed for the federal shortfall, state governments were victims of the weak economy.** Almost no stories about the federal deficit (just 4 out of 108) mentioned the recession as a cause, but the weak economy was the most often cited reason for state budget gaps (14 out of 64

stories, or 22 percent). "A faltering economy has left state budgets deep in the hole," ABC's John Berman announced on November 3, 2002. That same slowdown hurt federal receipts, too, but the networks rarely said so.

■ **When budgets are cut, children die.** Only nine stories cited high spending as a cause of state budget woes, but a February 2003 Cato Institute study showed that if in the

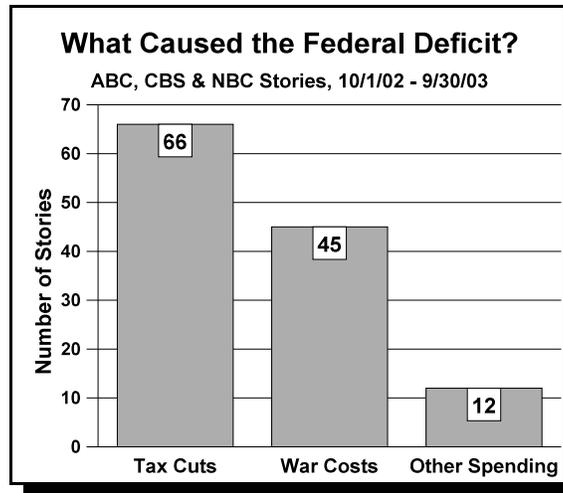
1990s states had limited their spending increases to inflation plus population growth, "budgets would have been \$93 billion smaller by FY01" — saving more than enough to offset the later shortfalls.

Instead, network news featured alarming anecdotes to illustrate the horrors of less state spending. On January 10, ABC's Betsy Stark said the case of a woman who starved her foster children was "a gruesome reminder that child welfare agencies are over-burdened and under-funded." Stark quoted Phil Coltoff, a child welfare advocate: "There will be more tragedies and more deaths,

and I don't say that in an alarmist way. This is one of the consequences of budget cutting." The ABC story included no one contradicting Coltoff's dire claim.

■ **On the bright side...** On February 14, NBC's Norah O'Donnell exposed some of the extravagant spending tucked inside a massive federal spending bill, including a \$350 million expansion of a cattle subsidy to include catfish farmers. Yes, catfish. "Critics question whether such eye-popping largesse is appropriate with looming deficits and America battling the war on terror," O'Donnell noted.

Unfortunately, most of the networks' deficit stories skipped over such silly spending as they put the blame on liberals' favorite budget bogeyman, tax cuts. — Rich Noyes



L. Brent Bozell III, Publisher; Brent Baker, Rich Noyes, Tim Graham, Editors; Geoffrey Dickens, Jessica Anderson, Brad Wilmouth, Brian Boyd, Ken Shepherd, and Amanda Monson, Media Analysts; Kristina Sewell, Research Associate. For the latest liberal media bias by e-mail, sign up for free *CyberAlerts* at www.mrc.org.