

## “Social vs. Military Spending”: A Different Perspective

Edward O'Boyle

To cite this article: Edward O'Boyle (2010) “Social vs. Military Spending”: A Different Perspective, *Review of Social Economy*, 68:2, 205-219, DOI: [10.1080/00346760903480921](https://doi.org/10.1080/00346760903480921)

To link to this article: <https://doi.org/10.1080/00346760903480921>



Published online: 15 Jun 2010.



Submit your article to this journal [↗](#)



Article views: 358



View related articles [↗](#)



Citing articles: 1 View citing articles [↗](#)

## “Social vs. Military Spending”: A Different Perspective

Edward O’Boyle  
*Mayo Research Institute*

**Abstract** There are three problems with Ismael Hossein-zadeh’s “Social vs. Military Spending” in the June 2009 *Review of Social Economy* in which he sets out to demonstrate the consequences of “escalating US military spending at the expense of non-military public spending.” First, there is abundant evidence indicating that non-military public spending has not been sacrificed to satisfy the demands of the military establishment. Second, the very same tax cuts for the rich that increased income equality are associated with huge increases in taxes collected from the rich. Third, Hurricane Katrina provides little support for his hypothesis that military spending led to infrastructure neglect.

**Keywords:** military spending, public infrastructure, supply-side economics, tax cuts for the rich, Katrina

Ismael Hossein-zadeh’s “Social vs. Military Spending” in the June 2009 *Review of Social Economy* uses Hurricane Katrina to demonstrate the consequences of “escalating US military spending at the expense of non-military public spending.” There are three major problems with his argument. First, there is abundant statistical evidence demonstrating that non-military public spending has not been sacrificed to satisfy the demands of the military establishment. Second, tax cuts for the rich no doubt increased income equality as Hossein-zadeh states. However, those very same cuts are associated with huge increases in taxes collected from the rich. Third, Hurricane Katrina provides little support for his central hypothesis that military spending led to infrastructure neglect. In using this case Hossein-zadeh selects the facts that fit his hypothesis and leaves out those that don’t.

We take up each of these problems in turn and end our remarks with a suggestion regarding a much better case of national infrastructure neglect.

### **FIRST PROBLEM: NON-MILITARY PUBLIC SPENDING**

George Bush, Ronald Reagan, supply-side economics, military spending, and tax cuts for the wealthy are all demonized in Hossein-zadeh's argument regarding the impact of rising military expenditures on non-military spending. Putting aside rhetoric and ideology as far as possible, we examined information on a variety of measures using, in general, the year 2000 as a base line to see what has happened since Bush was elected in 2000. For comparison purposes, whenever available, we used data for 2008: the last year Bush served as president. The 2000–2008 period is especially instructive because if there were evidence to support the crowding out of non-military spending asserted by Hossein-zadeh one would expect to find it during this period when the United States was at war in Iraq and Afghanistan.

In constant dollars, discretionary spending on non-defense programs has increased from \$319.9 billion in 2000 to \$401.4 billion in 2008 (see Table 1A). Constant-dollar outlays were higher in 12 of the 15 functional program areas reported by federal budget officials. In only two areas were those outlays lower.

Further, there were increases in non defense research and development and in major public non-defense physical capital investment. Reflecting at least to some extent those additional capital outlays, total traffic crash fatalities dropped from 41,945 in 2000 to 37,261 in 2008 (FARS 2009).

Table 1B provides additional information relevant to Hossein-zadeh's argument. Between 2000 and 2008 there were constant-dollar cuts in spending<sup>1</sup> for the US Army Corps of Engineers (USACE) and the Environmental Protection Agency. The cuts for USACE lend support to Hossein-zadeh's argument only if one accepts his premise that more spending leads to infrastructure improvement and less to infrastructure deterioration. We have more to say about that later in our comment when we address the USACE's Mississippi River Gulf Project and how that project actually funneled Katrina's storm surge into the heart of New Orleans. We address EPA spending momentarily.

First, however, we call attention to additions to spending for the National Science Foundation, Small Business Administration, National Endowment for the Arts, and National Institutes of Health. Appropriations for the

---

<sup>1</sup> Data sources provided only current dollar figures for the federal agencies covered in this table. We made constant-dollar estimates by applying the OMB deflator for non-defense outlays.

A DIFFERENT PERSPECTIVE

Table 1A: Federal Discretionary Outlays by Function in Constant FY 2000 dollars (billions)

	2000	2004	2008
National defense	295.0	392.8	458.6
Non-defense	319.9	393.7	401.4
International affairs	21.3	29.9	29.5
Science, space & technology	18.6	20.3	21.7
Energy	3.0	3.0	3.0
Natural resources & environment	25.0	27.1	25.3
Agriculture	4.5	5.1	6.6
Commerce & housing credit	4.5	0.1	2.4
Transportation: ground, air, water & other	44.7	55.4	55.6
Community & regional development	11.4	13.8	17.4
Education	33.7	49.0	45.8
Training, employment & social services	15.3	18.0	14.8
Health (excluding Medicare)	30.0	42.7	42.5
Medicare	3.0	4.0	3.9
Income security	41.4	47.8	46.3
Social security	3.4	3.6	3.9
Veterans' benefits & services	20.8	26.2	33.2
All other non-defense programs	39.3	47.7	49.5
Non-defense research & development	32.9	44.0	45.2
Major public non-defense physical capital investment	25.5	27.5	32.8

Source: OMB 2009, Tables 8.8, 9.2, and 9.7.

National Endowment for the Humanities remained the same. We call attention to spending for these agencies because in referring to public infrastructure Hossein-zadeh includes not only physical infrastructure but “soft/social infrastructure” as well.

If, as Hossein-zadeh implies, less spending leads to infrastructure deterioration, one would expect that the constant-dollar cuts in EPA between 2000 and 2008 would have had a negative impact on the environment. However, as indicated in Table 2, national concentrations of ozone, sulfur dioxide, particulates, fine particulates, nitrogen dioxide, and lead were in fact lower at the end of the period than at the beginning and below or very close to

REVIEW OF SOCIAL ECONOMY

Table 1B: Federal Outlays, Appropriations, Award Amounts: Selected Agencies, Current and Estimated Constant FY 2000 dollars (millions)

	2000	2004	2008
<b>OUTLAYS</b>			
Corps of Engineers			
Current \$	4,229	4,728	5,075
<i>Estimated constant \$</i>	4,229	4,343	4,093
Environmental Protection Agency			
Current \$	7,223	8,328	7,939
<i>Estimated constant \$</i>	7,223	7,650	6,403
National Science Foundation			
Current \$	3,487	5,116	5,847
<i>Estimated constant \$</i>	3,487	4,700	4,716
Small Business Administration			
Current \$	-421	4,075	528
<i>Estimated constant \$</i>	-421	3,743	426
<b>TOTAL APPROPRIATIONS</b>			
National Endowment: Arts			
Current \$	98	121	125*
<i>Estimated constant \$</i>	98	111	100
National Endowment: Humanities			
Current \$	116	135	145
<i>Estimated constant \$</i>	116	124	116
<b>TOTAL RESEARCH AWARD AMOUNT</b>			
National Institutes of Health			
Current \$	13,003	19,608	20,375
<i>Estimated constant \$</i>	13,003	18,012	16,434
DEFLATOR: Non-defense outlays	1.0000	1.0886	1.2398

Note: \*Data for 2007, latest information available.

Sources: OMB 2009, Tables 4.1 and 10.1; NEA 2007; NEH 2000–2008; NIH 1999–2008.

the designated air quality standard for each pollutant. Improvements were reported regarding carbon monoxide emissions and remedial work on superfund sites. On the other hand, there were increases in greenhouse gas emissions and oil, chemical, radiological-biological-etiological discharges.

The evidence, though somewhat mixed, does not support Hossein-zadeh's assertion that "it is often the proverbial *butter* that gets melted away when a disproportionately large share of public money is allocated to the production of *guns*" (emphasis in original). Rather, and notwithstanding one's personal stance as a hawk or dove, the evidence weighs much more heavily in the direction that public money during the 2000–2008 period was allocated to both guns and butter.

## **SECOND PROBLEM: TAX CUTS FOR THE RICH AND SUPPLY-SIDE ECONOMICS**

Hossein-zadeh is very attentive to the increase in income inequality and tax cuts for the rich which originated with Reaganomics. The data he presents regarding income inequality are compelling. Here again, however, the evidence does not support his sweeping claim that cuts in non-military public spending were necessary to close the budget shortfalls brought on by tax cuts for the rich and additions to military spending.

First, we have established already that in large measure there were no cuts in constant-dollar non-military spending at least during the 2000–2008 period. Second, Hossein-zadeh does not mention that according to IRS data (see Table 3) while the average rate of taxation for the top 1 percent of all individual income taxpayers dropped from 33.1 percent in 1986 to 22.4 percent in 2007 those filers paid a total of \$450.9 billion in 2007 compared with \$94.5 billion in 1986. Their share of the total taxes paid rose from 25.8 percent in 1986 to 40.4 percent in 2007. Over the same period, the bottom 50 percent of filers paid \$8.6 billion more in taxes, but had their average tax rate cut from 5.6 percent to 3.0 percent, and saw their share of the total taxes paid drop from 6.5 percent to 2.9 percent.

The only plausible argument in defense of his claim that the Bush tax cuts for the rich contributed to budget shortfalls is that higher tax rates on the wealthy would have generated even higher revenues. Minimally, this means that the before-tax incomes of the wealthy would have been the same under the old regime of higher tax rates and thus higher revenues would have followed. This in turn demands that Hossein-zadeh reject supply-side economics, which indeed he does.

REVIEW OF SOCIAL ECONOMY

Table 2: Selective Measures of Environmental Hazards

	2000	2004	2008 or latest year
National ambient air pollutant concentrations <sup>a</sup>			
Ozone ppm (air quality std=0.075 ppm)	0.080	0.073	0.077*
Sulfur dioxide ppm (air quality std=0.03 ppm)	0.0049	0.0041	0.0038*
Particulates $\mu\text{g}/\text{m}^3$ (air quality std=150 $\text{mg}/\text{m}^3$ )	60.8	52.3	55.3*
Fine particulates $\mu\text{g}/\text{m}^3$ (air quality std=15 $\text{mg}/\text{m}^3$ )	13.5	11.8	11.6*
Nitrogen dioxide ppm (air quality std=0.053 ppm)	0.017	0.015	0.014*
Lead $\mu\text{g}/\text{m}^3$ (air quality std=1.5 $\mu\text{g}/\text{m}^3$ )	0.07	0.06	0.06*
Carbon monoxide (thousand short tons) <sup>b</sup>	114,465	99,041	77,685
Greenhouse gases, total emissions (gigagrams) <sup>c</sup>	7,008.2	7,108.6**	7,150.1***
Oil, chemical, radio-bio-etiological discharges <sup>d</sup>	32,435	33,912	33,882
Superfund sites, remedial work completed by <sup>e</sup> ...	757	926	1,060
percent of all sites	52.7	60.6	67.0

Notes:

a. Census Bureau 2009, Table 357.

b. EPA 2009a.

c. EPA 2009b.

d. NRC 2009.

e. EPA 2007, 2008.

\*2006; \*\*2005; \*\*\*2007.

A DIFFERENT PERSPECTIVE

Table 3: Federal Income Tax Return Information and Discretionary National Defense Expenditures (current dollars)

	1986	2000	2007
Federal income tax paid (billions)			
Top 1 percent \$	94.5	366.9	450.9
Bottom 50 percent \$	23.7	38.3	32.3
Average federal income tax rate (percent)			
Top 1 percent	33.1	27.5	22.4
Bottom 50 percent	5.6	4.6	3.0
Total federal income tax share (percent)			
Top 1 percent	25.8	37.4	40.4
Bottom 50 percent	6.5	3.9	2.9
Discretionary national defense expenditures \$	273.8	295.0	547.9
Taxes paid by top 1 percent as a percentage of national defense expenditures	34.5	124.4	82.3

Sources: IRS 2009 (taxes paid available in current dollars; data series covers 1986 to 2007); OMB 2009, Table 8.7.

We concede that large cuts in taxes *coupled with huge increases in public spending* created big budget deficits and made the federal debt balloon. We do not concede that deficits would have been smaller and the debt less burdensome under a tax system of higher rates on the incomes of the wealthy. In brief, we contend that at the macro-economic level supply and demand are mutually reinforcing both in an upward movement and a downward spiral and we have seen dramatic evidence of both in recent years. Incentives matter on the demand side and on the supply side especially for entrepreneurial activity. Just as cutting taxes on the poor and the middle class can shore up consumption, reducing tax rates on the incomes of the rich can boost production and employment.

While it has been scorned by academic economists from the very beginning, we hold the view that supply-side economics is very much in the Schumpeterian tradition of strong emphasis on the entrepreneur as the primary agent of change in a market economy. In the following, we borrow heavily from Waters (1952) on Schumpeter.

Years before supply-siders entered the discourse on macro-economic affairs, Waters described Schumpeter as “the great man who restored the

human *person* as the *dynamic* factor in the explanation of economic activity” (emphasis added). To Schumpeter, the entrepreneur is a “new man” who is willing to take on the uncertainties and difficulties of a new enterprise when others are not. He is a new man financially not in the sense that he loses his capital if the enterprise fails, but in the sense that he may lose his job, his reputation, and his standing in the community. Further he is a new man financially because without the credit created by the banker he would not be able to re-direct resources to his new venture.

Capital primarily in the form of created credit or already existing funds including the savings of the entrepreneur facilitates economic change by allowing the entrepreneur to re-direct resources away from the production of old goods and services to the production of new goods and services. Given his/her dependence on created credit, the entrepreneur must convince the banker that the innovation will be successful, that the risk to be taken is acceptable.

The banker is the conservative, the entrepreneur is the progressive. The banker dampens the disrupting influence of the entrepreneur; the entrepreneur assures that creativity is not stamped out. If the innovation is a success, the reward for the banker is the interest paid on the credit advanced and the return of his/her capital. *The reward for the entrepreneur is profits. However, competition assures that the profits of the entrepreneur are not enduring.*

The entrepreneur is not the passive, utility-maximizing agent of conventional economics. Rather, he/she is a “new, unestablished, restless, sometimes monomaniac, and always creative *person*” (emphasis added).

The Small Business Administration reported that there were an estimated 670,000 new small-business (fewer than 500 employees) firms in 2005–2006 (the latest year for which these dynamic data are available). Based on beginning-year employment data we estimate that employment at these new firms averaged 5.1 (see SBA 2009). Small Business Association (SBA) employee Brian Headd reported that half of all new enterprises survive beyond 4 years and that having startup capital of \$50,000 or more was one of the most important factors explaining a new firm’s ability to survive (Headd 2003).

Does it seem likely, however, that accumulating or borrowing at least \$50,000 to start a business, making it profitable enough to survive, and growing the firm over the long term beyond its very small beginning-year employment by plowing back some of those profits are actions that are facilitated by a regime of higher income taxes on those who are well rewarded for their success when the odds are only 50–50 that the new firm will survive in the short term? If indeed financial success in new entrepreneurial activity is

linked to the incentive effect of lower taxes, does it not make sense to structure the tax code to enhance that effect and thereby broaden the tax base? The hard evidence regarding the \$356.4 billion increase in taxes paid by the top 1 percent of tax filers between 1986 when their tax rate averaged 33.1 percent and 2007 when it dropped to 22.4 percent supports supply-side economics, except it seems for those who affirm the passive economic agent whose behavior follows Bentham's maximization of personal net advantage principle.

### THIRD PROBLEM: HURRICANE KATRINA

There are six parts to our proposition that Hurricane Katrina provides little support for his central hypothesis and in using this case Hossein-zadeh fits the facts to his hypothesis.

First, his argument is based on selective quotations from sources including three which were published on the very day Katrina slammed into the Gulf Coast or shortly thereafter. Second, he quotes nearly word for word from another source without proper attribution. Third, he makes no mention of the heroic response of the Department of Homeland Security. Fourth, he seems unaware that the disaster is linked importantly to a USACE project which drastically reduced the wetlands protecting New Orleans from the storm surge associated with Katrina. Fifth, by using estimates of the death toll from a direct hurricane hit on New Orleans made well in advance of Katrina without mentioning the actual number of deaths from the hurricane, Hossein-zadeh misleads the reader regarding Katrina's human toll. Sixth, the levees and floodwalls were not overtopped by the storm surge. The ones that collapsed were poorly designed, engineered, and constructed.

First, Hossein-zadeh quotes George Lakoff whose report was posted on 6 September 2005 barely a week after Katrina made landfall. In demonizing President Bush, Hossein-zadeh leaves out the following part of Lakoff's statement:

This was not just incompetence (though there was plenty of it), not just a natural disaster (though nature played its part), *not just Bush (though he is accountable)*. This is a failure of moral and political philosophy – a deadly failure. (Lakoff 2005, emphasis added)

Hossein-zadeh quotes Mark Davis selectively, leaving out the following:

[Mayor C Ray Nagin's] stunning failure to mobilize resources to evacuate car-less residents and hospital patients, despite warning signals from the city's botched

response to the threat of Hurricane Ivan in September 2004, reflected more than personal ineptitude: it was a symbol of the callous attitude among the city's elites, both white and black, toward their poor neighbors in backswamp districts and rundown housing projects. Indeed, the ultimate revelation of Katrina was how comprehensively the promise of equal rights for poor African-Americans has been dishonoured and betrayed *by every level of government*. (Davis 2005, emphasis added)

Hossein-zadeh quotes Peter Yost's post on 29 August as follows: "Some 6,000 National Guard personnel in Louisiana and Mississippi who would be available to help deal with the aftermath of Hurricane Katrina are in Iraq" (Yost 2005). Lieutenant General H. Steven Blum, Chief of the National Guard Bureau, in testifying before the Senate Homeland Security and Government Affairs Committee in February 2006 said the following:

National Guard forces were in the water and on the streets of New Orleans rescuing people within four hours of Katrina's passing. More than 9,700 National Guard Soldiers and Airmen were in New Orleans by the thirtieth of August. The National Guard deployed 30,000 additional troops within 96 hours of the passing of the storm. At the peak of the operation, the Governors nationwide dispatched more than 42,000 National Guard troops to assist Mississippi and Louisiana. (Blum 2006)

Second, although he quotes Rothschild accurately in the third full paragraph on p. 168 and the first full paragraph on p. 169, Hossein-zadeh in the second full paragraph on p. 168 and the second full paragraph on the following page uses material drawn almost word for word without attribution from Rothschild's article published in *The Progressive* in September 2005.

Third, Hossein-zadeh makes no mention of the heroic response of the US Coast Guard, an agency of the Department of Homeland Security which he considers a part of the military establishment. The Coast Guard rescued more than 33,500 persons from rooftops and flooded homes. Included among those were 9,409 medical patients. The Coast Guard's response involved more than 5,600 personnel drawn from every Guard district (Coast Guard 2009).

Fourth, Hossein-zadeh overlooks the role of the Mississippi River Gulf Outlet which was a USACE project authorized by Congress in 1956 to improve the flow of commercial traffic around New Orleans. It is being closed today chiefly because MRGO opened a channel for saltwater intrusion into freshwaters areas reducing the wetlands which historically absorbed much of the storm surge associated with hurricanes.

A team of experts examining the forensic evidence relating to the failure of the levees and floodwalls protecting New Orleans concluded the following:

The MRGO and GIWW [Gulf Intracoastal Waterway] channels *provide efficient conduits to funnel surge into the heart of New Orleans*. As a result, surge elevations peaked in Lake Borgne and the IHNC [Inner Harbor Navigation Canal] at nearly the same time, and at higher levels relative to levee and floodwall crowns, and earlier than would have been true prior to all of the wetland loss attributed to them. The effect of these federally constructed and operated channels on surge and waves has consistently been underestimated by the USACE from before Hurricane Betsy right through to the recent IPET [Interagency Performance Evaluation TaskForce] report, as has the effect of *accelerated wetland loss in the funnel area*. (TEAM LOUISIANA 2006, emphasis added)

Fifth, Hossein-zadeh quotes two sources as estimating that between 25,000 and 100,000 would die in New Orleans from a direct hurricane hit, leaving the impression that the actual death toll, which he never mentions, was in the tens of thousands. To set the record straight, the Louisiana Department of Health and Hospitals reported in August 2006 that 1,464 Louisiana residents died in Katrina which flooded 80 percent of New Orleans and devastated St. Bernard Parish. Included in that number were 346 victims reported by other states (DHH 2006).

Sixth and last, the levees and floodwalls were not overtopped by the storm surge. They collapsed because they were poorly designed, engineered, and constructed. One month after Katrina devastated New Orleans, Louisiana State University was commissioned to assemble a team of experts to evaluate the forensic evidence on the failure of the levees protecting the City. The team's December 2006 report presents its findings in the form of simple, direct answers to seven pointed questions (see TEAM LOUISIANA 2006):

- Was the Greater New Orleans area hurricane protection system (GNO HPS) properly conceived to accomplish the 1965 Congressional mandate to protect against the “most severe combination of meteorological conditions reasonably expected”? No.
- Were the levees and floodwalls at or above crown elevations specified, in designs for HPS elements, sufficient to resist overtopping, by surge and waves associated with the Standard Project Hurricane? No.
- Did the USACE follow existing engineering practice and USACE guidance for construction of levees and floodwalls? No.
- Should issues about levee materials and floodwall designs have been detected and corrected by engineers equipped with the tools available at the time of construction? Yes.

- Did MRGO, a free-flowing, deep-draft navigation canal that pierces the HPS on its eastern side, compromise system performance? Yes.
- Was the system maintained and operated to assure the required level of protection through time? No.
- Specifically, how did the 40-year construction schedule impact system performance? The GNO HPS was managed like a circa 1965 flood control museum. Design assumptions and policy made in 1965 continue to diminish the HPS today.

### **A BETTER CASE OF NATIONAL INFRASTRUCTURE NEGLECT**

A much better case of failure to invest properly in public infrastructure relates to the nation's bridges. There are a total of 151,391 structurally deficient or functionally obsolete bridges across the United States.<sup>2</sup> Virtually every one of the 50 states has deficient or obsolete bridges, ranging from a high of 62 percent in the District of Columbia and 52 percent in Massachusetts to a low of 10 percent in Arizona and 12 percent in Minnesota (FHWA 2008). In 2008 the American Association of State Highway and Transportation Officials estimated that it would take at least \$140 billion to repair all of the deficient or obsolete bridges in the United States (AASHTO 2008). In his address to Congress on 24 February, President Obama promised that the stimulus package would create 3.5 million jobs, 90 percent in the private sector for “*rebuilding our roads and bridges*; constructing wind turbines and solar panels; laying broadband and expanding mass transit” (Obama 2009, emphasis added).

A detailed analysis by Blackledge and Apuzzo in July 2009 disclosed that nearly 2,500 bridges are scheduled to receive \$2.2 billion from the \$787 billion stimulus package. About half of those bridges, however, “received such high inspection ratings that they normally would not qualify for federal bridge money.” The problem is this. Projects approved for support from the stimulus package must be shovel-ready, create jobs, and be completed in three years. Bridge work simply takes longer than three years (Blackledge and Apuzzo 2009).

### **A FINAL WORD**

Hosseini-zadeh's assertion that “what gets crowded out by escalating military spending is . . . non-military public spending” is not supported by the evidence

---

<sup>2</sup> See RITA (2009) for more on deficient and functionally obsolete bridges.

regarding expenditures between 2000 and 2008 on a wide range of federal infrastructure programs. The 2000–2008 period is especially instructive because it approximates a limiting case. To explain, if there were evidence to support Hossein-zadeh’s crowding-out assertion one certainly would have found it during this period with the United States at war in Iraq and Afghanistan.

Hossein-zadeh’s claim that “. . . instead of financing through progressive taxation such additions to military spending have been increasingly accompanied by tax cuts on the wealthy—which have then forced cuts on non-military public spending in order to close the budget gap . . .” is at best misleading. The federal income taxes actually paid by the top 1 percent in 1986 represented 34.5 percent of total discretionary expenditures on national defense. In 2007, the super-rich alone were paying the equivalent of 82.3 percent of discretionary national defense expenditures (see Table 3).

Finally, Hossein-zadeh’s claim that “in light of the steady cuts of the infrastructural funding for the city of New Orleans, especially of the funds that would maintain and/or reinforce the city’s levee system, catastrophic consequences of a hurricane of the magnitude of Katrina were both predictable and, indeed, predicted” is contradicted by the forensic evidence brought to light in the TEAM LOUISIANA report. It was not cuts in spending on the hurricane protection system that doomed the city, it was basic flaws in the design, engineering, and construction of the system not to mention ill-advised USACE spending on the MRGO project.

Hossein-zadeh would have been much better served by selecting the case of structurally deficient or functionally obsolete bridges across the United States as evidence of infrastructure neglect. Nevertheless, he still would have to unearth other much more convincing evidence to support his claim that non-military public expenditures have been sacrificed at the altar of military spending and tax cuts for the rich.

## REFERENCES

- American Association of State Highway and Transportation Officials (AASHTO) (2008) “Bridging the Gap: Restoring and Rebuilding the Nation’s Bridges.” Available at: <http://www.transportation1.org/BridgeReport/docs/BridgingtheGap.pdf>
- Blackledge, B. and Apuzzo M. (2009) “AP IMPACT: Little help in stimulus for bad bridges.” Available at: <http://www.chron.com/disp/story.mpl/ap/nation/6556330.html>
- Blum, H. S. (2006) “Statement by Lieutenant General H. Steven Blum, Chief, National Guard Bureau,” Senate Homeland Security and Government Affairs Committee. Available at: [http://www.ng.mil/media/transcripts/cngb\\_written\\_testimony\\_katrina\\_hearing\\_9feb06.doc](http://www.ng.mil/media/transcripts/cngb_written_testimony_katrina_hearing_9feb06.doc)

REVIEW OF SOCIAL ECONOMY

- Census Bureau (2009) *Statistical Abstract 2009*, Washington, DC.
- Coast Guard (2009) “The US Coast Guard & Hurricane Katrina.” Available at: <http://www.uscg.mil/History/katrina/katrinaindex.asp>
- Davis, M. (2005) “Catastrophic Economics: The Predators of New Orleans.” Available at: [http://www.kersplebedeb.com/mystuff/katrina/davis\\_00\\_10\\_12005.html](http://www.kersplebedeb.com/mystuff/katrina/davis_00_10_12005.html)
- Department of Health and Hospitals (DHH) (2006) “Hurricane Katrina Deceased Victims.” Available at: <http://www.dhh.Louisiana.gov/offices/page.asp?ID=192 &Detail=5258>
- Environmental Protection Agency (EPA) (2007) FY 2007 Annual Report. Available at: [http://www.epa.gov/superfund/accomp/pdfs/sf\\_annual\\_report\\_2007.pdf](http://www.epa.gov/superfund/accomp/pdfs/sf_annual_report_2007.pdf)
- Environmental Protection Agency (EPA) (2008) Superfund National Accomplishments Summary Fiscal Year 2008. Available at: <http://www.epa.gov/superfund/accomp/numbers08.htm>
- Environmental Protection Agency (EPA) (2009a) 1970–2008 Average Annual Emissions. All Criteria Pollutants in MS Excel. Available at: <http://www.epa.gov/ttn/chieftrends/trends06/nationaltier1upto2008basedon2005v2.xls>
- Environmental Protection Agency (EPA) (2009b) 2009 US Greenhouse Gas Inventory Report. Available at: <http://www.epa.gov/climatechange/emissions/usinventoryreport.html>
- FARS (National Highway Transportation and Safety Administration) (2009) *FARS Encyclopedia*. Available at: <http://www-fars.nhtsa.dot.gov/Main/index.aspx>
- Federal Highway Administration (FHWA) (2008) “Deficient Bridges by State and Highway System, As of December 2008.” Available at: <http://www.fhwa.dot.gov/BRIDGE/nbi/defbr08.cfm>
- Headd, B. (2003) “Redefining Business Success: Distinguishing Between Closure and Failure,” *Small Business Economics* 21: 51–61.
- IRS (2009) Internal Revenue Service, Table 1—Returns with Positive Adjusted Gross Income. Available at: <http://www.irs.gov/pub/irs-soi/07in01etr.xls>, Table 2- Returns with Positive Adjusted Gross Income. Available at: <http://www.irs.gov/pub/irs-soi/07in02etr.xls>
- Lakoff, G. (2005) “The Post-Katrina Era,” *AlterNet*. Available at: <http://www.alternet.org/story/25099/>
- National Endowment for the Arts (NEA) (2007) Annual Report, Appropriations History. Available at: [http://www.arts.endow.gov/about/07\\_Annual/AR2007.pdf](http://www.arts.endow.gov/about/07_Annual/AR2007.pdf)
- National Endowment for the Humanities (NEH) (2000–2008) Annual Reports. Available at: [http://www.neh.gov/news/report2008/AR2008\\_Contents.html](http://www.neh.gov/news/report2008/AR2008_Contents.html)
- National Institutes of Health (NIH) (1999–2008) “Number of Awards and Award Amounts by Grant Mechanism and Activity Code.” Available at: <http://report.nih.gov/frs/index.aspx>
- National Response Center, US Coast Guard (NRC) (2009) “Statistics > Incident Type 2000–2008.” Available at: [http://www.nrc.uscg.mil/incident\\_type\\_2000up.html](http://www.nrc.uscg.mil/incident_type_2000up.html)
- Obama, B. (2009) “Remarks of President Barack Obama—As Prepared for Delivery, Address to Joint Session of Congress.” Available at: [http://www.whitehouse.gov/the\\_press\\_office/remarks-of-president-barack-obama-ad](http://www.whitehouse.gov/the_press_office/remarks-of-president-barack-obama-ad).
- Office of Management and Budget (OMB) (2009) Budget of the United States Government, Historical Tables. Available at: <http://www.whitehouse.gov/omb/budget/fy2009/>

A DIFFERENT PERSPECTIVE

- Research and Innovative Technology Administration, Federal Highway Administration (RITA) (2009) "Box B. Structurally Deficient and Obsolete Bridges as Defined by the FHWA." Available at: <http://www.bts.gov/cgi-bin/breadcrumbs/PrintVersion.cgi?date=06110050>
- Small Business Administration (SBA) (2009) Employer Firm Births and Deaths by Employment Size of Firm, 1989–2006. Available at: [http://www.sba.gov/advo/research/dyn\\_b\\_d8906.pdf](http://www.sba.gov/advo/research/dyn_b_d8906.pdf)
- TEAM LOUISIANA (Louisiana Department of Transportation and Development) (2006) "The Failure of the New Orleans Levee System during Hurricane Katrina." Available at: <http://www.dotd.louisiana.gov/administration/teamlouisiana/>
- Waters, W. (1952) "Entrepreneurship, Dualism, and Causality: An Appreciation of the Work of Joseph A. Schumpeter." Doctoral dissertation in economics, Georgetown University, Washington, DC, July.
- Yost, P. (2005) "Iraq and Hurricane Katrina Highlight National Guard's Transformation," *AP Worldstream*, August 29.