

# Business and Media Institute

## Networks Push for Infrastructure Spending, Ignore Cost and Danger of Federal Failures

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ABC, CBS and NBC silent about mistakes that took lives during Hurricane Katrina, wasted countless tax dollars for years.

By Julia A. Seymour

October 28, 2011

Network reporters have recently been promoting White House calls for infrastructure spending since President Obama pitched his "new" jobs plan on Sept. 8. The pitch for road and bridge money [wasn't actually new](#), since that is what he claimed his \$783 billion stimulus would do to create jobs.

What ABC, CBS and NBC chose to ignore in recent infrastructure stories were all the examples of federal engineering mistakes that wasted taxpayer money and in the case of Hurricane Katrina actually cost many lives. According to Chris Edwards of Cato Institute, the oldest federal infrastructure agencies, the Bureau of Reclamation and the Army Corps of Engineers, have a long history of failure.

"Some of the highest-profile failures include the Great Mississippi Flood of 1927. That disaster dramatically proved the shortcomings of the Corps' approach to flood control, which it had stubbornly defended despite outside criticism," Edwards wrote on Oct. 21. ["Hurricane Katrina in 2005 was like a dreadful repeat. The flooding was in large part a man-made disaster stemming from poor engineering by the Corps and misdirected funding by Congress."](#)

Between Sept. 8 and Oct. 25 the networks have mentioned potential infrastructure spending in 39 stories on ABC, CBS and NBC morning and evening news programs. The political argument over such spending was typically presented in terms of how to pay for it, rather than "should it be done?" After all, as CBS's Nancy Cordes claimed, infrastructure has "widespread support."

But political support doesn't prove that something is a good economic idea or a benefit to society. The track record of federal infrastructure is littered with wasteful pet projects, engineering mistakes and ecological damage. Yet, not a single one of the 39 stories mentioned any examples of waste, inefficiency or engineering failures that have been accomplished through federal infrastructure spending. One story mentioned the tragic Minnesota bridge collapse to support the idea that the federal government needs to spend

more on repairs.

Edwards brought up many of those historic "missteps" including Idaho's Teton Dam, the Great Mississippi Flood of 1927, Katrina and other federal infrastructure disasters in a Washington Post op-ed.

Not familiar with those examples? The Teton Dam was built by the same federal agency that built the Hoover Dam. But "based on shoddy engineering and a flawed economic analysis," Edwards explained "it collapsed catastrophically in 1976, just a year after it was built."

Hi op-ed made the case that despite both political parties' desire to spend money on such projects, "Federal infrastructure spending has a long and painful history of pork-barrel politics and bureaucratic bungling, with money often going to wasteful and environmentally damaging projects."

Ronald Utt, Ph.D., a senior fellow at The Heritage Foundation, wrote back in 2008 (before Obama took office and spent nearly \$800 billion on stimulus) that embracing New Deal policies like infrastructure spending [would do little to create jobs](#).

With the unemployment rate stuck at 9.1 percent and [more than 2.2 million net jobs lost](#) since Obama took office, it appears Utt was right.

### **Administration Plans to Break Up 'Jobs' Plan, Networks Embrace Infrastructure**

Although Obama's jobs bill just failed to pass the Senate, the administration has made it clear they still intend to pursue the plan. CBS's Erica Hill asked Vice President Joe Biden on Oct. 12, "Does this now get broken up into smaller pieces?"

Biden said yes, "it will be broken up." He specifically mentioned infrastructure spending as something that "historically" both parties have agreed on.

Infrastructure spending is also supported by the network news media. On Sept. 23, Diane Sawyer of ABC said there were ["so many great infrastructure projects"](#) going on in the U.S., but complained that Chinese firms and Chinese workers were the ones hired to complete the projects.

In that report, Chris Cuomo said the proposed \$190 million bridge project in Alaska, and other bridge projects in California and New York "sounds like a great opportunity for government spending to actually lead to real jobs..."

The networks also promoted the first stimulus on the basis that infrastructure spending would lead to job creation. CBS's Chip Reid told "Early Show" viewers on Jan. 12, 2009, ["The total size of the plan is about \\$750 to \\$800 billion - roughly \\$300 billion is for tax cuts for businesses and individuals. The rest will be spent on everything from roads and bridges to renewable energy to create three to four million jobs."](#)

The media continually repeats the idea that government spending on roads, bridges and other sorts of projects creates jobs and spurs economic growth. But as Utt wrote in 2008, Japan's lost decade would indicate that it does not hugely benefit the economy. In fact, it can actually make things worse.

"Japanese fiscal policy during the 1990s was flamboyantly unrestrained, and during that decade no other advanced industrialized country had expanded government spending by nearly as much. Starting in 1991, government spending (outlays) in Japan accounted for just 31.6 percent of the nation's GDP-one of the lowest among members of the Organisation for Economic Co-operation and Development (OECD)," Utt wrote. That year was also the high mark for Japanese prosperity according to him.

Japan increased government spending throughout the 1990s, starting a "massive nationwide program of infrastructure investment." Ten different stimulus packages for infrastructure were instituted. By 2000, according to Utt, "Japan's per capita gross national income had fallen to 73.7 percent of that the U.S. [from 86 percent]."