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OP-ED COLUMNIST

A National Mobility Project

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Government spending is growing at an astounding pace. Congress and the president have thrown hundreds of billions into stimulus packages, domestic programs, military spending and other initiatives. Total federal spending is growing at a 13.8 percent annual rate.

Has all this money done anything to actually stimulate private economic activity? Not that you'd notice. Consumption is cratering. The U.S. economy just experienced the sharpest real drop in consumer spending since 1974.

The lesson here is that we have a right to be skeptical of so-called stimulus packages. The Federal Reserve can effectively stimulate the economy. There are certain automatic government programs, like unemployment insurance, which also do it. But the history of the past century suggests that politically designed, ad hoc stimulus packages rarely work.

Often they get the timing wrong; they come too late to do any real good. Often they get the pressure points wrong; the economy is simply too complicated for lawmakers to know where to apply the stimulus patch. Almost always, they get psychology wrong. When you give people a chunk of money in the midst of economic turmoil, they don't spend most of it. They save it.

Nevertheless, economists continue to propose new stimulus ideas with unshaken confidence and over the next six months, the government will almost certainly pass more gigantic programs. Republican economists are talking of plans larger than \$100 billion, and Democratic ones are hatching plans in the \$300 billion range.

Bad policy ideas are coming in profusion. There are plans to bail out automakers. There are plans to issue more rebate checks (even though the last ones didn't work). Barack Obama is proposing one-time tax credits for small businesses that are hiring. This is an ineffectual ploy that would shower federal money on those few firms that would be hiring anyway while doing nothing for companies in struggling sectors.

These and other plans amount to an economic sugar rush. And yet the political climate being what it is, something big is going to pass.

In times like these, the best a sensible leader can do is to take the short-term panic and channel it into a program that is good on its own merits even if it does nothing to stimulate the economy over the next year. That's why I'm hoping the next president takes the general resolve to spend gobs of money, and channels it into a National Mobility Project, a long-term investment in the country's infrastructure.

Major highway projects take about 13 years from initiation to completion — too long to counteract any recession. But at least they create a legacy that can improve the economic environment for decades to come.

A major infrastructure initiative would create jobs for the less-educated workers who have been hit hardest by the transition to an information economy. It would allow the U.S. to return to the fundamentals. There is a real danger that the U.S. is going to leap from one over-consuming era to another, from one finance-led bubble to another. Focusing on infrastructure would at least get us thinking about the real economy, asking hard questions about what will increase real productivity, helping people who are expanding companies rather than hedge funds.

Moreover, an infrastructure resurgence is desperately needed. Americans now spend 3.5 billion hours a year stuck in traffic, a figure expected to double by 2020. The U.S. population is projected to increase by 50 percent over the next 42 years. American residential patterns have radically changed. Workplaces have decentralized. Commuting patterns are no longer radial, from suburban residences to central cities. Now they are complex weaves across broad megaregions. Yet the infrastructure system hasn't adapted.

The smart thing to do is announce a short-term infrastructure initiative to accelerate all those repair projects that can be done within a few years. Then, begin a long-term National Mobility Project.

Create a base-closings-like commission to organize federal priorities (Congress has forfeited its right to micromanage). Streamline the regulations that can now delay project approval by five years. Explore all the new ideas that are burgeoning in the transportation world — congestion pricing, smart highways, rescue plans for shrinking Midwestern cities, new rail and airplane technologies. When you look into this sector, you see we are on the cusp of another transportation revolution.

A mobility project would dovetail with the energy initiatives both presidential candidates have offered. It would benefit from broad political support from liberals and business groups alike. It would rebalance this economy, so there is more productive weight to go along with Wall Street wizardry.

Smart investors are going to take advantage of the current panic to make money. A smart president could take advantage of it to build something that will last for decades and decades to come.

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