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The Manchurian President

Who's done more than Obama to feed public skepticism of big government?

The paranoid interpretation of Barack Obama's presidency would be that he's a plant from the libertarian Cato Institute slyly working to discredit government.

Could the Tea Party have devised a more diabolical scheme than a liberal president delivering a passionate speech plugging an enormous jobs program that won't work and doing it in grandiose terms that identify it with the historic liberal agenda?

About half of the Obama jobs package is an extension and augmentation of an already-existing temporary payroll-tax cut. At best, preserving the cut avoids the pain of its lapse. It does put more money in the pockets of workers and, at the margins, reduces the cost of hiring for employers. But a lot of the money will be saved, not spent, by strapped workers, and employers will hire based on market conditions, not a tiny boost from government.

The more than \$200 billion in payroll cuts is clever — it looks bipartisan at the same time it helps get the headline number of the Obama proposal up to a bold-seeming \$447 billion. It's a testament to Obama's shrewd positioning that both liberal and conservative *New York Times* columnists tentatively endorsed his package the day after his speech. It's a testament to how little this positioning has to do with economic reality that the *Times's* news pages ran a front-page story shortly afterward, "Employers Say Jobs Plan Won't Lead to Hiring Spur."

Obama's struggles with the economy are reinforcing the idea that government can't solve problems, and that it can't learn from its mistakes. Already dogged by the false promises of the first stimulus, Obama has resorted to a second round of dubious assurances. Perhaps the best he can hope for is that his bill, which he wants to pay for entirely with new taxes, doesn't go anywhere and remains a talking point blissfully free of contact with the real world.

Upon the passage of the first stimulus bill, he touted the "shovel-ready" infrastructure projects

that would create immediate jobs. When few of these jobs materialized, even Obama joked that there's no such thing as shovel-ready. But needing something, anything to call a jobs bill, he's back to misleadingly selling infrastructure as a short-term jobs measure.

In a new twist, he wants \$25 billion to refurbish schools. There is no serious evidence that the physical plant at schools in the United States correlates with student performance. John Maynard Keynes once said that even hiring people to dig up buried cash would help in a recession. Obama wants to bury the cash in schoolyards and pretend it's an educational initiative.

He wrapped this all in a stirring defense of government. What kind of country would it be if we had no bridges or dams? he asked. This is a straw man a crow could identify from 200 feet away. Even Texas governor Rick Perry has roads in his state. One of his biggest projects as governor was a failed attempt to build a massive superhighway.

No one doubts the necessity of infrastructure. But that doesn't mean it should be thought of as a fast-acting jobs program, or that it should trump all fiscal considerations. President Obama invoked Abraham Lincoln as a fellow believer in big, government-supported projects. He didn't mention the sweeping transportation scheme supported by Lincoln as a state legislator in Illinois that collapsed in a heap. It left the state, in the words of a biographer, "with an enormous debt and an empty treasury."

Obama could admit that this recession, driven by a financial crisis, isn't susceptible to quick Keynesian cures and focus on fundamental tax and entitlement reforms. Or he could once again put himself and his party behind an expensive measure poorly designed to meet the current crisis and speak of it as government activism at its finest.

In choosing the later, he risks feeding the skepticism of a public whose faith in government is scraping at 50-year lows. Consider it an in-kind contribution to the Perry campaign, from our Manchurian President.

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