

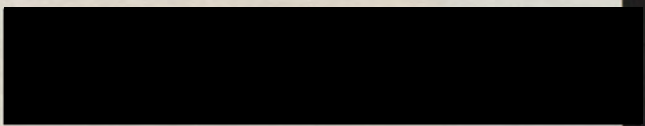
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OPINION

Clinton plan shows why politicians are frauds

■ The program is an ominous move toward collectivization in industry, commerce, health care and other areas. It worked well in the former Soviet Union.

The first thing that needs to be said about the Clinton economic program is that it is not an economic program. It is a political program to give government more power in the economy.

The only analogy that comes to mind is the collectivization of agriculture in the Soviet Union under Stalin. From an economic perspective, collectivization was a disaster, as crops declined, livestock died and human beings starved by the millions. But, from a political perspective it was a great success.

Collectivization gave the Soviet government complete control over this huge sector of the economy and broke the back of any resistance by the peasants. Harvests might not be as large, but whatever was harvested was strictly controlled from Moscow, which could set prices, allocate resources and use food as a tool of its policies in general.

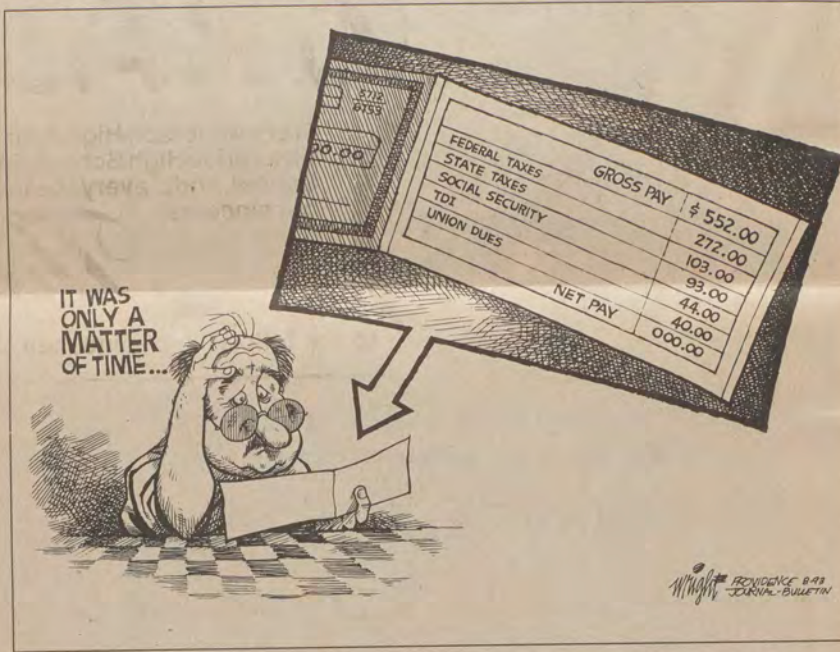
The Clinton economic program may not give the politicians in Washington that kind of control over the American economy, but it is a definite move in the direction of collectivization in industry, commerce, health care and other areas. It may not "work" in the sense of making the public better off, but it can be a big boost for the politicians who can direct resources where they want them to go, regardless of where the market wants them to go.

With that kind of control, politicians can extract huge campaign contributions from businesses heavily dependent on Washington for approval to do anything and fearful of having an army of inspectors from dozens of bureaucracies turned loose on them if they don't go along with the politicians' new schemes.

There may be fewer jobs than otherwise in an economy gummed up by government red tape, but a larger share of those jobs will be created by the politicians, who can take credit for their "compassion."

Like collectivization in the Soviet Union, it could turn out to be an economic disaster and a political bonanza.

Already the Clinton administration has set a couple of dangerous precedents that can be used as



Thomas Sowell



entering wedges to give politicians still more leverage in the economy. The first is a retroactive tax increase. If that somehow manages to survive both legally and politically, then we may rest assured that it will no longer be confined to "the rich."

Politicians seeking expanded powers often shrewdly aim those powers at some small group, which most people are unlikely to care about. But, once those powers are established for one purpose, they can later be used for other purposes.

Appeals to envy of "the rich" were used back in the days of Stalin, when the "kulaks" — the rich peasants — were pictured as the targets of collectivization. But, after a while, even peasants with just a little patch of land and a scrawny cow were defined as "kulaks" and taken over.

The same political game is being played today, with constant talk about how the taxes are going

to be concentrated on "the rich." That may be true for the moment, as far as the retroactive income tax increase goes, but the other taxes on gasoline and the like are going to fall on everyone, directly or indirectly.

Among retired people, if their pensions and Social Security checks, put together, add up to \$35,000 a year, that makes them "rich" enough to get hit with higher taxes.

The idea that the nation's economic resources should go where politicians and bureaucrats want them to go, rather than where consumer demand would lead them, has neither logic nor history on its side. If this way of making economic decisions was the right way to go, Eastern Europe under communism would have been an economic showcase, instead of a basket case.

Nothing is easier than to talk glibly about "targeting the industries of the future" and nothing is harder than to do it. People who have spent their lives in politics or in academia are the least likely to do it, especially when they are spending other people's money and neither profit by being right nor go out of business for being wrong.

The constant over-reaching for more power is not unique with

the Clinton administration, but his officials have done more of it than any administration since that of Jimmy Carter. Moreover, the media and the intelligentsia are chomping at the bit for more government "leadership," after 12 years of frustration at seeing so few of their bright ideas for running other people's lives get turned into public policy.

If anything good comes out of the Clinton administration, it may be a demonstration of why we cannot let our lives be subjected to career politicians, career bureaucrats and academic theorists who pay no price for being wrong.

The need for term limits has never been more apparent. We need to cut down on the number of people who spend their whole lives in politics, never having to meet the test of the marketplace or to live under the laws and directives they create for others.

Opponents of term limits talk about all the "expertise" we will lose if the old-timers get put out of politics. But that "expertise" is largely a self-serving skill in deception and aggrandizement.

It was such "expertise" that produced the record national debt — and the whopping tax increases that will still leave the national debt increasing every year, since total government spending keeps on rising.

President duped citizens with deficit reduction plan

■ The real tragedy of Clinton's triumph in Congress with his economic plan is that all the economic pain to come will be unnecessary.



Martin Anderson

Well, he did it. President Clinton "won" his economic program by the slimmest possible margin — 218-216 in the House of Representatives and 51-50 in the Senate.

And he won it the hard way, by brazenly misrepresenting key elements of the plan and by pleading and finally making costly deals with Democrats for their votes.

Unfortunately, what was good politically for Clinton will be damaging to the economy.

The ancient Greeks had a phrase for victories such as this. When Pyrrhus, the king of Epirus, triumphed over the Romans in the battle of Asculum in 279 B.C. but at the cost of many of his finest men, he is said to have exclaimed, "One more such victory and we are lost." Thus was born the phrase, a Pyrrhic victory, and it fits precisely what Clinton has done.

Our economy will survive the Clinton tax increase of 1993,

much as we survived the Bush tax increase of 1990. Economic growth will be slower than it would have been, personal incomes will grow modestly if at all and new job creation will plummet to the same kind of lows experienced during the Bush-Brady-Darman economic policy of 1990-1992.

The good news is that our economy is so big and so tough and so resilient that it can probably take the kind of economic abuse that Bush and Clinton have thrown at it and, after shaking its head a time or two, still struggle forward. The bad news is all those new jobs that will be stillborn and all those dollars of income that Americans will never see in their paychecks.

All that economic pain to come is unnecessary. And that is the real tragedy of the August 1993 win of President Clinton.

Not all the pain will be felt by

American workers. There will be political pain also. In the final analysis, Clinton and his lieutenants hoodwinked the American people in this deficit reduction plan, and they — and all those representatives and senators who voted for it — will pay dearly when that realization spreads throughout the land.

The Democratic representatives and senators are especially vulnerable because the final vote was so close. A fact that none of them will be able to deny is that each and every one of them is responsible for casting the decisive vote — the vote that made the difference between defeat or victory for this job-killing economic plan.

Each and every one of these Democrats will be forced to explain to their constituents when they run for re-election just over a year from now why they cast the deciding vote for new federal policies that also:

- Raise gasoline taxes by 4.3 cents a gallon.
- Increase income taxes on Social Security recipients making more than \$34,000 a year.
- Provide an additional \$21 billion for cash welfare payments through the "earned income tax credit" to working families making up to \$27,000 a year.

— Increase spending on food stamps by almost \$3 billion.

— Call for no net cuts in federal spending until 1997, after the next presidential election, just slow the growth of federal debt that quadrupled under Reagan and Bush.

The reality of what Congress just passed — large retroactive tax increases on the wealthy, massive increases in welfare spending for the working poor and promised net spending cuts four or five years in the future — is consistent with the economic philosophy of the liberal Democrats who voted for it.

For years liberal Democrats gnashed their political teeth as President Reagan's economic policies produced 96 straight months of economic growth and almost 20 million new jobs. That success was almost too much to bear, and now the Democrats have taken their revenge.

Ignoring the disastrous effect of the Bush tax increase in the early 1990s, they have stubbornly insisted on doing it their way.

Soon we shall all see, once again, that economic policies born of envy, revenge and the hopeless quest for income equality not only fail but have, tragically, the opposite effect of what is apparently intended.



Lobstermen in Portland Harbor, Maine, bait their traps Wednesday.

AP photo

Curfew imposed to stop lobster feud

■ Lobster fishermen use unwritten rules establishing territory by seniority, but disputes have grown as more lobstermen entered the business.

By David Sharp

The Associated Press

PORTLAND, Maine — Being a lobsterman has never been easy. You go to work at dawn, haul heavy traps up from the ocean floor all day long and only make a decent living if you're lucky.

Now, the job in Maine is getting even tougher. Besides fighting the elements and the economy, lobstermen are fighting each other — and a new curfew.

Open feuding and clandestine vandalism are so bad in Portland Harbor that many lobstermen are packing guns.

"It's really bad out there this summer. It's crazy," said a lobsterman who has lost 80 traps this season.

"I don't carry a gun, but most people do," he said, speaking on condition of anonymity because he feared retribution. "I don't know if you know how serious this is."

The state took the unusual step last week of limiting lobstering hours in the harbor, a curfew authorities hope will help cool tem-

pers and ease tensions.

"We're trying to stop violence here," said Maine Marine Patrol Lt. Joseph Fessenden. "We can't sit back and let this happen."

Rivalry among lobstermen is nothing new, but nowhere is feuding more intense than in the deep, lobster-rich harbor of Maine's largest city, where 30 or 40 boats jostle over limited territory.

In past summers, Portland Harbor confrontations included fist fights, boat ramming and gun brandishing incidents. Fishermen retaliate against each other by cutting trap lines.

There have been no reported shootings this year.

Maine's lobster fishermen operate under unwritten rules establishing territory based on seniority, but disputes have grown in recent years as more lobstermen entered the business.

Authorities monitor verbal sniping on marine radio. The state decided to take action when trash-talk escalated to death threats, Fessenden said.

Under an emergency 90-day curfew, lobstermen may pull traps only between 6 a.m. and 4 p.m., instead of the normal summer hours beginning a half hour before sunrise and ending a half hour after sunset.

The limited hours should make it easier for the Marine Patrol to watch lobstermen and keep them off the water at night, when much of the trap line-cutting takes place.

As for guns, the same rules apply to weapons on boats as on land; lobstermen must have a concealed weapon permit if the gun is not visible.

Patten White, executive director of the Maine Lobstermen's Association, said the problem comes down to too many traps in the harbor.

Some lobstermen say a national economic slump has caused more people to start lobstering.

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