from Phyllis Schlaf1y

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Managing the Economy, Reich Style

There's a new star in the Clinton constellation - Robert Reich. Tapped to be Secretary of Labor, he has been called “brilliant” and “a genius,” and hailed as a savior by such economic savants as Walter Mondale and Gary Hart. Does that make you nervous? It should.

If there is one word that Reich is associated with, it is “infrastructure.” He talks about “investment" in infrastructure as targeted investment in strategic structural components of the economy, as determined by government professionals, but you might recognize it by another name: “pork” of course financed by taxes.

Reich is a true believer in having the government decide the areas and the industries where investments should be made to improve the efficiency of the economy. He believes that bureaucrats can do a more enlightened job of spending your money than you can. But can they?

It boils down to what economists call “marginal efficiency of capital.” Will money spent by the government produce more of a return than money spent by the people who earn it?

Economists at the National Bureau of Economic Research recently came to their conclusion: “The best data available indicate that the best estimate of the impact of state or local [government] capital on private output or productivity is essentially zero.”

To be sure, it makes sense to provide enough funds to fix potholes and keep existing buildings in good repair. Numerous studies show good returns from this sort of investment.

But 1et's get real. When the Liberals' giveaway of your hard-earned tax dollars gets underway, they are not talking about filling up holes. They are talking about the attention-grabbing new projects - like shiny new buildings that are named after Congresspersons.

Another favorite theme of Reich's, which he shares with the other riders on the Clinton bus, is that we need a new “organization of society.” As expounded in his q983 book, The Next American Frontier, this is a call for a wholesale revision of the U.S. economic system as we know it.

In his Inauguration speech, President, Clinton called on his Administration to have the “vision and courage to reinvent America.” Reich will gladly fill in the details for this grand p1an.

A fast talker and the liberals favorite academic, Reich paints the picture of an activist, interventionist government, with higher taxes, more income redistribution, and a vastly expanded welfare state. Just think of all the jobs that will open up in the bureaucracy for the Billary Clinton groupies!

Reich envisions a neu corporate brand of collectivism. He wants business to serve as “conduits of government support” for the welfare state, dispensing all the social services such as health care, Social Security, disability, unemployment, insurance and of course lots of daycare.

Reich wants a comprehensive “industrial policy” based on close government, corporate, and labor collaboration. For example, he advocates companies/ receiving payments from the government (i.e., money extracted. from taxpayers), in exchange for employers agreeing not to lay anyone off.

Sound familiar? Have you checked to see how that system is working in Eastern Europe these days?

Reich claims that he has modified his views in recent years, but he is at this moment pushing another of his pet ideas - forcing companies to train workers at their own expense or sending the money to Washington to let the experts do it for them. In Reich/s view, employers and employees are too shortsighted to know when it would be to their mutual benefit to invest in additional training - despite the fact that they are in the best position to make this evaluation.

Reich’s book explains that he doesn’t like what he calls the “mythology” of individualism and responsibility. A true Harvard elitist, he shares the liberal belief that most Americans are too dumb to make their own decisions or plan their own future, and. are desperately in need of direction from benevolent technocrats (like himself).

Reich doesn’t like the fundamental economic issue to be framed as “free market vs. national planning" - no doubt because, given that choice, most Americans would opt for the free market approach. Messy, entrepreneurial capitalism, with its constant, dynamic changes, doesn't fit his agenda.

Reich will be right at home with the other co-commissars of the New Economic Order who favor a utopian, collectivist-vision of a sheeplike society run by benevolent apparatchiks. Cut from the same cloth as Clinton and Gore, Reich is not one to let his total lack of experience in the private sector interfere with his determination to control it.