

MACHO POLITICIANS

POLICY-MAKING in Washington is assuming a dream-like quality, as the Republicans on Capitol Hill flex their muscles and begin to implement their vote-winning Contract with America.

In a court of law, that contract - it gave Republicans a landslide victory last November - would be thrown out as being not worth the paper on which it was written.

But what if it *is* enforceable? In that case, the US is heading for a rapid escalation in the federal deficit, a deterioration in the finances of the nation that was last seen under the supervision of tax-cutting Ronald Reagan.

THE CONTRACT declares that Congress will legislate to "make us all proud again of the way free people govern themselves".

And what do the macho men from Washington plan to do to restore the nation's pride? First, they want fiscal responsibility. They want a "balanced budget".

What they do not reveal is that, to cook the books, it will be necessary to shift the costs of current spending on to the children of future generations.

But Congress has not forgotten the current generation. It plans to pass a Personal Responsibility Act, the centrepiece of which is to withdraw financial support for illegitimate children and children whose parents are receiving welfare subsidies.

How will such legislation translate into a massive increase in the federal debt? Congress wants to cut revenue from taxation. For example: it wants to grant a \$500 per child tax credit - to reduce the burden on people earning up to \$200,000 (£131,000) a year. That one stuck in the throats of 102 Republicans who signed a letter on March 21 urging that the credit be restricted to those earning less than \$95,000 (£61,000).

To show that Republicans are the hard men of politics, they want

- * an effective death penalty
- * more prisons
- * deportation of illegal immigrants
- * weaker controls over police investigation.

BUT NOT everyone is in for a hard time from the

Contract With America

As Republican Members of the House of Representatives and as citizens seeking to join that body we propose not just to change its policies, but even more important, to restore the bonds of trust between the people and their elected representatives.

That is why, in this era of official evasion and posturing, we offer instead a detailed agenda for national renewal, a written commitment with no fine print.

This year's election offers the chance, after four decades of one party control, to bring to the House a new majority, that will reconstitute the way Congress works. That historic change would be the end of government that is too big, too intrusive, and too easy with the public's money. It can be the beginning of a Congress that

New Republicans led by Newt Gingrich. Citing the record of the first Republican president, Abraham Lincoln, they promise responsible government. Landowners will be the main beneficiaries. This is consistent with the philosophic roots of the American constitution (written for land speculators, by land speculators).

For example: there is to be a reduction in the capital gains tax. The principal economic result: an increase in the value of land hoarded by speculators. This is matched by a \$2.7 bn cut in rent subsidies for the poor.

And: compensation from the government for any reduction in the value of property due to limitations on the use of that property. That jeopardises land-use planning, and is a free gift to compensation-seeking landowners who will be able to apply for rezoning - and then demand "compensation" if the authorities turn them down (i.e., limit the value of their land).

ACCORDING to the Congressional Budget Office, the underlying deficit up to 2002 is 4.4% of GDP. The numbers will be worked and reworked, as commentators try to guess whether President Clinton will cave in to the demands of adversaries on Capitol Hill.

Whatever happens, one thing is clear. The Contract with America reveals no understanding of what makes a modern economy work, or how to rebuild

a moral society. The prognosis, therefore, is frightening. The US is destined for a further round of civic harshness matched by a rise in crime and a decline in the quality of life for everyone except those rich enough to retreat behind private stockades.

BASTARDS

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