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Attack of the Killer Cows

BY MATTHEW HOFFMAN

Environmental activists have recently uncovered a plot to destroy The Planet. A foreign race has managed to infiltrate our most pristine spaces with a simple but devastating scheme: to stomp, chew, and defecate The Planet into oblivion. They are perhaps the least suspect of our fellow fauna. They are The Cows.

That's right: The Cows. Fortunately, the National Audubon Society has exposed this plan in a recent documentary, *The New Range Wars*, co-produced and aired by Turner Broadcasting. It opens with a frightening revelation "The American West was once a paradise for wildlife, until it was invaded by an alien species," says narrator Peter Coyote. "Now there's an urgent battle for survival being waged between livestock and wildlife."

"Born in Europe and Asia, cattle are well-known culprits in the world, having ruined huge areas on every continent except Antarctica." But you can bet they have plans for the icy paradise as well.

In retrospect it seems obvi-



ous. How could we overlook those beady, staring eyes; those wide nostrils fuming against The Planet? What could their twisted minds be plotting but global Cowmageddon?

The truth about The Cows began to surface in the late 1980s,

when environmentalists discovered that bovine flatulence was a source of methane, a greenhouse gas. But that was only the beginning. Today, the true extent of their villainy is known. According to the Audubon Society,

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What To Do Until Privatization Comes

BY MURRAY N. ROTHBARD

Free-market advocates are clear about what should be done about government services and operations: they should be privatized. While there is considerable confusion about how the process should be accomplished, the goal is crystal-clear. But apart from trying to speed up privatization, and also forcing that process indirectly by slashing the budgets of government agencies, what is supposed to be done in the meantime? Here, free-marketeers have scarcely begun to think about the prob-

lem, and much of that thinking is impossibly muddled.

In the first place, it is important to divide government operations into two parts: (a) where government is trying, albeit in a highly inefficient and botched manner, to provide private consumers and producers with goods and services; and (b) where government is being directly coercive against private citizens, and therefore being counter-productive. Both sets of operations are financed by the coercive taxing power, but at least Group A is provid-

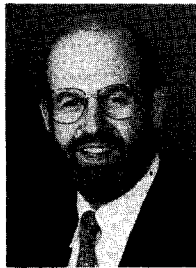
ing desired services, whereas Group B is directly pernicious.

On the activities in Group B, what we want is not privatization but abolition. Do we really want regulatory commissions and the enforcement of blue laws privatized? Do we want the activities of the taxmen conducted by a really efficient private corporation? Certainly not. Short of abolition, and working always toward reducing their budgets as much as we can, we want these outfits to be as inefficient

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Those Bad Old But- toned-Up Days

From the
President



BY LLEWELLYN H.
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IN THIS ISSUE

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Anything dismissed as
"Victorian" these
days is bound to be
virtuous and rare, yet so com-
pelling to decent people that a
mere mention scares the pants
on libertines. I'm talking, of
course, about sound banking,
which the *Wall Street Journal*
dismisses in an editorial as
"Victorian Finance."

"The Victorians were peo-
ple, you recall, who upon dis-
covering the little secret of sex,
thought the human race was
about to vanish," says the *Jour-
nal*. "Likewise, our modern
Financial Victorians have dis-
covered the little secret of cred-
it." The Victorians were merely
realistic about sex, as we are
not about credit, but the wages
of sin are about to be paid.

After the S&L-bank orgy,
Americans no longer believe in
financial promiscuity. That's
why, says the *Journal*, a belief in
100% reserves and "worries
about 'too much leverage' or
'too little capital' creep out of
heavily curtained conference
rooms and into daily conversa-
tions." A "modern economy
runs on credit. And credit runs
on fractional reserves." With-
out them, banks would have
"nothing to lend."

Except on the point that
people are worried, the *Journal*
is wrong about everything,
including the most important:
the Mises Institute's confer-
ence room doesn't have any
curtains. But I can't blame the
editorialist. The entire estab-
lishment is white knuckling it
these days.

If enough people realize the
banks are a house of cards, it
will be 52 pick-up. When a
very small percentage of deposi-
tors demanded their money, it
closed the giant Bank of New
England. Every other big bank
is in similar condition, protect-
ed from the same fate by an
increasingly ephemeral "confi-
dence," with the Federal
Reserve as lender of last resort.
But here's the real "little secret"
of our age: the Fed can't bail
out more than a few big banks
without hyperinflation. Thus
the *Journal's* distress. The gov-

ernment is coming to the end
of its rope, and it's around the
neck of the banks.

All these troubles can be
traced to the legal doctrine of
fractional reserves, which says
that your liquid bank deposits
are owned not by you, but by
your bank, to do with as it pleas-
es. When people realize this, it
scares them. They want their
money to be there when they
need it, not in some deadbeat
real estate project or Third-
World politician's pocket.

Americans no longer believe in financial promiscuity.

As Murray N. Rothbard
and every other free-market
economist before the Progres-
sive Era has argued, there are
two functions in honest bank-
ing: warehousing money as ver-
sus loaning it out. When a
customer deposits his cash for a
fixed term—by purchasing a
CD, for example—the bank
can properly loan it out for one
day less, with prudential
reserves against loan losses. But
a demand deposit is different.

Under the terms of the con-
tract, demand deposits are to be
available any time the customer
wants them. In a sound system,
the banks keep 100% reserves
for their demand deposits. Any-
thing else is fraud, as the best of
the Founding Fathers argued—
if I may be forgiven for harking
back to pre-Victorian times.

As the libertarian Tom
Paine said, money in a bank is
"the property" of the man who
"deposits cash there." He "can
draw the money from it when
he pleases. Its being in the
bank, does not in the least
make it the property of the
stockholders."

Accompanying unsound
banking is fiat paper money.

The only "proper use for paper,"
wrote Paine, is "to write promis-
sory notes and obligations of
payment in specie upon." But
when a government "under-
takes to issue paper as money,
the whole system of safety and
certainty is overturned, and
property set afloat." It is "like
putting an apparition in the
place of a man; it vanishes with
looking at it, and nothing
remains but the air."

Paper money, wrote Paine,
"turns the whole country" into

speculators. "The precarious-
ness of its value and the uncer-
tainty of its fate continually
operate, night and day, to pro-
duce this destructive effect.
Having no real value in itself it
depends for support upon acci-
dent, caprice and party, and as
it is the interest of some to
depreciate," the "morals of the
country" are destroyed with
"new schemes of deceit. Every
principle of justice is put to the
rack, and the bond of society
dissolved."

No matter how often—or
maybe *because* of how often—
we are told that the bank
apparitions are solid, we still
want 100% reserves, witness
the extreme reluctance to leave
more than \$100,000 in any one
account. What is deposit insur-
ance but an attempt to provide
100% reserves by another
name? Unlike real 100% re-
serves, however, it allows the
banks to profit from what
Paine called "vice and immor-
ality."

It's true that eliminating
deposit insurance under a
paper-money, fractional-reserve
system like ours would bring
chaos, but that is what's coming

anyway. Substitute hard money for paper, make the dollar an unchanging weight of gold, and we would have a real market system.

Note: so-called deposit insurance cannot be privatized. Banks, as entrepreneurial ventures, are not insurable, except against poolable risks like fire and theft. No businessman can purchase insurance against failure, and in a free market, neither would any bank. Deposit insurance is merely a govern-

ment subsidy to the banks, and as such, illegitimate. Without it, banks would be subject to market forces like every other business. They would have no privileges or immunities beyond the rule of law.

"Paper money appears," said Paine, to cost "nothing; but it is the dearest money there is." More bank credit inflation, which the *Journal* advocates to turn "bad credits into good credits," is no different; it causes economic distortions, future

recession, and illegitimate transfers of wealth, all to bail out a group that deserves opprobrium, not welfare for the well-connected.

Human nature is the same today as in the Victorian era, and so are the laws of economics. The only solution to the bank crisis is the old solution, which every good economist advocated before our wanton century: honest money and honest banking. Now all we need is a Tom Paine to lead *that* revolution. ♦

Another View of Civil Rights

BY PAUL
GOTTFRIED AND
JEFFREY A. TUCKER

According to official conservatives, the 1964 Civil Rights Act was designed to make the United States a colorblind society by outlawing discrimination, but federal judges and bureaucrats betrayed this vision with reverse discrimination. We should therefore return to the golden age of civil rights, the racial brotherhood of the 1964 Act and Martin Luther King's "I Have a Dream" speech.

This is a fable. The atmosphere in which the Act was passed was one of racial and social hysteria. Anyone who opposed it—as did classical liberals and conservatives—was branded a racist or segregationist, just as Barry Goldwater was smeared for opposing the Act in his 1964 campaign. Black nationalism was on the rise, and the civil rights lobbies were becoming increasingly radicalized. Far from being a time of social peace, it was a classic revolutionary situation.

Martin Luther King—in speeches and interviews recently compiled in *Testament of Hope*—had called for reparations and other privileges for black Americans. The fact that King did not emphasize the same themes in the "I Have a Dream" speech does not mean that reverse discrimination didn't dawn on civil rights leaders until the late sixties. It was part of the movement from the beginning, even if unemphasized in the early days.

The civil rights lobby has pursued an incremental strategy for decades. Groups striving for political power over others seldom stress the plans that they intend to implement once on top. And those who supported civil rights in the sixties, like Senator Hubert H. Humphrey (D-MN) who eventually also openly supported quotas, usually grasped the distinction between tactics and goals. Civil rights advocates did not abandon the movement when it spoke openly about quotas and reparations. They recognized themselves as actors in a revolution, focusing on those issues that the public was already receptive to, while taking advantage of media-implemented white guilt to push the revolution further.

Establishment conservatives may deplore the way that civil rights issues have evolved, but few defections have occurred within the movement itself. Nor did movement veterans express alarm or betrayal when Thurgood Marshall called the Constitution the work of sexists and racists. The sentiment is appropriate for a civil rights leader, though it would have been tactless to state it openly 30 years ago. In the same vein, King avoided in his "Dream" speech his true feelings about whites, as expressed in an interview with *Playboy*. Nor did he demand at the Washington Mall the draconian race quotas he actually advocated for American business.

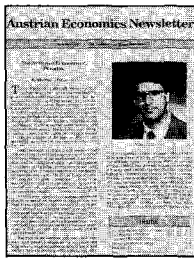
In the real world, social revolutions go on until they encounter powerful forces of resistance. This has not happened with civil rights, or any other aspect of the managerial state's intrusion into our lives. Nor will we generate resistance by joining neoconservatives in their amnesia about 1964.

The logic and wording of the Act itself proves it was designed for massive egalitarian social engineering. Title II begins dramatically: "All persons shall be entitled to the full and equal enjoyment of the goods, services, facilities, privileges, advantage, and accommodation of any place of public accommodation...without discrimination or segregation on the ground of race, color, religion, or national origin."

The price system itself serves as a means of "discrimination": rich people are able to purchase and enjoy more and better goods and services than poor people. Simple geography also restricts equality: restaurants, for example, will always be better in some areas than others.

The complexity of social and economic life mandates *inequality* in condition and opportunity, a fact that cannot be legislated away. Discrimination on some grounds is a necessary part of life. Any alternative vision is utopian and dangerous.

Of course, the Act was not intended to create a socialist utopia of perfect equality, even if



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that might have been the effect of a literal interpretation of its language. It was supposed to make racial and other "discrimination" illegal. The key words in the opening sentence of Title II are that discrimination is not allowed "on the ground of" race, national origin, etc. That is to say, it is not *actions* themselves that are outlawed, but motives (subjective states of mind).

For example, under the Act it was *not* considered a crime to exclude a black person from a restaurant because he's inappropriately dressed. It was the exclusion of a person "on the ground" of his race that was outlawed.

But how could the government know for sure the restaurant owner's motives? What if the real basis of exclusion is a mixture of motives? Was a bad motive both necessary and sufficient for prosecution? Civil rights leaders never answered these questions, because to do so would have removed a degree of ambiguity that proved useful to their real agenda.

What was illegal under a system that enforced private property contracts became legal, and criminal to resist.

The problem of discerning motives is even tougher in labor contracts (hiring, firing, compensation, job conditions, etc.). The act was supposed to enshrine "equal employment opportunity," but it actually made it illegal to offer labor contracts, or refuse to offer them, because of motives the government disliked. The illegal motive is refusing to hire someone "because of" his race, color, religion, sex, or national origin.

Once again, the key is "because of." Motives define the difference between a legal contract and an illegal one. The Act considers it okay not to hire a German on economic grounds, but not by virtue of his being German. In other words, the Act purports to be able to see into peoples' hearts to discern their motives.

Consider a case when there is

er could easily be prosecuted. But there are few clear-cut cases. Moreover, the market tends to work against irrational discrimination. The employer who persisted in sacrificing efficiency to feed his bigotry would be driven out of a competitive market.

Clearly, then, if the government had adhered to the narrow interpretation of the Act, there would be virtually no cases to prosecute. If the government wanted to remake society in the name of "civil rights," which it certainly did, bureaucrats and judges needed a more enforceable definition of discrimination.

One such definition involves the following case. Two men, a black and a white, are "equally" qualified for a job, but the black is rejected. The government could assume that the person was turned down because of his race, and thus prosecute the employer. In this situation, the only way to avoid suspicion is to defer to civil rights norms and hire the black.

But in threatening prosecution in such a case, the government effectively admits what it officially denies: the member of the minority group has been given preferential status in employment. When faced with two "equally qualified" men, the employer must hire the black. This is how blacks were given special entitlements to jobs.

(We bypass the absurdity of the phrase "equally qualified." It is impossible for two people to be "equally qualified" since no two human beings are identical. There are always differences between them, and on the margin, some of these differences will be job relevant.)

An even easier route to detecting civil rights violations involves simple head counting. We could take a count of the races (or nationalities, etc.) in a particular firm and check it against the mixture in the community. If there isn't enough of one group represented, the government can assume discrimination, and prosecute. This is the course recently taken by the courts, and it has forced businessmen to set *de facto* quotas.

Quotas, then, represent an

How can a law be considered "colorblind" when its whole basis is to separate people by their group identities?

The problem of discerning motives became especially important since the Act gave anyone who felt he was a victim of bad motives the right to force entry into a private firm. "No person shall withhold, deny, or attempt to withhold or deny, or deprive or attempt to deprive, any person of any right or privilege," said the Act. Property owners who objected could not be seen even to "attempt" to "intimidate, threaten, or coerce" those who force entry into their private sphere.

no ambiguity about motives. An employee is turned down for a job, and receives a letter like the following:

Dear Heinz: You are intelligent, articulate, well qualified, and honest. Hiring you would increase my profits. But you are German, and I hate Germans. No job for you, Kraut. Sincerely, Joe Bigot.

Such a letter would prove an improper motive, and the employ-

effort to apply the 1964 Civil Rights Act in the real world. Quotas do not stand the law on its head; they merely apply in a more coherent and less uncertain way than the vague standards set in the bill itself.

The same is true of Title IV on public school integration. It's true that the Act said "desegregation" shall not mean the assignment of students to public schools in order to overcome racial imbalance." But barring the ability of bureaucrats to read school administrators' minds to determine whether they are acting "without regard" to a student's race, "racial imbalance" ends up being the only way to objectively determine discrimination. And the Act implicitly affirms this: if certain student groups lack "educational opportunity," and this pattern falls along racial lines, discrimination exists.

Critics will point to the section of the Act (Title VII, sec. 703) that warns: "nothing in this title shall be interpreted to require" anyone "to grant preferential treatment to any individual or to any group because" of race, etc. But given the rest of the Act, these few lines are about as relevant as Latvia's constitutional right to secede.

One has to wonder how a law can be considered "colorblind" when its whole basis is to separate people by their group identities. The Act tags groups by their race, national origin, religion, and sex, and grants certain ones "rights" based on that identity. If the law's only intention was to have people treated as individuals, to be judged by their individual merits, there would have been no mention of classifying people by their racial or sexual identity.

These group identities are ultimately arbitrary from a legal

standpoint. Why, for example, is a person's race and national origin singled out as opposed to his hair length, accent, or height, all of which could affect hiring decisions? The reason is that the government was interested in more than fairness; it wanted to reverse historical patterns of social engagement through "affirmative action."

Because these classifications were based on the degree of political pressure one or another group could bring to bear on Congress, and not neutral concern for the social order, the group classification game quickly expanded. Today we have the "differently abled," the AIDS infected, and even the obese demanding group privileges. And the Act itself contained an early flirtation with the idea of expanding "civil rights," in that case, to older people; it directed the Secretary of Labor to perform a study to see if people were being discriminated against "because of age." Surprise, the study said yes, which resulted in another civil rights act a few years later. Thus, far from being an abandonment of the spirit of civil rights, the proliferation of victim groups follows logically from the original Act.

There were some exceptions. For example, the section on public accommodations (Title II) excludes the group identity of "sex," since the spirit of the times allowed businesses to admit only men or only women. But when it came to employment (Title VII), "sex" was included as an illegitimate consideration in discrimination. Under the Act, you could run an all-male school, but not seek to hire only men as employees. (The Act *does* allow discrimination, however, on the basis of

"religion, sex, or national origin"—*but not race*—provided it is "necessary to the normal operation" of the school or business. To discover the meaning of "normal operation" was, of course, the job of lawyers and judges.)

Perhaps the biggest danger was the Act's conflation of public and private property. Far from making the traditional distinction—that "public" means government and private means non-government—the Act mixes the terms. "Public" is any place where the public goes, even if privately owned. Thus the right to "public accommodations" means the right to force your way into a business against the will of the owner. This effectively made private property the domain of the entire nation and all its inhabitants.

Title VII empowers bureaucrats to take "affirmative action which may be appropriate" toward righting the effects of past discrimination. This could include "reinstatement or hiring of employees" and perhaps even "back pay."

A number of senators, not all Southerners, worried that such language could have sweeping policy implications. But Senator Humphrey, a sponsor of the bill, pledged his "word of honor" that it would not be used for reverse discrimination.

Far from being the answer to social strife, the Civil Rights Act of 1964 is the source of many of our problems. No amount of legislative tinkering, from either Republicans or Democrats, will solve this problem. As long as civil rights laws grant special favors to some at the expense of others, egalitarian social engineering will continue, and social strife will grow. ♦

U.S. Trade Hypocrisy

BY JAMES BOVARD

Due perhaps to the high pollen count in Washington this year, U.S. trade officials have been slightly more rabid than usual in denouncing unfair foreign trade practices. The U.S. Trade Representative (USTR) recently

released the massive annual report on foreign trade barriers. This report—widely hailed in the American media as proof of foreign unfairness—is actually a monument to U.S. hypocrisy.

Since the USTR report is a fount of American fair trade poli-

cy, it deserves close examination. Deputy U.S. Trade Representative Linn Williams captured the spirit of U.S. trade policymaking when he asserted: "We don't really have any apologies to make relative to other countries. We've all got glass in our houses but



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we've got less than others." But, looking at some of the U.S.'s criticisms of foreign nations, the question arises: Do U.S. trade policymakers ever blush?

The U.S. denounced many foreign nations even when the U.S. is equally or more protectionist on the same product. USTR criticized the European Community for high tariffs on wood products and gas-powered trucks. The current EC duty on imported softwood plywood is 10%, while the U.S. duty is 20%. The European tariff on U.S. truck exports ranges from 5% to 22%; the U.S. tariff on European trucks is 25%.

The USTR condemned Canada for its quota on U.S. ice cream exports. But the USTR forgot to mention that while Canada allows the U.S. to send 347,000 kilograms of ice cream north of the border, the U.S. prohibits Canada from shipping a single scoop to the U.S.

USTR condemned Indonesia because the government "has imposed export bans on logs and raw and semi-processed rattan. The export embargo on rattan, imposed in July 1988, affects U.S. producers, importers and consumers of rattan furniture." Yet the U.S. embargoes log exports from federal and state government lands.

USTR criticized many foreign nations for biases in government procurement policies. But, in the U.S., the federal Urban Mass Transit Authority requires local and state governments to give a "Buy American" preference of 25% on U.S. company bids for railroad and subway cars. In 1987, Congress decreed that school districts should buy only American food for school lunches. The Pentagon is prohibited from buying foreign-made suspenders, supercomputers, machine tools, specialty steel items, coal, and ship propulsion shafts. The Defense Department complained in a 1989 report to Congress that many Buy American restrictions "provide protection and guaranteed business to U.S. industries without any requirement or

incentives for the industry to modernize and become competitive."

On Saudi Arabia, the USTR complained, "Restrictive shelf-life requirements the Saudis imposed upon certain processed food products including peaches and fruit cocktail concern U.S. exporters.... Under the requirements, the permissible canned fruit shelf-life dropped from a previous range of 17 to 36 months to 18 months." The "great fruit cocktail trade barrier" amounts to a disagreement over how long fruit cocktail should be allowed to sit on a shelf. Since Saudi Arabia can be hotter than Hades, a shorter shelf-life for canned fruit may be justified.

On Finland, USTR complained, "On January 9, 1985, the Finnish Plant Quarantine Authority implemented a ban on imported softwood products.... The ban stems from the discovery of nematodes in a 1984 woodchip shipment from the southern U.S." But the U.S. follows the same policy, and currently has many import prohibitions due to plant and agricultural diseases.

For example, the U.S. Agriculture Department banned the import of key limes from Mexico in 1983 because it suspected the limes had a contagious bacterial infection. In 1991, USDA admitted that it had been mistaken and ruled that the Mexican limes posed no threat to the U.S. Trade embargoes based on legitimate fears of contamination are not protectionist.

USTR complained, "India has an unpublished policy that encourages countertrade." But, the U.S. government itself uses countertrade to boost U.S. farm exports, and the 1988 Omnibus Trade Act created a separate Office of Barter in the Commerce Department to encourage more countertrade.

Naturally, the most complaints in the report were directed at Japan. USTR estimated that U.S. rice exports could amount to as much as \$656 million per year. Though U.S. trade policymakers have made this a leading issue, total potential U.S. sales to Japan are actually less than the total

U.S. government annual rice subsidy to U.S. rice growers—\$683 million in 1990.

The U.S. also complained that Japanese tariffs on agricultural products—which average 12.1%—"remain unduly high." But, U.S. tariffs on farm products are far higher than most people realize—including a 22% tariff on soybean oil, a 40% tariff on orange juice, a 28% tariff on frozen chicken, and a 35% tariff on tuna. USTR complained of Japanese tariffs on dairy products; but a U.S. International Trade Commission study concluded that U.S. dairy import quotas impose the equivalent of tariffs as high as 190%.

Perhaps the most audacious criticism in the report was made of Singapore. USTR conceded that 91% of imports enter Singapore duty-free—but complained, "However, Singapore currently maintains tariff bindings on less than 1% of its tariff lines, in comparison with the United States, which has bound 98% of its tariff lines." Apparently it is less protectionist to have a high tariff—such as the 458% U.S. tariff on imported tobacco stems and 151% on low-priced watch parts—bound by GATT, than to have a zero tariff with no GATT-binding. This is fair trade moralism at its picayune best.

American trade negotiators are often blinded by moral arrogance. USTR Carla Hills told the U.S. House Ways and Means Committee in 1989, "I hasten to tell other nations that we are the freest and most open market in the world and that even in those areas that are most restricted, we do import per capita far more than our largest trading partners." As Hills must know, Hong Kong, the United Arab Emirates, and Singapore are more open than the U.S.

And, as for her claim that "even in those areas that are most restricted, we do import per capita far more than our largest trading partners," Hills forgot that Canada, the U.S.'s largest trading partner, imports far more sugar, peanuts, and cotton per capita than does the

U.S. (Those items are restricted by U.S. import quotas.) The assertion that the U.S. has the world's most open markets has long been a cardinal tenet of American trade theology, and is often a prelude to demanding new trade barriers, somewhat like a person loudly announcing that he loves his neighbor before

slamming the door in his face.

It is farcical for the U.S. government to publish an annual list of foreign nations' crimes against pure free trade orthodoxy—an orthodoxy that exists largely in the imaginations of Congressmen and U.S. trade negotiators. Righteous indignation is no substitute for

a coherent trade policy. The U.S. government would be wiser to devote its efforts to understanding how U.S. trade barriers skewer American producers and consumers, rather than the supposed injustice that foreign canned fruit shelf-life requirements do to American exporters. ♦

Attack of the Killer Cows

CONTINUED FROM PAGE ONE

The Cows are wreaking havoc on the Western plains of the United States—devouring grasslands, pooping in rivers, and driving their Politically Correct counterparts, The Buffalo, from their natural habitat.

The Cows leave only ecological devastation in their wake. Their hooves compact the soil, increasing water runoff and promoting soil erosion, says Audubon. They endanger antelope, sheep, elk, and tortoises. And in their spare time, they seek out and murder baby trees: "Tender young saplings are one of their favorite snacks."

Other environmental groups have recognized the bovine threat. The Worldwatch Institute has issued *Taking Stock: Animal Farming and the Environment*, which reveals that The Cows cause forest fires and fossil fuel depletion. "Cows have a knack for destroying fragile, pristine desert ecosystems," warns Earth First! And they're annihilating the Amazon rain forest, says Earthworks.

"Cattle are an unnatural disaster," says Steve Johnson of Native Ecosystems. "They are an exotic, introduced ungulate, with a great capacity for destruction." Clearly, The Cows must be stopped.

Fortunately for The Planet,

environmentalists are battling to do just that. Through Congressman Mike Synar (D-OK), they have introduced legislation to raise grazing fees on public lands 400% over the next four years. The Synar legislation passed the House in late June, and an amended version that spreads the increase over five to seven years was passed a month later, after congressional proponents argued that the measure would raise \$150 million a year for the government.

Just in case people get the idea that this is a sleazy attempt to gouge the cattle industry, Jim Fish of the Public Land Action Network emphasizes that "what we're proposing is getting all the livestock off the public lands."

Environmental activists have assumed responsibility for the tough choices that must be made. When confronted with the hundreds of small ranching towns that might be destroyed by the Synar amendment, Fish is unwavering: "I feel like they're a dying breed anyway, and I just don't see why we should let them continue to destroy the public land to support a lifestyle whose time has passed."

More devoted ecology groups

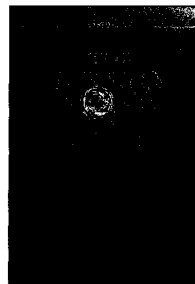
have decided to engage The Cows in armed combat. After several guerrilla operations, including the destruction of a livestock auction building in California, a full-scale battle recently occurred on federal land in southern Utah. A brave band of activists killed 21 cattle and destroyed two of their installations (referred to euphemistically as "line cabins"). This may be only the beginning of a long war.

Of course, The Cows have their apologists. The most prominent are The Cattlemen, who suggest that closing the public lands to cattle ranching might drive up beef prices and throw thousands of people out of work. Worse, they smear environmentalists by pointing out that they usually pay no fees for their forays on public grounds, and that driving the cattle away will eliminate their main competitor for control of federal lands.

Be wary of such propaganda. The Cows and their friends are masters of deception. They want the public to dismiss the cowspiracy as an environmentalist hoax, designed to dupe Americans into relinquishing control of federal lands to ecofanatics and bureaucrats. Don't you believe it. ♦

Book of the Month

Ludwig von Mises's *Theory of Money and Credit*, published in 1912, is still the best book on money and banking ever written. On the origins of money, the gold standard, central banking, inflation, commercial banking, the business



cycle, and all related issues, it remains the standard work, written in a clear, logical style so unusual in economics today. This 541-page, large-format, high-quality paperback is \$12, including postage and handling. ♦

What To Do Until Privatization Comes

CONTINUED FROM PAGE ONE



Murray N. Rothbard, dean of the Austrian School of Economics, heads academic affairs for the LvMI

as possible. It would be best for the public weal if all that the bureaucrats infesting the Federal Reserve, the SEC, etc. ever did in their working lives was to play tiddlywinks and watch color TV.

But what of the activities in Group A: carrying the mail, building and maintaining roads, running public libraries, operating police and fire departments, and managing public schools, etc.? What is to be done with them? In the 1950s, John Kenneth Galbraith, in his first widely-known work, *The Affluent Society*, noted the private affluence living cheek-by-jowl with public squalor in the United States. He concluded that there was something very wrong with private capitalism, and that the public sector should be drastically expanded at the expense of the private sector. After four decades of such expansion, public squalor is infinitely worse, as all of us know, while private affluence is crumbling around the edges. Clearly, Galbraith's diagnosis and solution were 180-degrees wrong: the problem is the public sector itself, and the solution is to privatize it (abolishing the counter-productive parts).

But what should be done in the meantime?

There are two possible theories. One, which is now predominant in our courts and among left-liberalism, and has been adopted by most Libertarians, is that so long as any activity is public, the squalor must be maximized. For some murky reason, a public operation must be run as a slum and not in any way like a business, minimizing service to consumers on behalf of the unsupported "right" of "equal access" of everyone to those facilities. Among liberals and socialists, laissez-faire capitalism is routinely denounced as the "law of the jungle." But this "equal-access" view deliberately

brings the rule of the jungle into every area of government activity, thereby destroying the very purpose of the activity itself.

For example: the government, owner of the public schools, does not have the regular right of any private school owner to kick out incorrigible students, to keep order in the class, or to teach what parents want taught. The government, in contrast to any private street or neighborhood owner, has no right to prevent bums from living on and soiling the street and harassing and threatening innocent citizens; instead, the bums have the right to free "speech" and a much broader term, free "expression," which they of course would not have in a truly private street, mall, or shopping center.

Similarly, in a recent case in New Jersey, the court ruled that public libraries did not have the right to expel bums who were living in the library, were clearly not using the library for scholarly purposes, and were driving innocent citizens away by their stench and their lewd behavior.

And finally, the City University of New York, once a fine institution with high academic standards, has been reduced to a hollow shell by the policy of "open admissions," by which, in effect, every moron living in New York City is entitled to a college education.

That the ACLU and left-liberalism eagerly promote this policy is understandable: their objective is to make the entire society the sort of squalid jungle they have already insured in the public sector, as well as in any area of the private sector they can find to be touched with a public purpose. But why do Libertarians support these "rights" with equal fervor?

There seem to be only two ways to explain the embrace of this ideology by Libertarians. Either they embrace the jungle

with the same fervor as left-liberals, which makes them simply another variant of leftist; or they believe in the old maxim of the worse the better, to try to deliberately make government activities as horrible as possible so as to shock people into rapid privatization. If the latter is the reason, I can only say that the strategy is both deeply immoral and not likely to achieve success.

It is deeply immoral for obvious reasons, and no arcane ethical theory is required to see it; the American public has been suffering from statism long enough, without Libertarians heaping more logs onto the flames. And it is probably destined to fail, because such consequences are too vague and remote to count upon, and further because the public, as they catch on, will realize that the Libertarians all along and in practice have been part of the problem and not part of the solution.

Hence, Libertarians who might be sound in the remote reaches of high theory, are so devoid of common sense and out of touch with the concerns of real people (who, for example, walk the streets, use the public libraries, and send their kids to public schools) that they unfortunately wind up discrediting both themselves and libertarian theory.

What then is the second, and far preferable, theory of how to run government operations, within the goals for cutting the budget and ultimate privatization? Simply, to run it for the designed purpose (as a school, a thoroughfare, a library, etc.) as efficiently and in as business-like a manner as possible. These operations will never do as well as when they are finally privatized; but in the meantime, that vast majority of us who live in the real world will have our lives made more tolerable and satisfying. ♦