

The Western land grab: Mont Pelerin joins the U.S. environmentalists

by Renée Sigerson

The elite, far "right-wing" Mont Pelerin Society of Austrian economist Friedrich von Hayek is working with U.S. environmentalist organizations in an effort to undermine U.S. federal authority over the administration of Western public lands. The initial contacts between the European-dominated Mont Pelerin core and U.S. "liberal" environmentalists date back to 1980. At the September 1982 international conference of the Mont Pelerin Society, these contacts were upgraded and put into the first phase of an "activist" public campaign.

According to various reports, the Mont Pelerin Society has established cooperation with the Wilderness Society, the Environmental Defense Fund, and the Audubon Society in the United States. Cementing these links is part of a secret strategy, launched at the September conference, to take command of "mass" anti-establishment organizations in Western countries.

The Mont Pelerin Society's work with the environmentalists is being channeled through an intermediary, the University of Montana's Center for Political Economy in Bozeman, Montana, directed by John Baden. This section of the University of Montana is one of the most influential private policy groups affecting policy-making for Western lands. A leading economist from the Bozeman center, Richard Stroup, was appointed in 1980 to head the Department of Interior's Policy Planning Division. Over the past two years, the Mont Pelerin Society has essentially succeeded in taking command of the center, where researchers are being rallied to develop a "new economic theory" called "free-market environmentalism."

The Mont Pelerin Society is one of the foremost propaganda instruments of the old, hereditary European oligarchy, who aim to maintain their huge stake in the world economy by forcing a reversion to a system of feudalistic "land-rent." The Society's call for "free enterprise" and its blasts against "big government" is part of an ideology that the motor of economies is individual, hedonistic "greed," not the impulse for industrialization and technological advances which modern nation-states have fostered.

Thus, fundamentally, the "right-wing" hardliners around Mont Pelerin's Friedrich von Hayek have complete agreement with the limits-to-growth goals of environmentalism, and in fact, as *EIR* has repeatedly documented, both environmentalism and "free market"-ism are controlled, on the highest levels, by the same oligarchic interests. But there is a unique danger facing the U.S. economy from the current constellations of alliances the Mont Pelerinists are piecing together in the United States.

Resource-grab versus industrial development

In recent years, wealthy European families have poured billions of dollars in investments into acquisition of U.S. land holdings, acquiring everything from farming and ranchlands to timber and mineral wealth. If foreign shareholdings of major U.S. firms engaged in timber, mining, and energy activity are included in the aggregate estimate of such foreign ownership, the amount of U.S. land and resource wealth in oligarchical possession zooms to the order of many tens of billions of dollars.

These European-based oligarchical families are attempting to "bed down" (financially and even in some cases physically) in the United States to weather what they foresee as the onset of the worst depression in world history. They aim to exercise control over the flow of basic resources within the U.S. economy, on the assumption that once the financial speculative markets have been closed down under full-scale depression conditions, such "ground-rent" will be the only reliable source of return on investment.

The commitments such families have already made are substantial. As far as these politically powerful foreign investors are concerned, such investments must be protected. And the Mont Pelerin Society is one of the oligarchy's more effective "protection rackets."

The greatest potential danger to the "land-grab" investment schemes under way is that Washington, D.C. will use its authority as chief U.S. land administrator and its right of "eminent domain" to open a new era of broadscale economic development of the Western states. Were there a sufficient

level of public support for such a development push, even a depression could not halt the U.S. government from launching such a policy, since the United States has every single financial and industrial resource it would need to launch such programs at any time.

Therefore, it is not surprising to discover that the issue around which the Mont Pelerin Society is building bridges to U.S. environmentalists is a call for "privatization of public lands."

After several months of probing for support for the land privatization platform, the Mont Pelerin-Bozeman center circuit is now beginning a one-year effort to extend this campaign to privatization of water supplies in the Western states. The availability or scarcity of water is the single most important issue which will determine the future economic life of the West. It is a simple matter to document that only the federal government has the resources to engineer supplying desperately needed water to this vast land region, through such development projects as the North American Water and Power Alliance (NAWAPA).

Kooks and bird-watchers

The first occasion on which the Mont Pelerin Society reached out its thorny fingers toward U.S. environmentalists was in 1980, around its international conference held in Stanford, California. The high point of that event was a speech delivered by Central European nobleman Max von Thurn und Taxis, world chairman of the Mont Pelerin Society, in which he defined the legalization of the world's "black economy" (the vast financial flows associated with everything from narcotics pushing to gambling to offshore banking) as the most important economic objective of the 1980s.

This was the first time the Bozeman Center was invited to join the Mont Pelerin circuit. This year three economists from the Bozeman Center were invited to attend Mont Pelerin's West Berlin biannual international conference. The primary subject of discussion was the necessity for the Mont Pelerin Society to develop organizational ties with "mass" agitational organizations, which could make its propaganda a control-point on the economic decision-making of governments around the world.

Acting now as an extension of Mont Pelerin, the Bozeman Center published in its September newsletter: "We have concluded from our studies that there is a potential coalition of fiscal conservatives, conservationists, and individuals who value freedom. . . . It is our hope that we can play a major role in achieving objectives that are consistent with these values." The Bozeman Center's efforts are being coordinated with a U.S. front for the Mont Pelerin Society, the Washington, D.C.-based Cato Institute, which has far-flung foundation financing, and includes Friedrich von Hayek and other Mont Pelerin members on its board.

In November 1982, the Bozeman Center held a joint forum with the Washington, D.C.-based Wilderness Society

on the "land privatization" theme. Both Bozeman and the Cato Institute have been publishing proposals that in addition to putting up government-owned land for sale, the federal government should establish "free-enterprise land trusts" to be owned and administered by environmentalist organizations.

While the proposal would strike many ordinary citizens as quite "kooky," in fact there exist already in the United States about 400 private "land trusts," which are the model on which this proposal is based. Only one of these is managed at present by an environmentalist organization—the Audubon Society. The rest are run by secretive consortia of investors, in many cases acting as fronts for foreigners. In addition to praising the Audubon Society's experimental trust, Bozeman sources are also interested in working more closely with the Environmental Defense Fund.

The Mont Pelerinists are working through these various layers of fronts and cutouts because, on the surface, their stringent "right-wing" outlook would seem to exclude cooperation with "liberally tainted" environmentalists. Yet the "anti-establishment" environmentalist camp, with its hostility to government authority, is a natural ally for the Mont Pelerin movement.

It is highly unlikely that the U.S. federal government would put up for sale the 700 million acres of U.S. public land under its administration. However, as a result of changes in land policy effected when the Reagan administration took office, it is very likely that by 1984, some 10-20 million acres will be scheduled for privatization.

The land-policy issue is a complex one, and oddly, due to the insane fashion in which land was overseen during the Carter administration—when environmentalism succeeded, for example, in cancelling all new leases to mining companies—the current adjustments, including the limited land sales, will not necessarily be detrimental to the U.S. economy.

More interesting is the political maneuvering afoot on this issue. Many observers of the land debate assert that a series of resignations from the Reagan administration which occurred last summer were triggered by disagreements over the land-privatization question. These resignations included Assistant Treasury Secretary Paul Craig Roberts, economics advisers Martin Anderson, and Steven Hanke. When these resignations occurred, they were widely characterized as a pattern of "supply-side ideologue" desertions from the Reagan camp, although the specific issues which provoked the desertions were ambiguous. Among those several sources now insisting that Anderson, Hanke and Roberts favored a much larger land sales program than the administration, and tendered their resignations in protest to being turned down, is the McGraw-Hill energy/mining publications center in Washington, D.C. Roberts is a longstanding member of the Mont Pelerin Society, which certainly strongly suggests that in the same period Mont Pelerin was gearing up its land grab efforts, it pulled its fiscal conservative allies in the administration out with the aim of regrouping its political clout.