

YOU HAVE TWO COWS . . .



Here is an analogy that has been around for years that attempts to use two cows to explain political and economic systems.

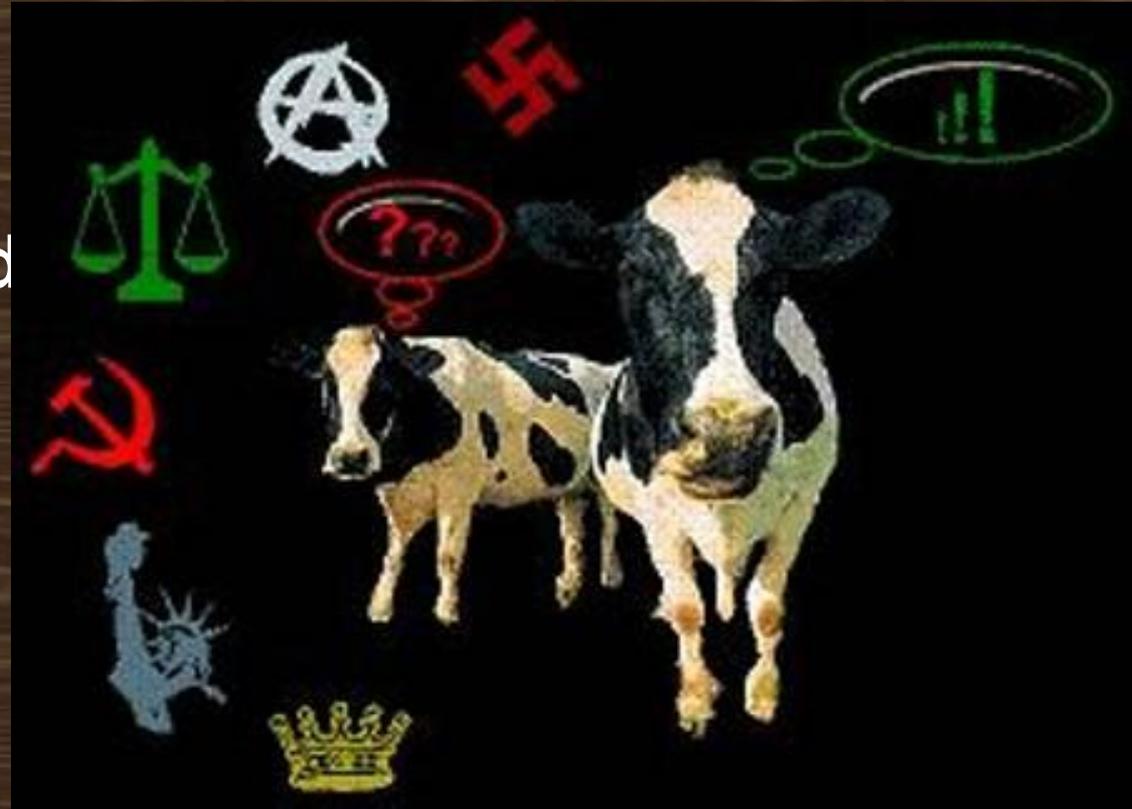
POLITICAL SYSTEMS

How societies
allocate power:

Can people be trusted
to govern
themselves?

What is the goal of
the political system?

Who decides? Where
do they get the power
to govern?



TOTALITARIAN SINGLE PARTY STATE

You have 2-Cows.

The “Party” seizes the milk.

If you disagree, “Party” takes the cows, denies they ever existed, and shoots you. Milk is banned. Your brother joins an underground resistance group.



TOTALITARIAN DICTATORSHIP

You have 2-Cows.

The government
takes both and
drafts you into the
secret military
police.



TOTALITARIAN THEOCRACY



You have all the cows
in Iran, which are 2.

You don't milk them
because you cannot
touch any cow-parts
covered by her burqa.

Then you kill them
and claim a U.S.
drone blew them up.

TOTALITARIAN MONARCHY

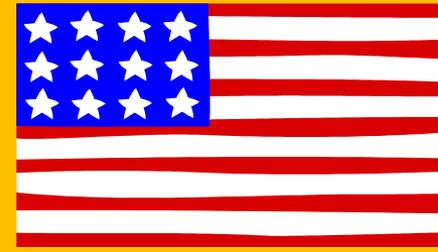
You have 2-Cows.

The monarch, who just happens to have been born into the right family, makes you give him $\frac{1}{2}$ the milk.

If you complain, the monarch will take both your cows and the milk.



CONSTITUTIONAL REPUBLIC



Politicians promise to give you 2-Cows if you elect them. But after you do, only a select group of wealthy campaign contributors get all the cows.

Animal rights activists file a class action suit on behalf of the cows, while the rising price of milk forces you to switch to Pepsi.

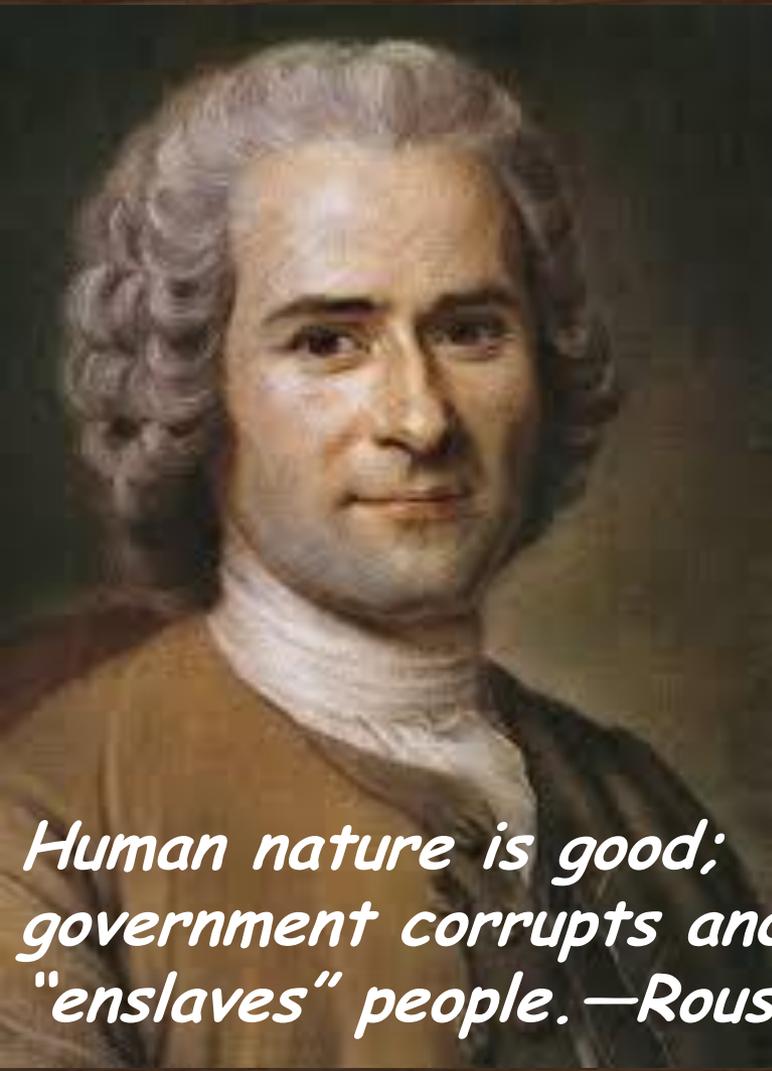
DIRECT DEMOCRACY

You have 2-Cows.

Your neighbors
decide who gets
the milk.

They outvote you 2-
1 to ban all meat
and dairy products.

You go bankrupt.



*Human nature is good;
government corrupts and
"enslaves" people.—Rousseau*

STATE OF NATURE (No Government)

You have 2-Cows.

You keep the cows and
steal another one.

Your neighbors steal the
cows back and kill you.



ECONOMIC SYSTEMS

How societies allocate scarce resources:

Should individuals be free to pursue their own self-interest?

What is the goal of the economic system?

Who owns/controls resources and decides who does and gets what?

COMMAND ECONOMY

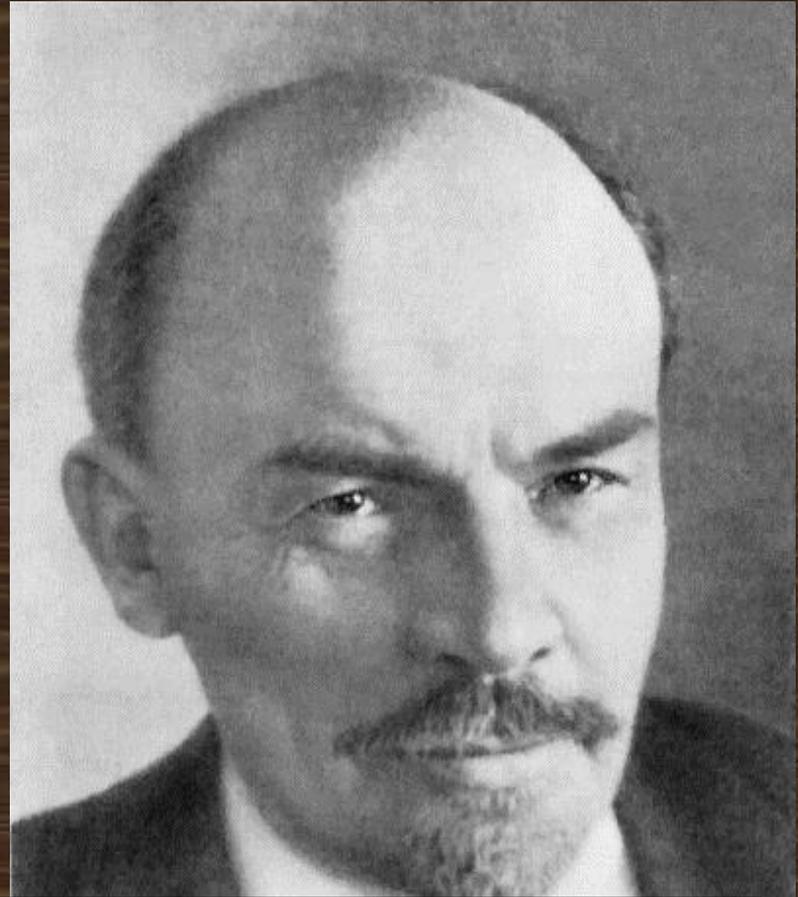
Communism

You have 2-Cows.

The government seizes both and provides you with milk.

You wait in line for hours to get it.

It is expensive and sour.

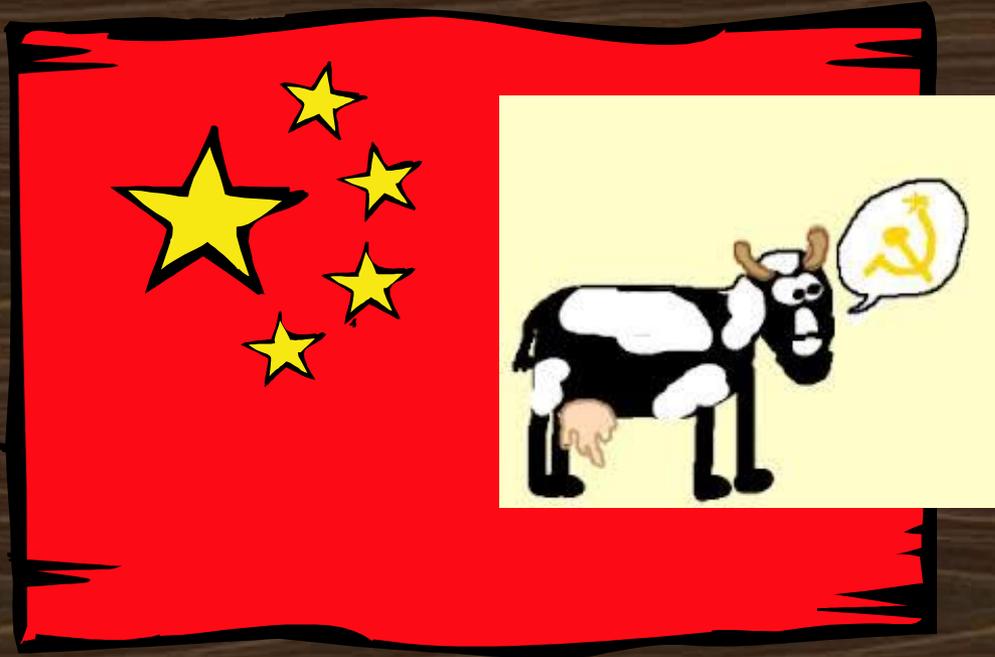


Vladimir Lenin was the first leader of the Union of Soviet Socialist Republics – The Soviet Union

COMMAND ECONOMY

CHINA:

MARKET SOCIALISM



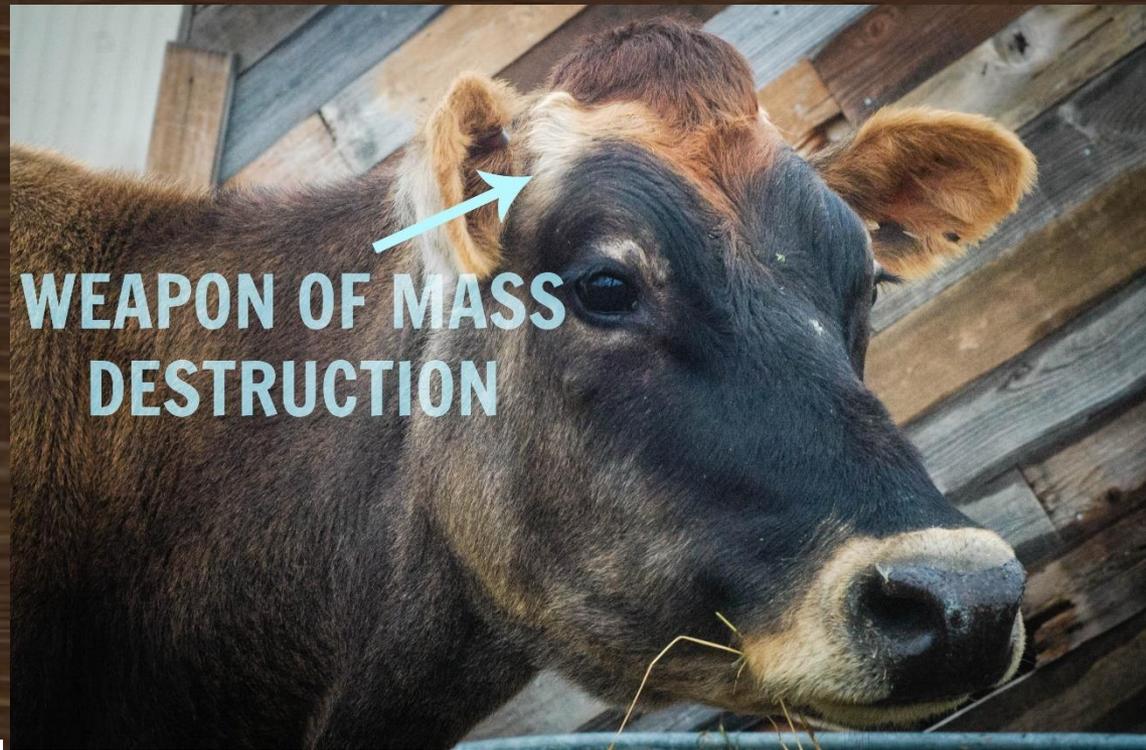
You have 2-Cows
You assign 300
people to milk them,
so you can claim
there is no
unemployment. You
arrest & detain
without a trial the
journalist who
reported the number
of cows.

IRAQ

Everyone thinks you have lots of cows.

They bomb and invade your country.

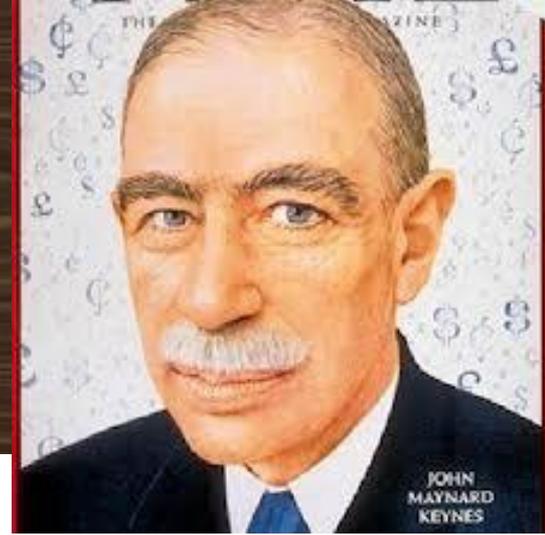
You still have no cows but now you have a constitution.



MIXED ECONOMY

You have 2-Cows.

If they don't pass gov't inspections for safety, wholesomeness, accurate labeling, humane handling, sanitation, & mad cow disease you're out of business.



Use free markets when they work well and substitute government regulation when markets are "unfair". —J.M. Keynes



DEMOCRATIC SOCIALISM

You have 2-Cows.

Because all citizens need milk, you willingly give half your cows to the government who makes sure everyone has the opportunity to have fresh milk.



CANADA



You have 2-Cows.

One speaks French,
one speaks English.



They both play
hockey, eh?



U.K.

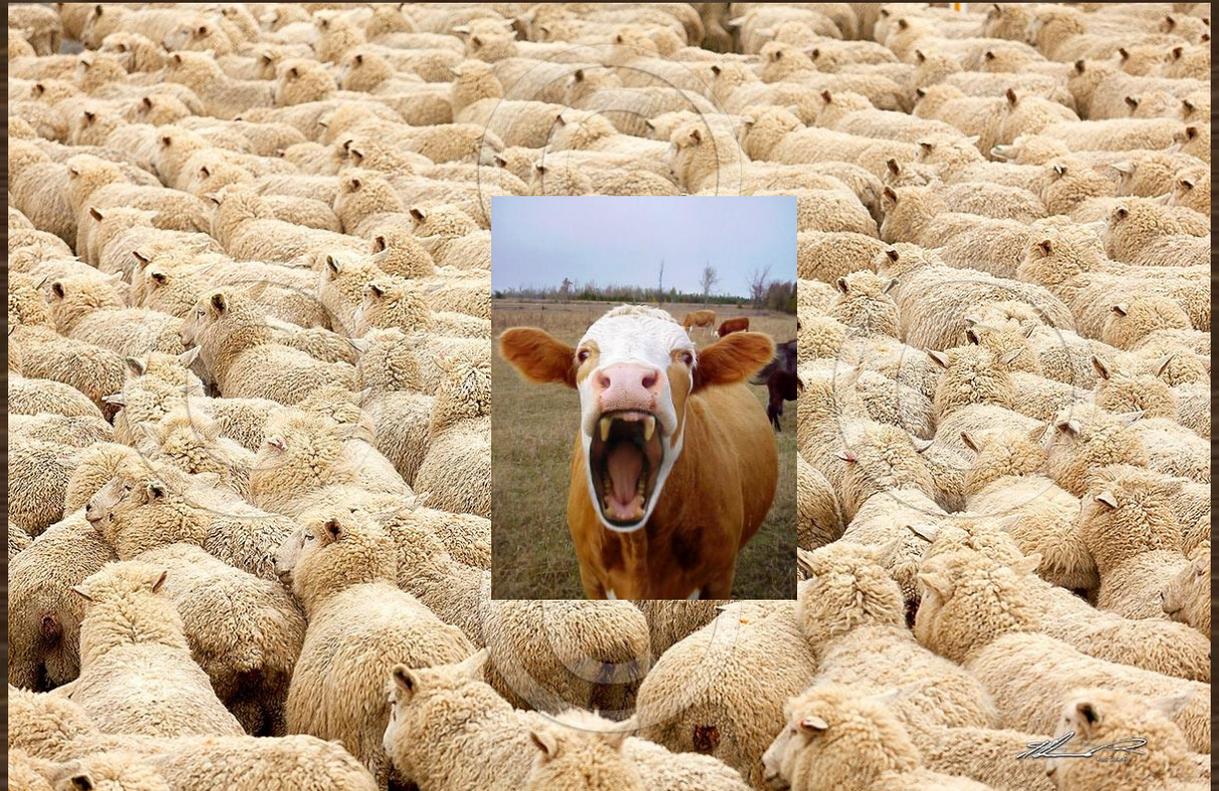
You have 2-Cows.

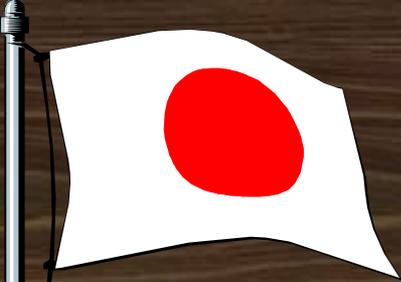
Both are Mad.



NEW ZEALAND

You have 2- Cows
and 47 million
sheep.

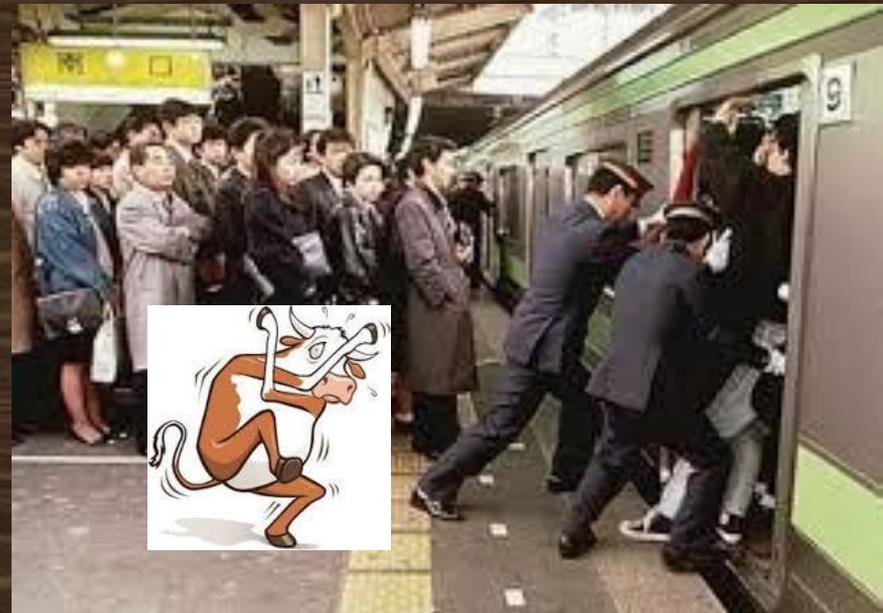




JAPAN

You have 2-Cows.

You redesign them so they are one-tenth the size of an ordinary cow and produce twenty times the milk. They learn to travel on unbelievably crowded trains. Most are at the top of their class at cow school. You then create clever cow cartoon images called CowkiMon and market them worldwide.



INDIA

You have 2-cows.
You worship them.



RUSSIA



You have 2-Cows.
You count them &
learn you have 5-
cows. You count
them again and
learn you have 42-
cows. You stop
counting cows and
open another bottle
of vodka.



MARKET ECONOMY (in the Agricultural Age)



You have 2-Cows.

**You work hard
taking care of them
but your landlord
takes most of the
milk and then
sends you and the
cow on a crusade.**

MARKET ECONOMY Capitalism

You have 2-Cows. You sell one and buy a bull.
Your herd multiplies and the economy grows.
You sell them and retire.



U.S. Capitalism

You have 2 -Cows. You sell one, lease it back to yourself and issue stock on the second one. You force the two cows to produce the milk of four cows. You are surprised when one cow drops dead. You spin an announcement stating you have downsized and are reducing expenses. Your stock price goes sky high.



LIBERAL DEMOCRAT

You have 2 -Cows.

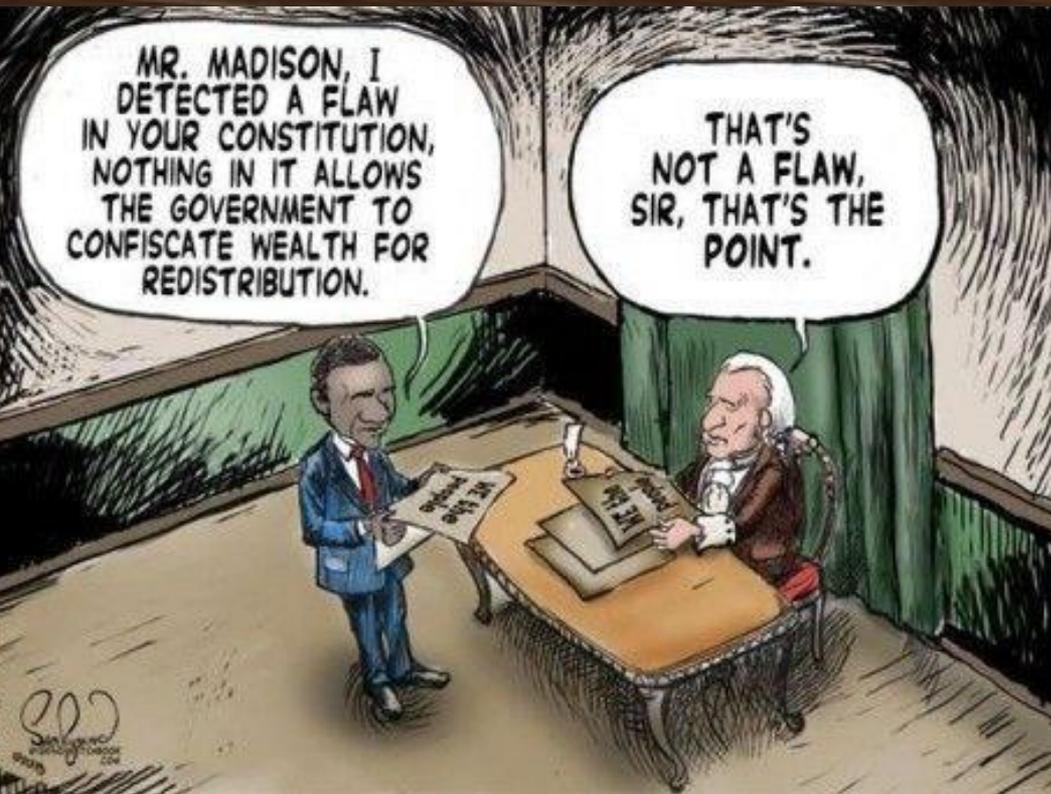
Your neighbor has no milk
so you feel guilty for being
successful.

You vote people into office
who pass a “milk tax”.

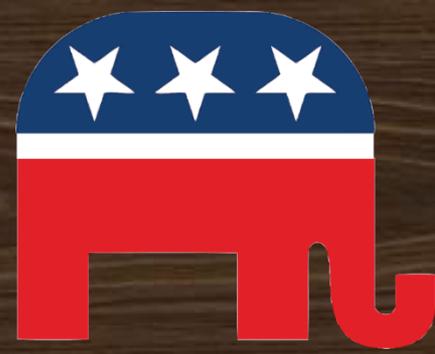
They then redistribute the
milk to your neighbor.

You feel righteous.

Bono sings for the cow-
less.



CONSERVATIVE REPUBLICAN



You have 2-cows.

Your neighbor
has none.

So what?

STAR TRIBUNE
SACK

HOW "INCENTIVES" WORK:

For the
RICH

For the
POOR



GIVE THEM
TAX BREAKS

GIVE THEM
BONUSES

GIVE
THEM
STOCK
OPTIONS

GIVE
THEM
PERKS AND
GOODIES AND
PRIVILEGE.



TAKE
AWAY
THEIR
FOOD