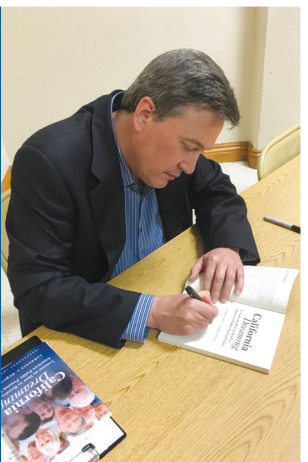




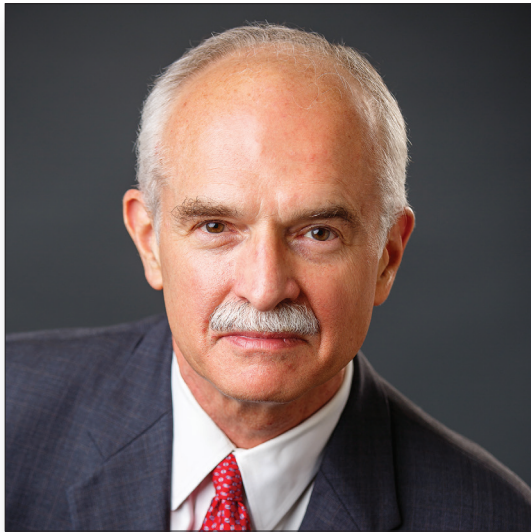
2019 | INDEPENDENT INSTITUTE ANNUAL REPORT

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A Letter from Our President



David

David J. Theroux

“Of all tyrannies, a tyranny exercised for the good of its victims may be the most oppressive. It may be better to live under robber barons than under omnipotent moral busybodies. The robber baron’s cruelty may sometimes sleep, his cupidity may at some point be satiated; but those who torment us for our own good will torment us without end for they do so with the approval of their own conscience.”

—C.S. Lewis, *God in the Dock*

In 2020, Americans are facing another historic choice that will greatly affect the future of our country and the world. Government power today has grown enormously and in disturbing ways into every aspect of our lives and in ways America’s founders could not have imagined.

While America’s political class continues to wrap itself in the “progressive” myth that they were anointed to rule others for their own good, most people increasingly mistrust this “fatal conceit” (as Nobel Prize-winning economist Friedrich A. Hayek termed it).

Political scientist Angelo Codevilla—who serves on the Editorial Board of Advisors for our quarterly journal, *The Independent Review*—has shown that the ideas and institutions of liberty, justice, common decency, and the rule of law cannot be so easily extinguished. The human heart rebounds, as the reigning narrative supporting unchecked government power evokes suspicion and mistrust.

Thus it is a sign of health that many Americans are troubled at what appears to be a permanent class of parasitic and unaccountable governing elites who, despite their claims, hypocritically work to control people in order to redistribute wealth and power to themselves and at the expense of everyone else.

As the governing elites have grown in power and privilege, affordable healthcare and housing, quality education, safety and security, and economic opportunities have moved beyond reach for many, especially the young. Meanwhile in the 2020 race for the White House, self-described “progressive” politicians are doubling down on their demands for gigantic tax hikes, spending splurges and mandates, along with protracted wars and abuses of civil liberties.

The Independent Institute has been at the forefront to redefine and redirect public debate to recapture the ideas and institutions of free societies, and to generate a cultural renaissance shunning the folly of runaway government power. We invite you to join with us at this exciting juncture to build a better future for 2020 and in years to come.

... and a Letter from Our Executive Director

We've had a remarkable year. We have flown the flag of liberty without flinching, and connected with more people more effectively than ever. And as always, our outreach stands on the foundation of peer-reviewed, evidence-based research.

- We published four high-caliber issues of *The Independent Review*. These issues diagnosed the sabotage of the free market by “crony capitalists” getting government favors, unpacked the folly of the current “social justice” fad, and much more.
- We published four books, including Senior Fellow Richard K. Vedder’s acclaimed book, *Restoring the Promise: Higher Education in America*, which shows how the university establishment, bloated and distorted by federal funding and mandates, supports politically correct curricula and speech codes while under-educating and over-charging its students. Dr. Vedder also frames solutions that he and I discussed with U.S. Secretary of Education Betsy DeVos and her key staff earlier this year.
- We released four *California Golden Fleece® Awards*. They ironically showcased shocking tax-funded payments on behalf of state employees guilty of sexual abuse, colossal mismanagement by the California DMV, misguided policies that fuel California’s destructive wildfires, and—most recently—the public-policy roots of California’s housing shortage (which feeds its homeless crisis).
- We welcomed Dr. Williamson M. Evers, who joined us as Senior Fellow and Director of our **Center on Educational Excellence**, after more than two decades as a research fellow at Stanford University’s Hoover Institution.
- We continued speaking to “moveable middle” Millennials: Combined viewership of *Love Gov*, our satirical, free-market YouTube series, has surged to over 20 million and rising!

I like to say that the Independent Institute stands for “research rather than rant.” Our effectiveness is measured in data not in decibels. We offer testable solutions that uphold human dignity by harnessing market-based incentives and private cooperation rather than government largesse and control.

Thank you for being part of the fellowship of liberty-loving friends who make all of this possible!



A blue ink signature of Graham H. Walker, Ph.D., written in a cursive style.

Graham H. Walker, Ph.D.

About the Independent Institute

Our Mission

The mission of the Independent Institute is to boldly advance peaceful, prosperous, and free societies grounded in a commitment to human worth and dignity.

Our Manifesto

The Independent Institute shapes ideas into impact. Applying independent thinking to issues that matter, we create transformational ideas for today's most pressing social and economic challenges.

By connecting these ideas with grassroots groups and networks that mobilize communities, we inspire action that can unleash an era of unparalleled human flourishing in peaceful, prosperous, and free societies at home and around the globe.



“The Independent Institute is our beacon for the future of liberty!”
—**George Gilder**, bestselling author,
The Scandal of Money, Wealth and Poverty, Knowledge and Power, The Spirit of Enterprise,
and other books

“In their superb advancing of free societies, the Independent Institute ... has led the way with solid analysis, timely insights, and innovative solutions ... I strongly encourage everyone to join with me in sharing in Independent's publications, events, media, and other programs and in supporting Independent in every way possible.”
—**Rand Paul**, U.S. Senator

What Makes Independent Different?

Uncompromising

In 33 years, the Independent Institute has remained faithful to its principles, and, as a result, our mission has produced powerful change.

Non-Partisan

By concentrating on solutions over partisan politics, Independent unites communities around common ground and appealing ideas.

Credible

All of Independent's solutions-oriented research must pass peer-review.

Creative

Independent understands that to persuade diverse audiences, we must deploy original, entertaining, and engaging multimedia campaigns—such as our humorous hit YouTube series, now with 2 seasons: *Love Gov.*

Compassionate

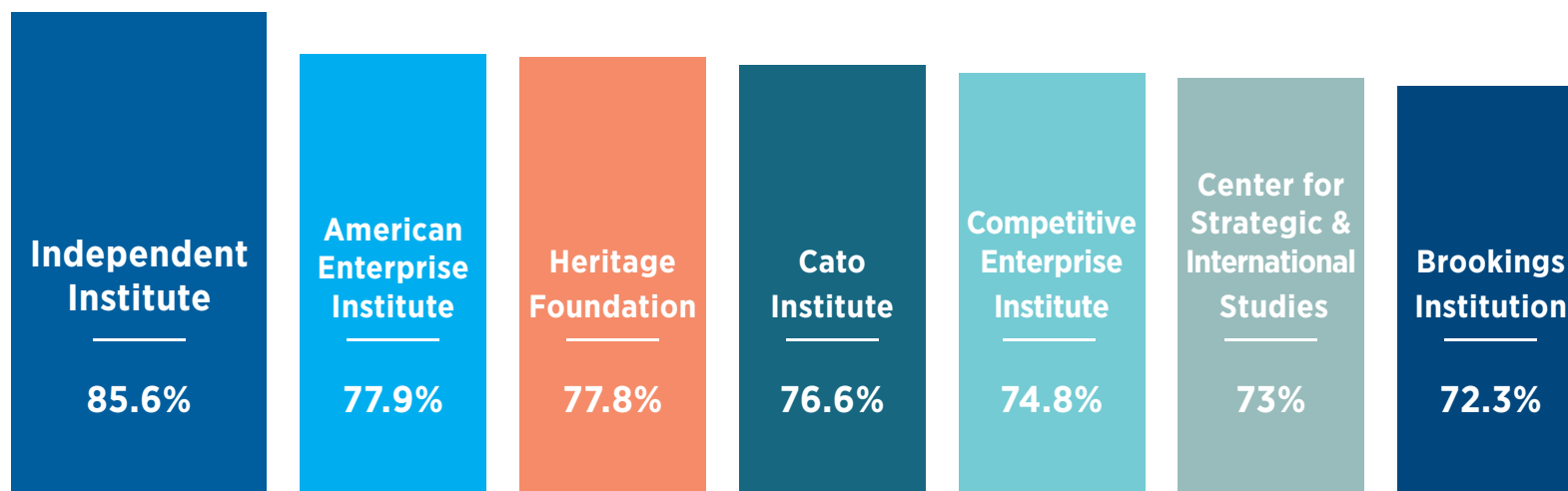
Independent promotes human dignity and works to end human suffering by pursuing liberty-oriented solutions that uplift the less privileged and upend the crippling burdens of poverty.

Efficient

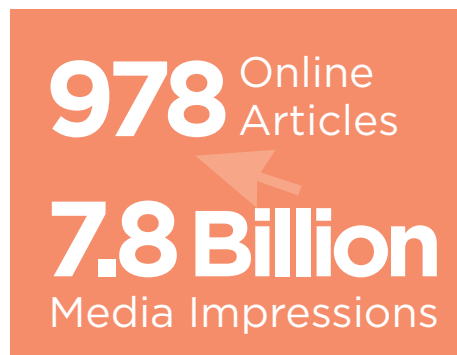
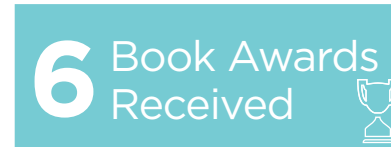
We run an efficient operation. Of every dollar of your support, 85.6 cents go directly to our programs, according to Charity Navigator.



Percent of Every Dollar Spent on Programs



A Year at the Independent Institute



Nationwide Impact

San Francisco, CA

The Independent Institute hosts psychologist and bestselling author **Jordan B. Peterson** at a sold-out event to speak on “The Meaning and Reality of Individual Sovereignty.”

Alameda, CA

The Independent Institute hosts Fox News Anchor **Tucker Carlson** to discuss his #1 best-selling book, *Ship of Fools: How a Selfish Ruling Class is Bringing America to the Brink of Revolution*.

Oakland, CA

The Independent Institute hosts **Mollie Ziegler Hemingway**, Senior Editor at *The Federalist* and Fox News Contributor, to discuss her bestselling book (with Carrie Severino), *Justice on Trial: The Kavanaugh Confirmation and the Future of the Supreme Court*.

Austin, TX

Senior Fellow **Dr. Richard K. Vedder** discusses his latest Independent book, *Restoring the Promise: Higher Education in America* at the Texas Public Policy Foundation.

Washington, D.C.

Research Fellow **Dr. Vicki E. Alger** leads a seminar for the U.S. Office of Civil Rights Academy at the U.S. Department of Education.

Washington, D.C.

Senior Fellow **Dr. Richard K. Vedder** discusses his latest Independent book, *Restoring the Promise: Higher Education in America* at a briefing on Capitol Hill.

Washington, D.C.

Senior Fellow **Dr. Stephen P. Halbrook** discusses the research in his five Independent books, including his most recent book, *Gun Control in Nazi-Occupied France*, at the Conservative Political Action Committee (CPAC).

Washington, D.C., San Jose, CA

Research Fellows **Dr. David T. Beito** and **Dr. Linda Royster Beito** discuss their recent Independent book *T.R.M. Howard: Doctor, Entrepreneur, Civil Rights Pioneer* at Turning Point USA’s Young Black Leadership Summit. And, she makes similar presentations at San Jose State and La Sierra Universities.

Thank you to partners who have hosted our speakers this year and in recent years!

A Beacon of Clarity in the San Francisco / Silicon Valley Area

Located in the center of the San Francisco Bay Area, the Independent Institute has a unique grasp of the issues troubling not only this iconic region, but also California as a whole. We also raise the alarm about the coercive solutions typically offered to fix them. In a tech-forward way, our solutions harness the irreducible freedom of the human person and his or her infinite capacity for innovation and adaptation.



Center on the Environment
Op-eds & Articles
Published

71

Center on the Environment
Mentions & Quotes

“ 7 ”

Emphasizing Science in the Climate Debate

The Independent Institute hosted renowned geoscientist Dr. Willie Soon and astrophysicist Dr. Elliott Bloom to separate fact from fiction in the global warming debate. They examined the science of why the forecasts from CO₂ climate models have been so wrong—and why solar influences on clouds, oceans, and wind may primarily drive climate change.

Protecting the Common Good from Self-Serving Elites

Independent also hosted Fox News Channel anchor Tucker Carlson to discuss his #1 best-selling book, *Ship of Fools: How a Selfish Ruling Class is Bringing America to the Brink of Revolution*. Mr. Carlson remarked on the growing disconnect between everyday Americans and the “coastal elites” of the political class who are becoming ever more authoritarian, desperate and intolerant.

Sparking Entrepreneurship & Innovation



THE ORANGE COUNTY
REGISTER

OCTOBER 17, 2018

CA Prop. 10 Rent Control Measure Will
Lead to Lesser, More Costly Housing



The Examiner
WASHINGTON

AUGUST 28, 2019

Don't Be So Quick to
Write Off Natural Gas

Free-Market Advocacy When It Counts

During California's 2018 mid-term election cycle, Research Fellow Adam B. Summers published a series of op-eds on various ballot measures. He advocated against increasing rent control; against a harmful measure designed to force dialysis technicians to unionize; and for keeping California lawmakers accountable for their transportation spending. Voters sided with Mr. Summers on two of the three measures. Each was published in the *Orange County Register* and its dozen sister newspapers in Southern California.

Energy Markets to the Rescue

In a series of op-eds published in such outlets as *The Hill*, *The Washington Times*, and the *Washington Examiner*, Independent Institute's Research Director, Dr. William F. Shughart II, educated the public about the natural gas industry in the United States, which is a world leader in the commodity. Cheap to produce and with a carbon footprint far smaller than coal, natural gas now powers a huge portion of the country and has made the U.S. energy independent. Traded internationally, privately produced American natural gas also makes our trading partners less hostage to energy controlled by unstable and authoritarian governments overseas.

Center on Entrepreneurial
Innovation Op-eds Published

450
141%

Increase
from last year

Center on Entrepreneurial
Innovation Mentions & Quotes

“ 60 ”

Exposing Waste, Fraud and Abuse



Every three months the Director of the Independent Institute’s Center on Entrepreneurial Innovation, Senior Fellow Dr. Lawrence J. McQuillan, bestows the *California Golden Fleece® Award*. The “honorees” are state or local government spending programs, taxes, or regulations that fleece California taxpayers, consumers, and businesses, exposing waste, fraud, and abuse in California government. Not just a critic, Dr. McQuillan consistently highlights practical, market-based alternative solutions.



Ending Taxpayer-funded Sexual Misconduct Settlements

Independent “awarded” a *Golden Fleece* to California public officials who have either committed acts of sexual misconduct or helped cover them up by spending taxpayer money on settlements. From 2015–17, at least \$21.3 million of public funds was spent to settle sexual misconduct claims against state employees. This number is likely significantly higher, as state laws and practices impede accurate reporting. Dr. McQuillan recommended banning this bizarre use of taxpayer money, using outside experts to investigate misconduct claims, prohibiting nondisclosure agreements, and more.



California Golden Fleece®
Award Media Placements

57

Radio Interviews

37

California Golden Fleece®
Award Online Article Views



21,111

Time for California's DMV to Enter the 21st Century

Independent “awarded” a *Golden Fleece* to the California Department of Motor Vehicles (DMV). Though often characterized as the embodiment of government ineptitude, the DMV has somehow been able to reach new “heights” (or lows) in the past year. The *Award's* Briefing revealed an agency plagued by a culture of negligence and lethargy, and an administration either unwilling or unable to establish the discipline required to allow the agency to fulfill its basic responsibilities. Our *Briefing* recommended hiring a new DMV Director with a background in tech (enacted), receiving payments through credit cards at DMV offices (enacted), privately outsourcing services, and much more.



Faulty Incentives Impede Fire Prevention

Independent “awarded” a *Golden Fleece* to Cal Fire, the U.S. Forest Service, and other agencies whose policies significantly contributed to the recent wildfire destruction in California. In the accompanying briefing, Dr. McQuillan recommended that these agencies emphasize fire prevention methods over fire suppression, embrace innovative technologies, and adopt more decentralized strategies that rely on private ownership incentives rather than self-interested government bureaucracies.



Expanding Educational Excellence

Independent Welcomes New Director to Our Center on Educational Excellence

We are excited to announce that Dr. Williamson M. Evers has joined us as the new Director of our **Center on Educational Excellence**. With an impressive resume of high-level policy appointments, including service as U.S. Assistant Secretary of Education from 2007 to 2009, Dr. Evers led the Trump-Pence transition team for education. He comes to us from the Hoover Institution, where he was a Research Fellow for more than two decades and a member of their influential Koret Task Force on K-12 Education.

At the time he joined Independent, Dr. Evers had triggered a firestorm of concern with his *Wall Street Journal* op-ed, “California Wants to Teach Your Kids That Capitalism Is Racist.” He demonstrated that the proposed “ethnic studies” curriculum, drawn up by the state Department of Education, was a handbook for classroom propagandizing. His op-ed rallied parents and teachers to protest, causing bureaucrats to withdraw the proposal! Dr. Evers’s op-eds frequently uncover problems in state and national education policy—and point to solutions.



Center on Educational Excellence Director Williamson Evers meets with U.S. Secretary of Education Betsy DeVos.

THE WALL STREET JOURNAL.

JULY 29, 2019

California Wants to Teach Your Kids That Capitalism Is Racist

Los Angeles Daily News

Sept 23, 2019

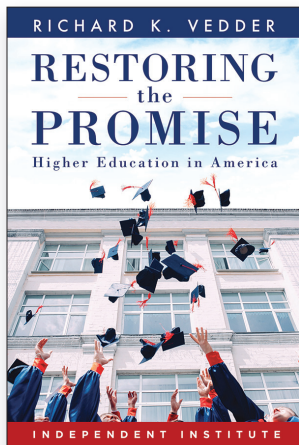
California State University System’s Math Problem

Media Impressions

2.7 Billion

Center on Educational Excellence Op-eds Published

328



Restoring the Promise: Higher Education in America

Restoring the Promise, by Senior Fellow Dr. Richard K. Vedder, has been featured in such outlets as *The Wall Street Journal*, *Los Angeles Times*, *Chicago Tribune*, *Sacramento Bee*, *Forbes*, *National Review*, *Breitbart*, *The Federalist*, *Austin American-Statesman*, *Christian Science Monitor*, “Laura Ingraham Show,” “John Batchelor Show,”

Fox News Channel, Fox Business Channel, and Fox Nation.

In response to the book, Dr. Vedder has addressed the Cato Institute, American Institute for Economic Research, Heritage Foundation, Texas Public Policy Foundation, Manhattan Institute, James Martin Center for Academic Renewal, American Legislative Exchange Council, Heartland Institute, Hillsdale College, and Turning Point USA’s Fifth Annual Student Action Summit.



“ A masterful and eye-opening work of analysis and diagnosis.
—**Alan Charles Kors**, Henry Charles Lea Professor Emeritus of History, University of Pennsylvania; Co-Founder and former Chairman, F.I.R.E.”

“ When the spigots of public funding were opened in full, [higher education] eventually became an overpriced caricature of itself, bloated by a mix of irrelevance and complacency and facing declining enrollments and a contracting market. No one has better explained the economics of this decline—and its broad cultural effects—than Richard Vedder.
—**The Wall Street Journal** ”

“ In his book *Restoring the Promise*, Richard Vedder continues in his role as the conscience of modern higher education.
—**Mitchell E. Daniels Jr.**, President, Purdue University; former Governor, State of Indiana ”

“ Thorough, scholarly, probative, and revealing.
—**William J. Bennett**, former Secretary, U.S. Department of Education; former Chairman, National Endowment for the Humanities ”

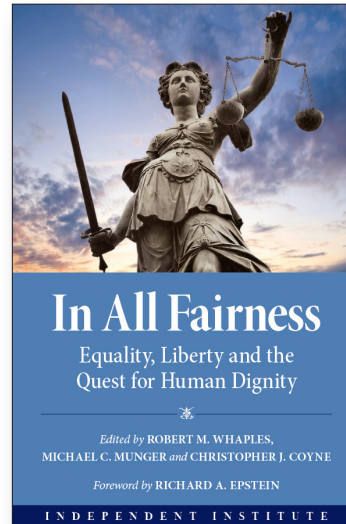
Defending Constitutional and Civil Liberties



Protecting SCOTUS Integrity

The Independent Institute invited Mollie Hemingway, Senior Editor at *The Federalist* and *Fox News Channel* contributor, to discuss her bestselling book *Justice on Trial: The Kavanaugh Confirmation and the Future of the Supreme Court*. (co-authored by Carrie Severino). When Justice Anthony Kennedy announced his retirement from the U.S.

Supreme Court, the news set off a media maelstrom and made the confirmation process of his successor, Brett Kavanaugh, a national disgrace. At our sold-out event, Ms. Hemingway detailed what happened, expressed concern over what might transpire at the next confirmation process—and identified norms and processes that would make judicial confirmations civil and productive.



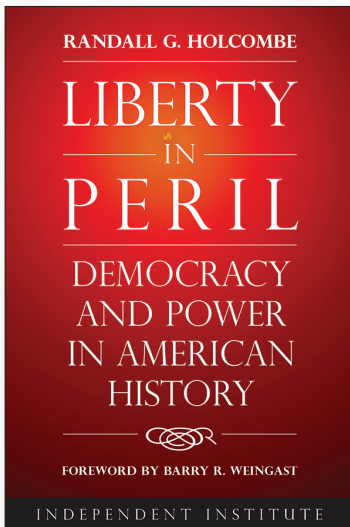
In All Fairness: Equality, Liberty, and the Quest for Human Dignity

Edited by Independent Senior Fellows Robert M. Whaples, Michael C. Munger, and Christopher J. Coyne
Foreword by Richard A. Epstein

In All Fairness shows that the modern romance with equality is a destructive flirtation. The elites who advocate such notions claim they champion the poor—but more often than not the nostrums of this managerial class undermine, rather than advance, mass prosperity and human well-being.

“How, between the covers of a single volume, could one hope to illuminate the vast sea of moral, intellectual, and political failures that add up to modern egalitarianism? Only by combining the expertise and insights of historians, economists, political scientists, philosophers, legal scholars and more. With the book *In All Fairness*, the Independent Institute has done so brilliantly. Each author’s contribution stands on its own and can be read with profit. Taken together, they complement each other to create a whole that far exceeds the sum of its parts.”

—**Steven E. Landsburg**, Professor of Economics, University of Rochester



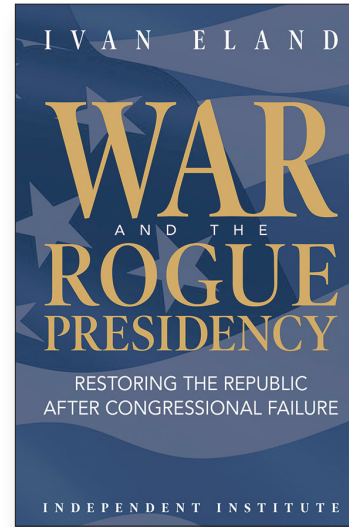
Liberty in Peril: Democracy and Power in American History

By Research Fellow Randall G. Holcombe
Foreword by Barry R. Weingast

“Randall Holcombe’s *Liberty in Peril* illuminates the forces that have shifted power and responsibility from individuals to government, and from local to centralized government, throughout American history. This timely reminder is must reading for all those concerned with the

erosion of, and new threats to, the legal rights and liberties that form the core of a successful society.”

—**Michael J. Boskin**, former Chairman, President’s Council of Economic Advisors; T. M. Friedman Professor of Economics, Stanford University



War and the Rogue Presidency: Restoring the Republic after Congressional Failure

By Senior Fellow and Director of the
Center on Peace & Liberty Ivan Eland

“In the well-written and thought-provoking book, *War and the Rogue Presidency*, Ivan Eland convincingly demonstrates that the expanding power of the executive branch, which has resulted in the creation of the

imperial presidency, is a result of our increasing involvement in foreign wars. A must-read for those concerned about the decline of the checks and balances envisioned by our Founding Fathers.”

—**Lawrence J. Korb**, former Assistant Secretary, U.S. Department of Defense; Senior Fellow, Center for American Progress

Center on Law and Justice
Op-eds & Articles
Published

129

Center on Law and Justice
Mentions & Quotes

“ 74 ”

Equipping Tomorrow's Leaders

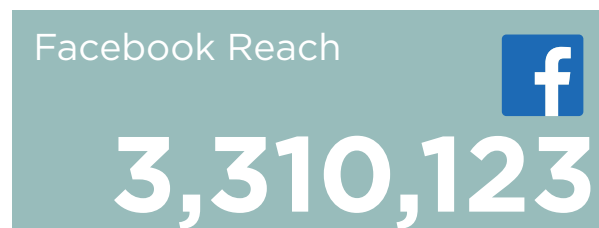
Nearly a year after its launch, *Catalyst*, our website sub-branded to young people, has steadily increased the depth of its content and broadened its reach. Our Editor-In-Chief, Ben Wilterdink, has engaged ten Catalyst Fellows, an impressive group of successful young scholars and experts, to comment on culture, economics, education, the environment, healthcare, and privacy—all from a pro-liberty perspective.

One *Catalyst* Fellow, Scott Beyer, is the owner of the *Market Urbanism Report*, a media firm that advances free-market city policy and has written regular columns for *Forbes* and *Governing Magazine*. He has recently begun writing a regular column for *Catalyst* on housing policy and sharing it with his 16.7k Twitter followers. Our other *Catalyst* Fellows come with similar credentials, dedication, and media reach.



Catalyst

Visit catalyst.independent.org



Season Two—Love Gov²: A Crisis Not to Waste

Reaching, Engaging—and Influencing—Millennials

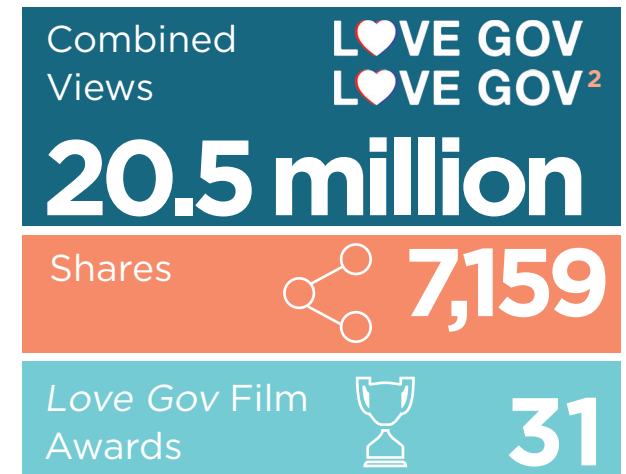
The villainous Scott “Gov” Govinsky, obsessed with controlling others, continues to tempt and then ruin the lives of young people in the Second Season of our award-winning, satirical YouTube video series, *Love Gov*. Building upon the huge success of Season One, in Season Two Gov works hilariously to create and manipulate a crisis to entrap and control early careerists and ensure their dependency. Will Gov’s intrusive scheming last and doom them to uncertain and desperate lives? Can an entire community see through Gov’s folly and set a new course for success?

Utilizing humor in *Love Gov*, we persuaded the next generation of Americans of the merits of individual liberty, personal responsibility, free enterprise, civic virtue, and limited government. Far from preaching to the choir, we target the “moveable middle” of mainstream young people through this engaging and nonthreatening medium. Our *Love Gov* audience and fan base is rapidly growing, as our total reach generated between both seasons has jumped from *14 to over 20 million total combined views in the past year!*



“*Love Gov* is hilarious and sad at the same time....It is not the politicians, but the bureaucracy. They control us and they can’t be fired.”
 —**Timothy C. Draper**, Founder and Managing Director, Draper Fisher Jurvetson; Founder, Draper University

“I am glad the Independent Institute made *Love Gov* to tell young people the truth....Let’s break up with Big Government!”
 —**John Stossel**, Host, Stossel TV; former Host of *Stossel*, Fox Business Network



The Independent Review: *A Journal of Political Economy*



Co-Editors:

Christopher J. Coyne (George Mason University)

Michael C. Munger (Duke University)

Robert M. Whaples (Wake Forest University)

Founding Editor: **Robert Higgs**

The Independent Review is our award-winning, peer-reviewed, non-partisan journal. We boldly challenge the politicization and bureaucratization of our world with in-depth examinations of pressing public issues.

Thanks to its provocative, lucid, and engaging writing style, *The Independent Review's* reach dwarfs that of other scholarly journals. We boast a print circulation of 4,000 and this past year the journal generated well over 400,000 pageviews online.

“*The Independent Review* is providing an essential role in appealing to mainstream academic and other audiences, importantly emphasizing the themes of classical liberalism, First Amendment rights, and the role of property rights—all of which need constantly to be revisited.”
—**Vernon L. Smith**, Nobel Laureate in Economic Sciences;
Professor of Economics and Law, George L. Argyros Endowed
Chair in Finance and Economics, and Founding Director of the
Economic Science Institute, Chapman University

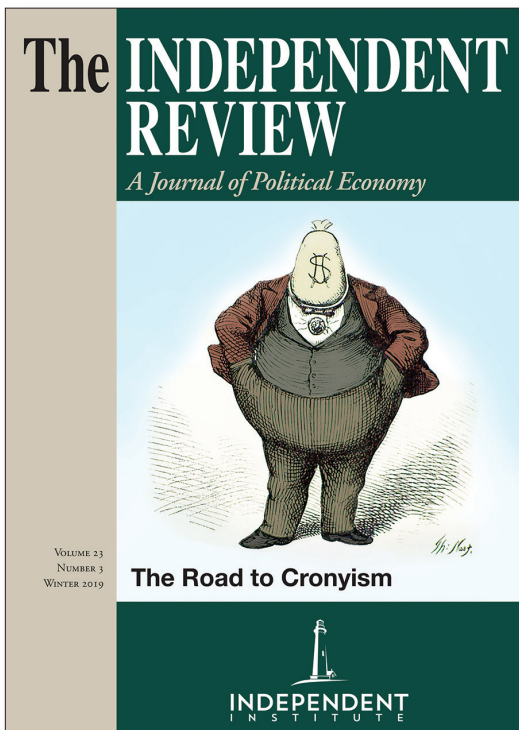


Fall 2018

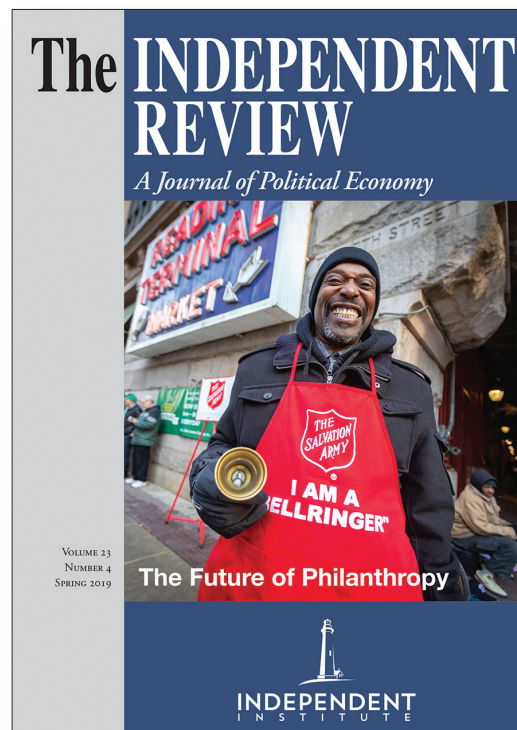
The Independent Review periodically features special-edition symposia, each one designed to address a featured, multifaceted policy issue from a variety of disciplines including economics, political science, law, history, religious studies, philosophy and more.

These symposia have also helped broaden our readership and encourage college-course use. This year, we featured three special-edition symposia that answer pressing questions such as: What causes cronyism? What does philanthropic innovation look like? Is the suddenly fashionable doctrine of “social justice” really just?

“*The Independent Review* is a well-known and highly regarded journal of political economy.”
 —**Robert P. George**, McCormick Professor of Jurisprudence and Founding Director of the James Madison Program in American Ideals and Institutions, Princeton University



Winter 2019



Spring 2019



Summer 2019

An Evening with Jordan B. Peterson

Jordan B. Peterson on Individual Sovereignty

On May 2, 2019, renowned psychologist and public intellectual Jordan B. Peterson addressed a sold-out audience hosted by the Independent Institute at the historic Marines' Memorial Theatre in San Francisco.

Titled “The Meaning and Reality of Individual Sovereignty” and drawing on his international bestseller, *12 Rules for Life: An Antidote to Chaos*, Dr. Peterson addressed questions often brushed aside in the public square: Why did the West place such great emphasis on individual sovereignty? How did this ethos contribute to freedom and human well-being? Why, in the name of collective identity, is individual sovereignty now under attack by critics on both the left and the right?

Dr. Peterson showed that those questions are not merely academic. They're vital. They cut to the foundation of political freedom and the founding of the United States of America. The propositions of the Declaration of Independence, however, are no longer accepted by a large number of people in the modern intellectual world, especially among post-modernists, Marxists, and collectivists on the left and right.

As if explaining those issues wasn't sufficiently ambitious, Dr. Peterson also explained how civilization-level questions about individual sovereignty relate to everyday personal challenges.





Supporter Spotlight

Franklin “Pitch” P. Johnson Jr.

Would you tell us a little bit about your background?

I am a Silicon Valley native. I went to Palo Alto High School and Stanford University, where I studied mechanical engineering. Afterwards, I attended Harvard Business School and got a job at a Chicago steel mill as a foreman.

After several years of making steel, I desired to be on my own, form capital, and get involved in new technology. I decided to start a venture capital firm with my friend William Draper and we moved back to the Silicon Valley. After a while, I was able to start my own firm. I have since invested in and managed several pioneering start-ups that have opened up entirely new markets in biotechnology and informatics.

What do you wish other people knew about the Independent Institute?

I wish other people knew how much the Independent Institute sticks up for personal freedom, which is a lost subject today. They are able to insert this core message into political circles as well as in the broader culture.

What is your favorite memory of the Independent Institute?

I remember David Theroux coming to my office and bringing me five Independent Institute books!



Why do you support the Independent Institute?

As the federal government has continued to drift leftwards, the Independent Institute has continued to point out the importance of personal freedom in social, economic, and political matters.

I also especially support the work of Dr. Williamson M. Evers, the Director of Independent's Center on Educational Excellence. Bill believes in personal freedom and entrepreneurship and has become an expert on education. Most importantly, he has spotted a recent initiative in California that would end up teaching high school students that capitalism is bad. This is the opposite of what I think.

What are your political values?

I am a conservative in the sense of seeking to maximize people's social, economic, and political freedom.

In the 1990's, I applied these values in my travels to ex-Communist, Eastern European countries. I consulted with national leaders on how they could bring capitalism and small-scale entrepreneurship to their countries, and capitalism has since thrived in many of them. I am sure much of their success would have happened without me, but I think I helped get it started.

Thank You to Our Supporters

The Independent Institute is grateful to the many organizations, foundations, and individuals who make our work possible. Thank you!

Institutional Support

The Anschutz Foundation

The Armstrong Foundation

William S. and Ann Atherton Foundation

The Beach Foundation

William K. Bowes, Jr. Foundation

John & Donnie Brock Foundation

The Gordon A. Cain Foundation

Andrea Waitt Carlton Family Foundation

Chase Foundation of Virginia

Chiaroscuro Foundation

Chicago Community Foundation

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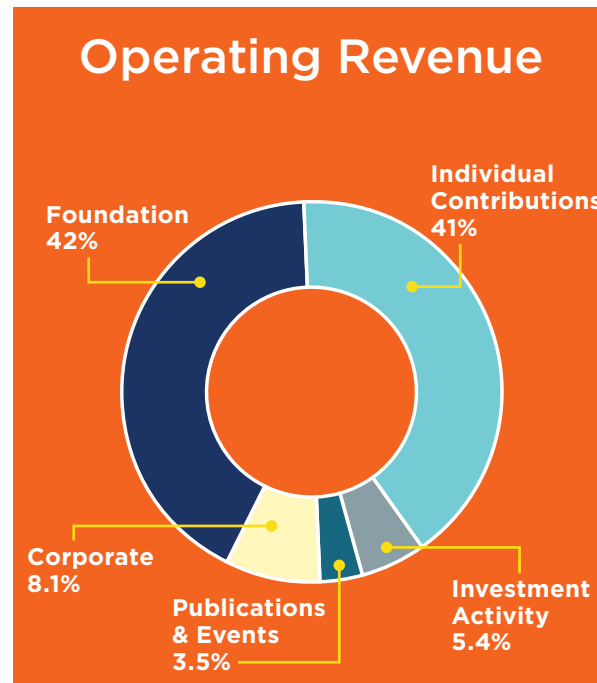
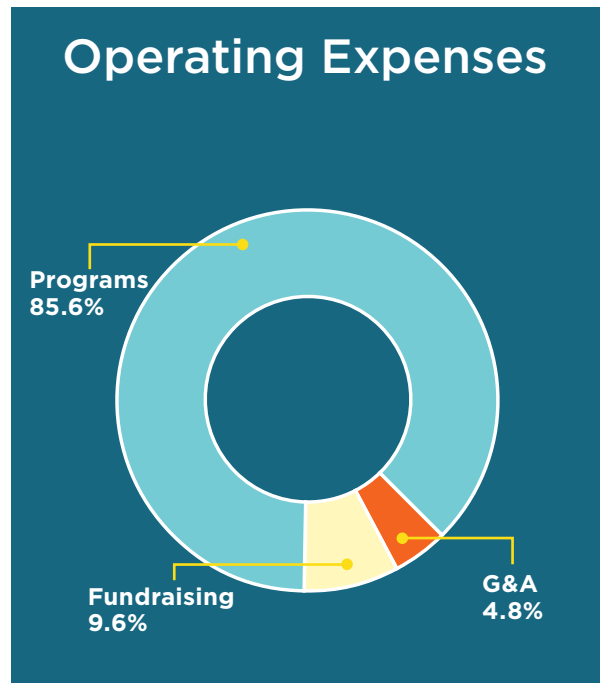
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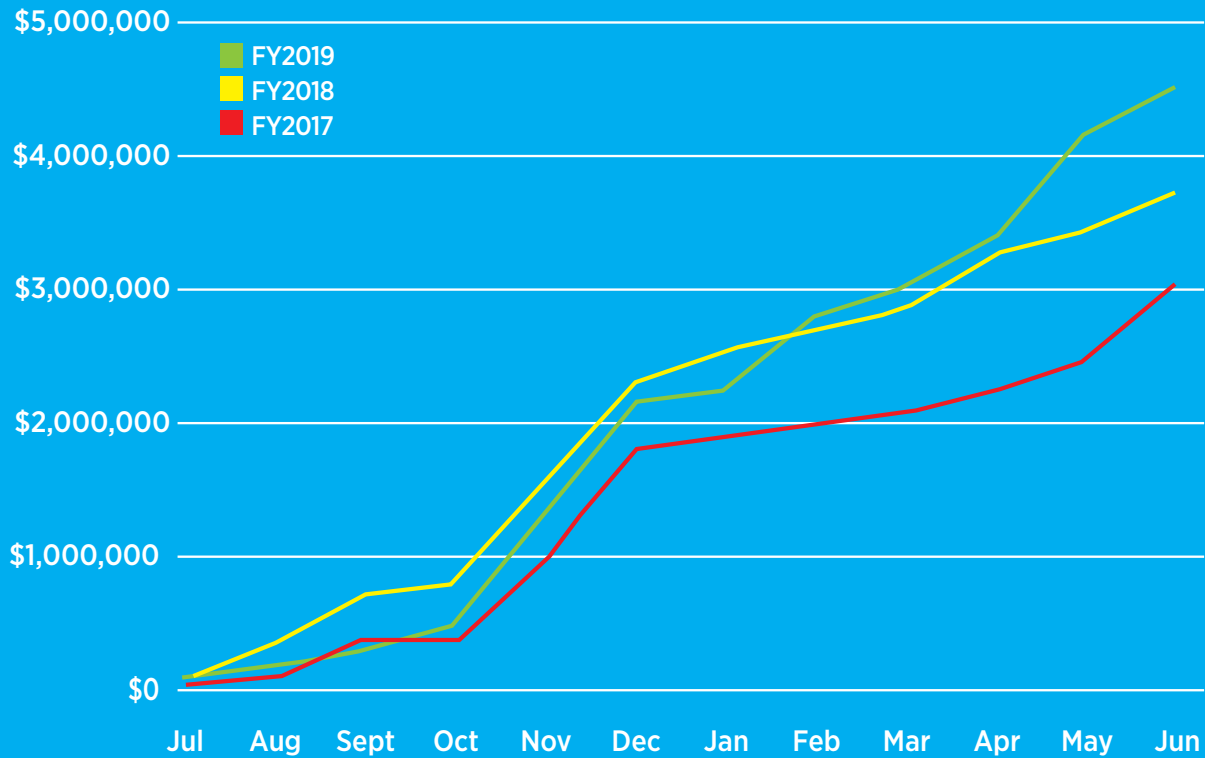
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The Independent Institute's lighthouse logo was inspired by 1991 Nobel Laureate Ronald H. Coase's renowned 1974 essay in the *Journal of Law and Economics*, "The Lighthouse in Economics" (reprinted in the book, *The Firm, the Market and the Law*, by Ronald Coase).

Until that time, conventional wisdom from John Stuart Mill to Paul A. Samuelson held that the lighthouse was the quintessential "public good," which allegedly had to be provided by government due to the inherent free-riding of those who could not be charged for the services being provided.

Coase showed, however, that in Britain, "contrary to the belief of many economists, a lighthouse service can be provided by private enterprise. The lighthouses were built, operated, financed, and owned by private individuals, who could sell a lighthouse or dispose of it by bequest. The role of the government was limited to the establishment and enforcement of property rights in the lighthouse." Only later did the British government consolidate all lighthouse services under its own monopoly in order to eliminate competition and directly reap the financial benefits developed by private entrepreneurs.

In addition to exposing the fallacies of a favorite public-goods rationalization, Coase's essay rescued the lighthouse as a symbol of courage, enlightenment, and independence.



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