Winter 2014

## End the Surveillance State!

By Anthony Gregory

FTER 9/11, Bush administration officials unveiled plans to create an integrated, comprehensive surveillance state unprecedented in human

history. The public rebelled against what the Defense Department called "total information awareness," but the NSA and other government agencies continued constructing a spying infrastructure of previously unimaginable proportions. Despite the

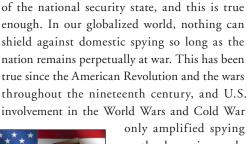
administration's promise that all war-onterror surveillance satisfied traditional warrant requirements, the NSA circum-

vented even the loose restrictions established by the 1978 Foreign Intelligence Surveillance Act to curb abusive spying on Americans' communications.

Senator Barack Obama ran for president promising to rein in this extra-legal spying. Instead, he has overseen its expansion. According to reports of leaked information coming from former NSA contractor Edward Snowden, government surveillance can capture virtually everything we do online, all our telephone calls, all our e-mails, and all our social networking. The federal government has built a facility, the Utah Data Center, that can potentially store more information than is currently on the entire Internet.



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We hear that surveillance is a natural product

on the domestic population. So what we see with the NSA and the war on terror is nothing fundamentally new. Now, as always, Americans must decide between empire and privacy. Yet with



today's technology, the stakes are much higher, and the problem goes even deeper than this.

The surveillance state is becoming totally integrated across all levels of government. From the sixteen agencies constituting the official intelligence community to the federal regulatory bureaucracies all the way down to local law enforcement-and with assistance from major telecommunications and high-tech companies—a coordinated attack has arisen against what is left of privacy in America. Spy cameras on city streets, facial recognition software, surreptitious tracking by the U.S. Postal Service, government-mandated chips in our electronics, public school policies that invade students' private lives, the government takeover of our cellphone microphones and laptop webcams-all of this points to a possible Orwellian future.

The trajectory is most frightening—U.S. government spying and data collection directed at the entire world.

The ease with which Snowden facilitated such a massive intelligence breach underscores government's incompetence at protecting the data it collects. We also know from the government's

#### President's Letter

## What Now? Why Now? **How Now?**

HE RECENT MIDTERM elections in the U.S. show a clear and deepening disillusionment among Americans over Washington-centric thinking. Trust has been collapsing in the "progressive" myth that government provides a magic cure-all.



In short, the mainstream has tired of "politics as usual," which is now increasingly seen to mean dysfunctional healthcare, unemployment, NSA spying, unending wars, government spending and debt, failing schools, and more.

What Now? As we have seen especially starkly over the past 25 years, seismic shifts in culture and the prospects for a better future lie not in Ivory Towers or the hallowed halls of capitols, but on Main Street: from the fall of the Berlin Wall to the growing demand for freedom in China to a new constitution in the birthplace of the Arab Spring, Tunisia—individuals, joining around the ideas of the liberty, can effect far greater-and lastingchange than elections or government mandates.

Why Now? We are indeed at an historic moment. Enterprise is spreading globally, driven by both a sense of untapped opportunity and a growing perception that governments around the world are major barriers to achieving that opportunity. There has never been a better time to guide this transformation to the goal of liberty, given the expanding ability to connect with people and learn at scale.

How Now? The Independent Institute shapes ideas into impact by building on the insight that there is a better way. We deepen understanding of liberty in order to lever opportunities into networks of action that boldly advance peaceful, prosperous, and free societies. By connecting leading-edge ideas with Main Street, waves of change can unleash unparalleled human flourishing around the globe and around town.

To help us leverage ideas into impact, please join with us as an Independent Associate. With your taxdeductible membership, you can receive a *FREE* copy of *Priceless* (the pivotal alternative to Obamacare), Gun Control in the Third Reich (p. 5), Living Economics (p. 5), and other publications, including our journal, The Independent Review (p. 3), plus other benefits (see envelope).

David J. Theroux

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#### The Independent Review

## **Coercive Foreign Policies • The Case for Victim Justice**

THE INDEPENDENT INSTITUTE'S ACCLAIMED JOURNAL continues to offer stimulating insights on a wide variety of topics. Here are two highlights from the Fall 2014 issue.

#### Coercive Foreign Policies and the Boomerang Effect

More than a century ago, Mark Twain noted that if a "Great Republic" goes about "trampling on the helpless abroad" it may eventually direct aggression against its own citizens. But how, exactly, does hostility toward other countries create repression at home?

The short answer is that coercive foreign intervention sets in motion various mechanisms that

can act like a boomerang, turning around and knocking down freedoms in the "throwing" country.

According to Christopher J. Coyne and Abigail R. Hall this happens in large part because the means that were initially developed in the campaign to impose controls on foreign populations also enable policymakers and bureaucrats to expand the scope of government domestically, allowing them to chip away at rights and liberties in the homeland. Those means include new skills and equipment, greater centraliza-

tion of power, and an increased willingness to deploy them in the homeland ("Perfecting Tyranny: Foreign Intervention as Experimentation in State Control").

Coyne and Hall offer two detailed illustrations of the boomerang effect. The first involves government surveillance in the United States. Its origins, they show, can be traced to the U.S. occupation of the Philippine Islands after the Spanish-American War, when Army Captain Ralph Van Deman helped create a data collection system to monitor Filipino insurgents and others. After his return stateside, he lobbied high-ranking officials to create a similar program that later spied on U.S. citizens who opposed America's entry into World War I.

The militarization of domestic policing, Coyne and Hall explain, also illustrates the boomerang effect. The paramilitary SWAT teams now common

in police departments across the United States were first developed by LAPD police chiefs eager to adapt what they learned in special military units during the Vietnam War and World War II.

Coyne and Hall's article is available at www.independent.org/publications/tir/article.asp?a=1012 •

#### **The Case for Victim Justice**

We would enjoy significant savings and other benefits if the "criminal justice" system emphasized victims' rights to restitution instead of punishment for offenses against the state.

Independent Institute Senior Fellow **Bruce L. Benson** puts forth this thesis in his masterful article,

"Let's Focus on Victim Justice," and he defends it with the same boldness and rigor that made his books *To Serve and Protect* and *The Enterprise of Law* landmark contributions to the literature on private law enforcement and dispute resolution.

Focusing on "victim justice" would be easier to achieve, Benson argues, if society were to embrace the *full-scale* privatization (not government "contracting out") of security services, investigations, pursuit, prosecution, adjudication, and sentencing.

adjudication, and sentencing.

"The result would be relatively efficient compared to punishment by imprisonment, which imposes huge costs on taxpayers and wastes large amounts of resources in the form of idle prisoners' time," Benson writes.

Moreover, privatizing each step—from crime prevention to restitution collection—would likely reduce crime. First, victims would have stronger incentives to report offenses, knowing that their chances of collecting full restitution were greatly improved. Second, recidivism would likely decline because some offenders needing to work off their debts would learn job skills that are in greater demand than those promoted in today's prisons.

Benson's article is available at www.independent.org/publications/tir/article.asp?a=1014 •



The Independent Review, Fall 2014

## The Independent Institute in the News

## Center on Peace and Liberty Putin's Timing of Ceasefire in Ukraine Senior Fellow Ivan Eland

Canada's CTV, September 5, 2014

"People in eastern Ukraine, many of them would probably like to be associated with Russia somehow, or at least be autonomous from the government in Ukraine. So I think that's the ultimate solution. Whether that can be done in practice is another matter. Oftentimes, as in the Israeli-Palestinian dispute, the solution by experts is clearly there, but getting the parties to agree to it is another matter."



Senior Fellow Ivan Eland on CTV.

#### **Center on Health and the Environment**

Why Can't People Find a Job? One Big Reason Is Obamacare Senior Fellow John C. Goodman

Forbes, August 25, 2014

"Three Federal Reserve Banks—in Philadelphia, New York and Atlanta—have released business surveys that confirm what many of us have been predicting. The new health law is discouraging a significant number of firms from hiring and is also pushing workers into part-time, rather than full time jobs."

#### **Center on Educational Excellence**

American Education Needs Competition, Not Common Core

Research Fellow Vicki Alger

San Francisco Chronicle, September 1, 2014

"Ultimately, Common Core rests on the faulty premise that a single, centralized entity knows what's best for all 55 million students nationwide. Raising the education bar starts with putting the real experts in charge: students' parents."

#### Center on Entrepreneurial Innovation Rethinking Patent Enforcement: Tesla Did What? Research Fellow William J. Watkins Jr.

Forbes, July 17, 2014

"Thanks to trolls, the rate of patent lawsuits is rising faster than any other type of litigation. In recent years, tech giants such as Apple and Google have spent more on patent litigation and acquisition than on research and development, resulting in less technological innovation. Tesla will no doubt continue to incur litigation costs as the trolls bring infringement lawsuits, which will necessarily divert some of its attention and resources away from product and market development."

#### Detroit Bankruptcy Reveals 401(k)'s Virtues Senior Fellow Lawrence J. McQuillan

USA Today, August 18, 2014

"Local-government employees and retirees should get in front of this spreading problem and adopt a strategy that keeps them from holding the bag. Selling nonessential government assets and switching to defined-contribution pensions would ensure that all earned benefits are paid and secure retirement systems exist in the future."



Senior Fellow **Lawrence J. McQuillan** speaking at an Independent Institute event.

### Go Further! Get the Federal Government Out of the Road Business Altogether

Research Fellow Gabriel Roth

McClatchy Syndicated Newspapers, August 28, 2014

"Instead of introducing new electronic methods for charging road users, the federal government should step aside, phase out federal fuel taxes, and allow the states to develop new road pricing systems consistent with the principle that those who use the roads should pay for them." •

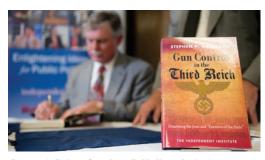
**Events** 

## **Lessons from Nazi Gun Control**

WILL THE U.S. GOVERNMENT require gun owners to wear electronic bracelets that would enable only registered owners to activate their firearms? It's an idea that departing Attorney General Eric Holder directed the Justice Department to look into, and it's one that has many civil libertarians justifiably worried.

As Research Fellow Stephen P. Halbrook noted in his July 24th presentation at the Independent Institute's headquarters in Oakland, history offers numerous examples of well-intentioned policies that had disastrous consequences. Among the most shocking cases—one oddly neglected by historians—is gun control in Germany, the subject of Halbrook's book, Gun Control in the Third Reich: Disarming the Jews and "Enemies of the State."

In the early 1920s, as social unrest was spilling into Germany's streets, officials believed that enacting gun registration would prevent rowdy political groups from becoming even more violent. But when the ultimate extremists—Adolf Hitler's National Socialist German Workers Party—came to power in 1933, they used the registration records to disarm anyone they viewed as a political opponent.



Research Fellow Stephen P. Halbrook signing books.

In 1938, the Nazi regime ordered Jews to turn over their guns. One hapless gun owner who had registered three handguns in 1932—former gymnast Alfred Flatlow, winner of three gold medals for Germany at the Athens Olympics in 1896—was arrested as he stood in line at a Berlin police station to surrender his firearms. This scene repeated across Germany. In 1942, Flatow was sent to the Theresienstadt concentration camp, where he was starved to death.

This saga is a frightening reminder that good intentions can go horribly wrong. And unless we let this lesson sink in, we will not only dishonor those who paid the ultimate price, but we will put future generations at risk of living under tyranny.

For a video of this event and related appearances, see www.independent.org/guncontrol/?s=twb#videos •

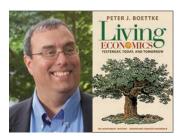
## Peter J. Boettke Speaks at the National Economists Club

Peter J. Boettke, author of Living Economics: Yesterday, Today, and Tomorrow, addressed the National Economists Club in Washington, DC.

Boettke guided the audience on an exploration of the differences between "mainline

economics" and "mainstream economics." Mainstream economics, he explained, is what is viewed as "scientific," but often it is a political tool.

Mainline economics, in contrast, may seem antiquated, but that's only because its truths have been taught by great economists down through the ages. It is based on the premise that people make decisions about how they should act by comparing the expected costs and benefits of alternative courses of action. These comparisons shape individual choices that cohere in broad societal patterns that reflect a mind-boggling number of individual choices.



Research Fellow Peter J. Boettke.

Adam Smith called the market's processes an "Invisible Hand" and argued that it is self-regulating: Individuals can live in harmony without the need for government to intervene in the economy. Despite dissenters such as Marx in the 19th century, Keynes in the 20th, and Krugman in the 21st,

we have yet to see anyone offer a more efficient and ethical alternative to the Invisible Hand.

According to Boettke, economic education is the most important subject in understanding humanity in all areas of life, from the smallest of market transactions to the wealth and poverty of nations. Given the enduring debate between mainstream and mainline economics over our nation's fiscal, trade, and monetary policies, it's hard to argue with him.

For a video of this event, visit www.independent.org/multimedia/detail.asp?m=2547 •

## The Challenge of Liberty Summer Seminars



Clockwise from top left: Students and speakers at a seminar in Berkeley, CA; Students at a Denver, CO seminar; Senior Fellow Robert Higgs; *The Independent Review* co-editor Christopher Coyne.

HANKS TO THE HELP of our supporting Members, 2014 was the most successful year ever for the Independent Institute's Student Programs!

This year's outstanding class of student attendees at the Challenge of Liberty Summer Seminars and eleven fantastic summer Interns represented 20 states, 7 countries, 55 schools, and 34 majors!

Despite tremendously varied backgrounds and career directions, the participants were united by youthful passion for the ideas of freedom.

Students engaged in lively discussions with Institute scholars such as Robert Higgs, Anthony Gregory, and Benjamin Powell, on topics in history, economics, law, and philosophy. We also welcomed Christopher Coyne, co-editor of *The Independent Review* and Professor of Economics at George Mason University, to the faculty for the first time.

Participants in the Independent Institute's Student Programs leave equipped as advocates for free societies—and have a fun and inspiring experience!

The 2014 class now joins the exceptional group of Program alumni advancing liberty through the upper ranks of business, academia, and public policy. We couldn't be more optimistic about the future, as enthusiasm for the message of liberty continues to explode across campuses all over the world.

With that in mind, we're eager to work with our supporters to expand our unique offering of Student Programs through 2015 and beyond, and connect communities of learning everywhere with our award-winning scholarship.

We have ambitious plans to reach more young minds, giving young professionals the tools they need to make an impact for liberty—but we need your help!

Become an advocate for a new generation that values peace, prosperity, and freedom!

**Visit** independent.org/students to find out more about our inspiring Student Programs. **Enroll** a student or young professional *you* know. And **support** the Independent Institute's efforts by becoming a member today! •

## **Institute Welcomes New Student Program Manager**

E ARE ALSO PROUD to announce that **Amy Lee Andres** has joined the Institute as our new Student Programs Manager. An alumna of our Challenge of Liberty Seminar, she is also a recent graduate of Sacramento State University (B.A., Philosophy), and former California State Chair for Young Americans for Liberty, who brings passion and energy that will enable us to grow our youth programs.

"I am thrilled to join the Institute at such an exciting time!" said Amy Lee. "We are ready to reach out to millennials and give them the tools they need to fight for liberty. Stay tuned for more exciting news about our expanded student programs." •



## Internship Program—A Summer of Learning, Inspiration, and Fun

HIS SUMMER our internship program was more popular than ever, with twelve students joining from us from as far away as Hungary. While other internships can focus on administrative tasks, ours develop the next generation of leaders who will help bring about a free society. To do this, our students undertake meaningful projects that provide handson experience in how a pro-liberty organization goes about influencing public discourse.

Here's a small sample of our 2014 summer internship projects:

- Marketing and Communications intern Joanna Samuels (economics student, Calvin College), researched and developed a plan to implement an electronic subscription format for *The Independent Review*.
- Publications intern Adam Bartha (politics & international relations, University of Sheffield) researched and recommended a new email service provider for the Institute.
- Research intern Rebecca Harris (political science, Hillsdale College) took charge of coordinating final arrangements for all three sessions of the Challenge of Liberty Summer Seminars for 68 students and contributed research on California water policy.

Our interns were not "all work and no play." In addition to enjoying many social outings together, they joined the Institute's First Annual "Fun Run"





Top: First Annual 5k Fun Run; Bottom: Senior Fellow Lawrence J. McQuillan flanked by summer interns.

and BBQ. The runners donned our fashionable "Got Liberty?" tee shirts as they blazed through the 5K race course through a park near the Institute's Oakland headquarters. The competition was fierce, with Adam Bartha crossing the finish line first.

As the summer internship season wound down, our inventive and fun-loving interns surprised Senior Fellow **Lawrence J. McQuillan** by decorating his office with Post-It notes. Upon discovering the prank Lawrence said with a smile, "The interns are hardworking, innovative, and really drove up our Post-It note bill for the month, as my office can attest!" •

### **Anthony Gregory: End the Surveillance State!**

(continued from page 1)

various intelligence failures relating to foreign policy that its problem is not insufficient data collection, and we should not expect any of these new powers to make us any safer.

Both parties, in both the presidency and in Congress, have demonstrated hostility toward privacy rights and the Fourth Amendment. The Supreme Court has routinely upheld extreme police powers to search private property in the name of combating illegal drugs. Financial regulation allows for the heavy scrutiny of practically every private economic transaction. Our health, legal, and personal records are now shared liberally across government bodies, with private firms, and with foreign states.

Government officials have misled the public about the scope of surveillance. They told us they aren't listening in on telephone calls. They told us that they're only targeting suspected terrorists. Along the way, some of us shrug off the new revelations and say that the admonitions from civil libertarians are the talk of paranoia—and yet what sounds paranoid one day we soon find out is in fact what the government has been doing. Our culture is being conditioned to having no privacy at all.

Privacy is a foundational value of civilization. Protection against unreasonable searches and seizure is one of the most precious of human rights. The best way to defend these rights is something of an open question, but not until we start asking it will we come close to finding the answer.

**Anthony Gregory** is a Research Fellow at the Independent Institute. His book *Surveillance War: U.S. Intelligence Operations and Privacy Rights* will be published in 2015. •

## **Invest in a Brighter Future for Liberty**

E NEED YOUR HELP to shape a free and bright future for individuals across the globeand across the street.

Why?

As someone who recognizes the value of individual choice and human dignity, your partnership is critical in inspiring action to free our markets, protect our civil liberties, and strengthen personal responsibility.

But greater liberty can only come through a changed culture: widespread understanding that only free societies, not Big Government, empower individuals in community to determine their own future and maximize their potential.

Our supporters have built the Independent Institute for this very reason: Our transformative solutions, powerful media campaigns, student programs, and principled defense of liberty constitute the most effective program to change the culture and illuminate the public debate. And this year, we're working closely with our Members to explore new strategies and awaken and engage more advocates for liberty than ever before.



photo: istockphoto © Rasica

This is the time to act: Individuals across the U.S. and around the world are waking up to the harsh realities of Big Government. Today presents a critical opportunity to shift the public conversation, but we need your help to make it happen!

We invite you to work with us to inspire liberty, reduce your 2014 tax burden, and choose a FREE book! Make a tax-deductible contribution to the Independent Institute using the enclosed reply envelope, or visit us at independent.org/donate.

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