

The INDEPENDENT

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Death Penalty and War on Terrorism

The ever-popular Independent Policy Forum recently held capacity-crowd events on capital punishment and fighting terrorism.

• **The Death Penalty on Trial** (1/27/05): Are wrongly convicted prisoners sitting on death row? As disturbing as it sounds, such an injustice is highly probable, according to true-crime TV personality and producer **Bill Kurtis**, host of A&E's "American Justice" and "Cold Case Files" (author, *The Death Penalty on Trial*), who described past instances of wrongful conviction in capital cases.



(Left to right) **Bill Kurtis** and **Franklin Zimring** address Independent Policy Forum.

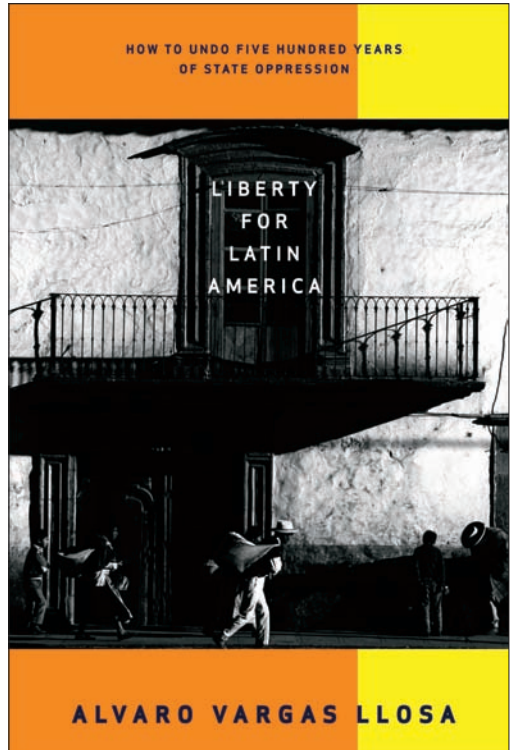
Many cases of exonerations are heart wrenching, Kurtis explained. Ray Krone was an Air Force veteran and mailman who served ten years on death row before he was exonerated and released after a DNA sample on the victim's shirt matched that of a sexual predator

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Books on Latin America and Free Speech

The Independent Institute has recently produced two books that have received critical acclaim.

• In *Liberty for Latin America: How to Undo Five Hundred Years of State Oppression* (Farrar, Straus and Giroux; \$25.00 cloth), **Alvaro Vargas Llosa** (senior fellow and director of the Independent Institute's new Center on Global Prosperity) offers an incisive diagnosis of Latin America's woes—and a prescription for putting the region on the road to prosperity and freedom.



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When the economy in Argentina—a country many had considered a model of “free-market” reform—collapsed in 2002, experts of all persuasions asked, “What went wrong?” Vargas Llosa shows that what went wrong in Argentina and elsewhere in the region was a

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President's Letter:

Making Ideas Count

It has been a banner year for us, the culmination of 19 years of hard work, and as we enter our 20th year of providing enlightening ideas for public policy, I am happy to report that the Independent Institute has received the highest **Four Star Rating** from Charity Navigator, the premiere, independent non-profit evaluator. The Institute is ranked in the top 10% of 222 major American policy organizations and ahead of virtually all other think tanks (please see p. 8).

Our new **Center on Global Prosperity** has also been awarded a special grant of \$500,000 from the John Templeton Foundation as a result of winning a prize competition among 15 prominent policy institutes internationally, "What Works in Enterprise-Based Solutions to Poverty." The Center will focus on analyzing the root causes of and championing solutions to poverty internationally. The Center is directed by our Senior Fellow **Alvaro Vargas Llosa**, whose book, *Liberty for Latin America*, is a best-seller in many Latin countries, and is receiving enormous media attention in the U.S. (see p. 1).

Media coverage from our program overall continues to soar (see p. 4). This past year, print media coverage driven by the Institute's program grew to reach 75 million people, and page views of our web site during the fourth quarter of 2004 rose to one million.

As the reality of failed government measures becomes more apparent, popular support continues to erode. Since 9/11, interest-group politics has produced the largest growth of government power in forty years, nearly all unrelated to safeguarding Americans (see p. 3). Meanwhile, polls show that 60% of the public now considers the U.S. effort in Iraq as going badly and 51% believe the U.S. should have stayed out entirely. The result is a de-legitimization of government's attempts to grow through exploiting fear, and an increasing demand for alternatives to bureaucracy and political control.

The Institute's program provides alternatives to this failed paradigm, efficiently, effectively, and with entrepreneurial innovation. To expand this influence, please join with us as an **Independent Associate Member**—and receive a FREE copy of our best-selling book, *Liberty for Latin America* (see attached envelope).

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Independent Policy Forums: Death Penalty • War on Terrorism

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who lived near the crime scene. Ernest Willis was another convict sentenced to death, for arson and murder, who was later released. Todd Willingham was executed in February 2005, even though his conviction depended upon the same forensic procedures deemed faulty in the Willis case.

Kurtis then discussed eight reasons that innocent people have been given death sentences, including the use of overzealous and dishonest prosecutors, corrupt policemen, unreliable witnesses and expert witnesses, incompetent defense attorneys, biased judges, and dishonest jailhouse informants. A prosecutor in Arizona, Kenneth Peasley, was disbarred recently, Kurtis said, “because it was found that he falsified evidence in a murder trial.”

Following Kurtis’s presentation, University of California at Berkeley Law Professor **Franklin Zimring** (author, *The Contradictions of American Capital Punishment*) cited some paradoxes surrounding the death penalty. For example, California has 650 death row inmates yet executions are rare; Governor George Ryan of Illinois commuted the sentences of about 160 condemned inmates but would not order a review of all criminal cases; and despite the

recommendation of a blue-ribbon commission in Massachusetts, no executions have resulted. These paradoxes, Zimring said, suggest that political elites believe much of the public has come to see the death penalty as unnecessary and unjust, just as many Europeans did a generation ago.

For a transcript of this event, see <http://www.independent.org/events/transcript.asp?eventID=107>.



Former CIA counterterrorism expert **Michael Scheuer** discusses the war on terrorism.

• **How—and How Not—to Fight Terrorism** (3/1/05): Although al Qaeda has not successfully launched an attack on U.S. soil since 9/11,

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New Books: Liberty for Latin America • Restoring Free Speech on Campus

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continuation of the problems that have persisted for centuries.

The republics of the 19th century and the revolutions of the 20th century—populist uprisings, Marxist coups, state takeovers, and First World–sponsored “privatization”—have all run up against the oligarchic legacy of entrenched statism. In order to maintain their hold on power, illiberal elites—often backed by the U.S. and Europe—have perpetuated what Vargas Llosa calls the “five principles of oppression”: corporatism, state mercantilism, privilege, wealth transfer, and political law. Consequently, Latin America has become a laboratory for political and economic suicide, while many countries in Asia and Eastern Europe have prospered.

“The history of Latin America is replete with violence against the individual, a recurrent revolution of the wrong kind,” writes Vargas Llosa in his concluding chapter.

“The many symptoms of individual sovereignty sparkling in the thick night of oppression indicate that such is not the natural, voluntary fate of Latin Americans. The recurrence, generation after generation, of the five principles of oppression, however, has ingrained in the minds

of many people certain presuppositions that conspire against their own liberation.... My hope is that one of these days, by making the right kind of revolution, Latin America will prevent the umpteenth revolution of the wrong kind.”

Praise for

Liberty for Latin America

“An important contribution to the present debate on the causes of Latin America’s poor economic and social performance.”

—**Ernesto Zedillo**, former President, Mexico

“**Liberty for Latin America** is a gripping account of five hundred years of Latin American oppression.”

—**Steve H. Hanke**, Professor of Applied Economics, Johns Hopkins University

To purchase *Liberty for Latin America*, see http://www.independent.org/store/book_detail.asp?bookID=55.

• The Free Speech Movement was born in 1965 at UC Berkeley and resulted in the lifting of the school’s ban on political speech. Forty years later, however, a “counterrevolution” has

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The Independent Institute in the News

• **Opinion:** Articles by **Alvaro Vargas Llosa** appeared in *New York Times*, *Dallas Morning News*, *International Herald Tribune*, *Analitica* (Venezuela), *Clarín* (Argentina), *Diario Las Americas* (Miami, FL), *Libertad Digital* (Spain), and *El Ibero Americano*. **Benjamin Powell** wrote pieces for *Investor's Business Daily*, *San Francisco Business Times*, *Providence Journal*, *East Valley Tribune* (Mesa, AZ), *Scottsdale Tribune* (AZ), *San Diego Union-Tribune*, *Silicon Valley/San Jose Business Journal*, *Calgary Herald* (Canada), and *Star* (Chicago, IL). **Ivan Eland** had pieces in Canada's *National/Financial Post*, *Chicago Tribune*, *East Valley Tribune* (Mesa, AZ), *Scottsdale Tribune* (AZ), *Michigan Citizen*, *Star* (Chicago, IL), and *Middle East Times* (Egypt). Additional articles included **Wendy McElroy's** weekly column with Fox Newswire and her piece in *Society*, **Pierre Lemieux's** regular contributions to *National/Financial Post*, **S. Fred Singer's** pieces on climate policy for *Vancouver Sun* and *Calgary Herald*, and **William Watkins's** article in *Chronicles* and *Star*.



Independent Institute Senior Fellow Alvaro Vargas Llosa on PBS's "NewsHour with Jim Lehrer".

• **Book Reviews:** *Against Leviathan* was reviewed by *Choice*, *Federal Lawyer*, *Washington Times*, and *Across the Board*. *The Empire Has No Clothes* was reviewed by *Choice*, *American Conservative*, *Charleston Gazette* (Charleston, WV), *Future Survey*, and *Alameda Sun* (Alameda, CA). Additional reviews include *Drug War Crimes* in *Washington Times*, *A Poverty of Reason* in *Leading Edge*, *Strange Brew* in *Massachusetts Beverage Business* and *New England Wine Journal*, and *Liberty for Women* in *Memphis Woman*. *Liberty for Latin America* was reviewed by *Washington Post*, *Newsweek*, *Miami Herald*, *Australian Financial Review*, *United Press International*, *Washington Times*, *World Peace Herald*, *World and I*, *Latina*, *Hispanic*, and *Booklist*.

The Spanish edition, *Rumbo a la Libertad*, was reviewed by *Industria* (Peru), *La Raza* (Chicago, IL), *La Prensa* (Nicaragua), *El Sentinel* (FL), *El Nuevo Dia*, *El Hispano*, and *Il Riformista* (Italy).

• **Radio:** Highlights included **Ivan Eland's** interviews on Canada's Corus Network, NPR's "To the Point" in Los Angeles, KXXT, KUOM, KWEL, KPFA, WGBB, KWTO, WGCV, KPSI, and WUFB. **Alvaro Vargas Llosa** appeared on Voice of America, KGO's "Pete Wilson Show," Air America's "The Majority Report" with Janeane Garofalo, WABC's "John Batchelor Show," KALW's "Your Call," and WNYC. **Benjamin Powell** gave commentary on the National Radio Project, KTAR, KGAB, and San Francisco's Live 105 and Alice 97.3. **Donald Downs** was interviewed on Westwood One's "The Lars Larson Show," WIBA's "Outside the Box," Wisconsin Public Radio, KTAR, and WPTF. Additionally, announcements of our **Independent Policy Forums** were heard on KQED's "Forum" and KGO's "Pete Wilson Show" in San Francisco. **Glen Whitman** and **Jeff Miron** were interviewed on KUOM, and **Daniel Klein** was a guest on Air America's "Ed Schultz Show."

• **Television:** **Alvaro Vargas Llosa** appeared on PBS's "Uncommon Knowledge," Telemundo California, Telemundo Internacional, Univision, "Voices of Peace" UPI, and C-SPAN2's "Book TV." **Ivan Eland** appeared on MSNBC on the war in Iraq as well as on PBS's "Uncommon Knowledge."

• **Additional Highlights:** Our research fellows and publications have also appeared in *Newsweek*, *Newsday*, *Foreign Policy*, *New York Times*, *Economist*, *American Conservative*, *San Francisco Chronicle*, *San Diego Union-Tribune*, *Capitalism*, *Orange County Register*, *South Florida Sun-Sentinel*, *Nation*, *Wall Street Journal*, *Christian Science Monitor*, *Scripps Howard News Service*, *Best Wire*, *US Newswire*, *Miami Herald*, *Seattle Times*, *St. Paul Pioneer Press*, *Washington Times*, *Detroit News and Free Press*, *Kansas City Star*, and *San Jose Mercury News*. Additional international coverage included BBC News, *Agence France-Presse* (Spanish), *United Press International* (Chile), Peru's *Expreso*, London's *Guardian*, South Africa's *Mail and Guardian*, Canada's *Globe and Mail* and *Vancouver Sun*, Malaysia's *Edge*, EFE Spanish Newswire, *Deutsche Presse-Agentur*, and *Weekend Australian*. •

*The Independent Review***Democracy and Violence • Inequality in Socialism**

The Independent Review, the Independent Institute's quarterly journal, continues to offer path-breaking scholarship on timely topics (individual subscriptions: \$28.95/year; \$54.95/two-year). Recent articles have discussed the prospects for democracy in high-violence societies, and the hidden legacy of inequality in former Soviet-bloc countries.

- To say that democratic nation-building isn't easy would be a gross understatement. Long before the recent tenuous elections in Iraq and Afghanistan, the U.S. government had spent much in treasure and blood in failed attempts to impose democracy in such places as Cuba (where U.S. Marines were sent on three separate occasions in the first two decades after the Spanish-American War) and Haiti (which the U.S. occupied from 1915 to 1934).

Yet despite the failure to plant democracy in those countries, the idealism of democratic nation-builders persists. As recently as 2004, State Department Undersecretary Paula Dobriansky said no culture could prevent the emergence of democracy. In contrast, many scholarly critics have concluded the opposite, some having listed more than a dozen prerequisites that must be met for a democracy to take root and thrive.

Which camp is right? According to **James Payne**, both democratic nation-builders and their critics have greatly overstated their cases. Failed democracies, Payne argues, lack one ingredient necessary for the creation and survival of a democracy, but one whose importance cannot be overestimated ("The Prospects for Democracy in High-Violence Societies," Spring 2005). "What is that minimum?" asks Payne. "I would put it this way: a restraint in the use of violence in domestic political affairs."

High-violence societies—where violence is not only common but is practiced or condoned by political elites—are inherently inhospitable to democratic government. In contrast, democratic societies are highly averse to political violence even when electoral fraud is rampant, Payne notes.

"With regard to political violence, Iraq in the early twenty-first century is almost exactly what England was in the mid-fifteenth century," writes Payne. "The question we need to ask, then, is not 'What went wrong with Iraq?' Instead, it is 'What went right with England—and the other areas that evolved away from the violent politics of an earlier time?'"

Payne identifies several elements involved in a culture's move away from violence and

offers words of caution for today's democratic nation-builders:

"An occupying country such as the United States may pay lip service to (and expend human lives for) the idea of establishing democracy in such high-violence societies, but in the short term that goal has no well-founded chance to succeed. In practice, the occupier will end up following a policy of stability, which involves the following elements: (1) violent repression of the most visible violent opposition forces; (2) truces with gangs and warlords willing to keep a lower profile; and (3) creation of a puppet government that eventually becomes or gives way to a dictatorship. It is only after many decades of autocratic rule that the society *may* achieve the transition away from violence, thus making the emergence of democracy possible."



The Independent Review, Spring 2005

See "The Prospects for Democracy in High-Violence Societies," at <http://www.independent.org/publications/tir/article.asp?issueID=41&articleID=524>.

- Since the collapse of state socialism in the early 1990s, researchers have reported growing levels of income inequality in central and eastern Europe. What are we to make of the claim?

On the one hand, the freedom of opportunity that characterizes market economies—combined with other factors, such as individuals' varying talents, ambitions, and luck—ensures that people

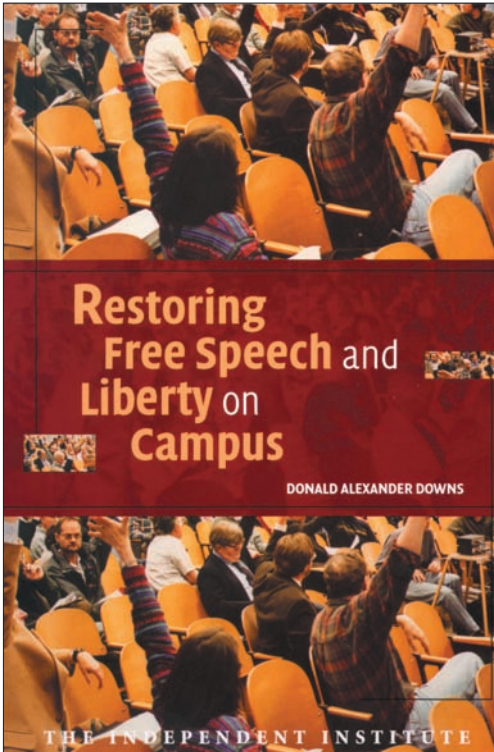
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New Books: Liberty for Latin America • Restoring Free Speech on Campus

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ensued: Students and teachers at many universities have found themselves facing disciplinary measures for violating university speech codes enacted since the late 1980s.

Fortunately, today's proponents of open discourse and free speech can organize just as effectively as the campus activists of the 1960s, explains **Donald Downs** in his new Independent



Institute book, *Restoring Free Speech and Liberty on Campus* (Cambridge University Press; \$25.00 cloth). “My hope in writing this book is to show how liberal principles of freedom and individualism can be restored in a way that adds integrity to the pursuit of diversity in the

contemporary university,” Downs writes.

Downs, a University of Wisconsin professor of political science, law and journalism, knows first hand of what he speaks: “Because I have been a leader of the University of Wisconsin free speech and civil liberty movement, my observations and perspectives are part of the story.”

Praise for *Restoring Free Speech and Liberty on Campus*

“Downright inspiring!”

—**Nat Hentoff**, columnist, *Village Voice*
 “Should be read by anyone interested in higher education, constitutional citizenship, and civil liberty.”

—**Nadine Strossen**, President, ACLU

Downs begins with an enlightening discussion of the rise of ideologies against free speech and liberty, explaining the influence of such writers as Paulo Freire, Herbert Marcuse, Catharine MacKinnon, Andrea Dworkin, Michel Foucault, and others. He also recounts racial incidents on America’s campuses that prompted many administrators to support what they called “anti-harassment” codes.

Downs then presents four case studies in the politics of free speech on campus. Two case studies (Columbia U. and UC Berkeley) show how the absence of political mobilization on behalf of liberty principles puts intellectual freedom at risk when campus political pressures run otherwise. The other two (U. of Wisconsin and U. of Pennsylvania) present positive examples.

Downs concludes with a chapter on strategies for promoting civil liberty and free speech on campus. “To prevail in the struggle for free

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Independent Policy Forums: Death Penalty • War on Terrorism

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Osama bin Laden’s terrorist network represents an ongoing threat to the American homeland. Worse, U.S. policymakers still fail to grasp the gravity of the threat and have taken actions that have broadened support for anti-American terrorism from within the larger Muslim community, former CIA counterterrorism expert **Michael Scheuer**, author of *Imperial Hubris*, told a capacity crowd.

“Bin Laden’s gripe, if you will, has little to do with the vague but incendiary rhetorical attacks made against U.S. culture and society by [former Iranian theocrat Ayatollah] Khomeini,” said Scheuer. “While bin Laden shares the grouchy old Iranian’s distaste for our culture, bin Laden

has taken the far more effective tack of focusing on specific U.S. policy toward the Islamic world in his effort to focus Muslim hatred on America.”

Bin Laden’s grievances, Scheuer said, include the U.S. military and civilian presence in the Middle East, U.S. support for governments bin Laden believes suppress Muslims or are corrupt and apostate regimes within the Islamic world, and the U.S.’s ability to secure oil from the region at favorable prices.

Startlingly, policymakers have inadvertently weakened the ability of the U.S. intelligence community (IC) to combat terrorism, accord-

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Center on Global Prosperity Launched

The Independent Institute is pleased to announce its new **Center on Global Prosperity** created to examine how market-based institutions can reduce poverty. The Center is the result of a \$500,000 award from the John Templeton Foundation's "What Works in Enterprise-Based Solutions to Poverty".

"We are very encouraged by this prestigious award," said **Alvaro Vargas Llosa**, Senior Fellow at the Independent Institute and the Center's Director. "Our new Center on Global Prosperity will focus on many poor communities in Latin America and other parts of the underdeveloped world that have actually been able to overcome numerous obstacles to create wealth, thanks to their entrepreneurial and innovative spirit," he said.

David J. Theroux, founder and president of The Independent Institute, noted that the critical role of entrepreneurs has been largely ignored in analyses of approaches to eliminating poverty in developing countries. He indicated that the Center's scope would include case studies on the failure of central economic planning and on enterprise-based solutions that have advanced the economic welfare of the poor.



*Center director
Alvaro Vargas Llosa.*

"Nearly 200 years after the industrial revolution, it is a tragic fact and demonstrably unnecessary that half the world's population is living in abject poverty and misery," he said, "and yet there already exists a wealth of examples of the kinds of solutions that could end world poverty." Approximately 10 percent of the present world population (roughly 600 million people) exists at or below \$1 per day and

approximately half of the world population (3 billion people) live at or below \$2 per day.

The Center will bring together scholars, commentators, and decision-makers from both the developed and the developing worlds. "We will offer comparative studies showing how countries such as Ireland, Estonia, and New Zealand have been able to overcome underdevelopment, while others, like Venezuela, Russia, and Nigeria endowed with greater natural resources and benefiting from substantial foreign aid, still lag behind," noted Vargas Llosa. The results of these studies will be published as books, and used in conferences, and media programs for academic, political, business, religious, and civic leaders, as well as the general public.●

The Independent Review: Democracy and Violence • Inequality in Socialism

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will achieve unequal levels of material gain in the marketplace. (This outcome does not worry proponents of free-market economies, who typically praise the market's tendency to "raise all boats," not a tendency to raise them to equal heights.) On the one hand, large differences in income and wealth can indicate the presence of interference with a free market, such as massive subsidies for favored groups or severe regulations that penalize disfavored groups.

Is the perceived increase in income inequality in the former Soviet client states the result of greater economic freedom, or government favoritism? Economists **David Henderson**, **Robert McNab**, and **Tamás Rózsás** argue a third alternative: Inequalities in present-day central and eastern Europe are often little-known legacies of state socialism ("The Hidden Inequality in Socialism," Winter 2005).

Other researchers, they argue, have discounted pervasive inequalities in health care, education, and housing, which previous regimes doled out on the basis of political considerations. Researchers have also underestimated the real value of privileges granted by government bureaucrats, as well as underestimated the role of corruption and the subsidies to urban dwellers and the expense of rural residents.

"Instead of nurturing nostalgia, governments and legislators of the transition countries should abolish unnecessary restrictions on their economies, eliminate subsidies, decrease taxes, and cut back on the overgrown, inefficient system of government transfers, including social security," they conclude.

See "The Hidden Inequality in Socialism," at <http://www.independent.org/publications/tir/article.asp?issueID=40&articleID=503>.●

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Large and growing numbers of individuals look to the Independent Institute to provide objective, principled analysis and to redirect public debate toward alternatives less susceptible to the problems of government failure. Charity Navigator's findings, we are happy to report, confirm for them that their dollars go a long way toward advancing enlightening ideas for public policy. For more information, see <http://www.independent.org/aboutus/article.asp?id=1503>.●

New Books

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speech on campus, advocates of liberty must be willing to take what may be an unpopular stand and make the principled defense of liberty part of their agenda," he writes.

To purchase *Restoring Free Speech and Liberty on Campus*, see http://www.independent.org/store/book_detail.asp?bookID=57.●

Independent Policy Forums

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ing to Scheuer. These actions include the government's failure to hold accountable any senior official whose failures led to 9/11; its ill-conceived expansion of the IC bureaucracy; and its dilution, "perhaps lethally, in terms of American lives," of the small pool of experienced intelligence officers who were working against al Qaeda prior to the 9/11 attacks.

Scheuer also lamented the Goss-Graham and Kean-Hamilton Commissions' failure to allow Americans to publicly hear from any intelligence officer who worked daily against al Qaeda before 9/11. Despite the critical acclaim of his best-selling book, *Imperial Hubris: Why the West Is Losing the War on Terror*, Scheuer said he had never been contacted to testify before any congressional or White House committee on intelligence failures or reform.

For a transcript of this event, see <http://www.independent.org/events/transcript.asp?eventID=108>.●

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