The U.S. government’s enormous expansion overseas and at home was the theme of two recent Independent Policy Forums.

- Against Leviathan: Government Power and a Free Society (9/29/04): “If I had to use a single word to describe what is fundamentally wrong with government today, I would use the word fraud,” Senior Fellow Robert Higgs told the audience at the Independent Policy Forum based his new book, Against Leviathan: Government Power and a Free Society ($18.95, paperback).

“Inertly nowadays—and perhaps in every age—government is not what it claims to be, namely competent, protective, and just. And it is what it claims not to be, namely bungling, menacing, and unjust,” Higgs continued. “The velvet glove of its countless claims of benevolence scarcely conceals its iron fist of violence and {

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New Book Challenges U.S. Foreign Policy

Most Americans don’t think of their government as an empire, but with more than 700 military bases worldwide, the United States holds sway over an area that dwarfs the great empires of world history. And this empire comes at a great cost to the American people, according to Ivan Eland, Senior Fellow and Director of the Independent Institute’s Center on Peace & Liberty.

In his very timely new book The Empire Has No Clothes: U.S. Foreign Policy Exposed ($24.95, cloth), Eland argues that U.S. military interventionism harms the interests of Americans politically, economically, and militarily. His thesis—that the United States and probably the world would be more free, secure, and prosperous if the U.S. government reduced its military involvement overseas,

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In times of crisis, such as the war on terrorism, public access to accurate information is crucial. Without it, the disinformation “and spin” of special-interest groups seeking to cash in on the emergency powers of government often mislead opinion leaders and the public into supporting policies they would otherwise consider harmful. The fog of spin clouds better judgment.

During national crises, pressures to conform to official government accounts become commonplace in the media and elsewhere, and the fear of falling out of step with the “priorities” of the crisis muffles public debate. As a result, an entire spin culture develops that avoids asking the obvious questions about the nature and impact of government power. How else can we explain the media’s failure to probe the claims in the run-up to the war in Iraq, or the record federal deficits/spending since 9/11 on Medicare, farm subsidies, and other pork?

How are people to form intelligent opinions on crucial issues when their main sources of news and analysis fail? Who can they trust to provide dispassionate, non-partisan analysis as they ponder pro’s and con’s? Large and growing numbers of people, we are happy to report, now look to The Independent Institute to provide objective, principled analysis and to redirect public debate. They know they can depend on us to be objective, impartial, non-partisan, and highly innovative in cutting through the fog of spin. During the past year, media coverage of our program has skyrocketed on TV/radio, in newspapers/magazines, and on the Internet (please see p. 7).

This impact has benefited from such new books as Against Leviathan (see p. 1) and The Empire Has No Clothes (see p. 1), as well as path-breaking analysis in our journal The Independent Review (see. p. 5) and our conference and media projects (see p. 4). Recently, Senior Fellow Ivan Eland was awarded the Medal of the Presidency of the Italian Republic for such superb work (see p. 7).

To expand this vital influence, we hope that you will join with us by becoming an Independent Associate Member—and receive a FREE copy of Dr. Eland’s pioneering book, The Empire Has No Clothes (please see attached envelope).
New Book Challenges U.S. Foreign Policy
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much as the nation’s Founders had urged—is certain to garner intense interest from those who recognize the need for a thorough going re-examination of U.S. foreign and national security policies.

Eland shows that the concept of empire is wholly contrary to the principles of both liberals and conservatives and that it makes a mockery of the Founding Fathers’ vision for a free republic. “Small government” conservatives who favor military adventurism, he argues, should check their history and rethink their assumptions. Increases in non-defense spending have been lower during administrations in which warfare was sporadic or nonexistent (Carter, Reagan, Bush I, and Clinton) than during the three administrations in which major long-term wars were being fought. Like prior wars, Bush II’s “War on Terror” has led to increases in both defense spending and non-defense spending (which has increased more during the wartime presidency of George W. Bush than during any comparable period since the wartime administration of Lyndon Johnson).

Liberals who favor a global U.S. empire to engage in nation-building, or sundry “humanitarian” ends, should also take a close look at history, Eland argues. The abysmal track record of attempts to coercively bring democracy and free markets to countries shows that such interventions repeatedly fail to restructure fractured and violent societies. Violations of nations’ sovereignties—even for humanitarian ends—undermine international norms against cross-border aggression and encourage separatist radical groups to revolt. Over time, therefore, more people are likely to be killed than saved by U.S. interventions.

Eland also warns that in recent years “blowback,” and the enormous expansion of domestic federal power resulting from this overextended empire, have begun to threaten the American homeland itself and curtail the very liberties

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Praise for
The Empire Has No Clothes

“The Empire Has No Clothes is impressively lucid, filled with careful research and highly insightful commentary.”
—Ambassador Edward L. Peck, former Chief of U.S. Mission in Iraq

“There may be no more important lesson for policymakers in today’s often bloody and uncertain world.” —Washington Times

“An excellent book on the Bush Doctrine of waging preventative wars, maintaining hegemony, and spreading democracy by force.”
—Lawrence J. Korb, former Assistant Secretary of Defense

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The Independent Institute in the News


- **Book Reviews**: *The Empire Has No Clothes* was reviewed by the Washington Times, Orange County Register, Press Trust of India, and Asia Times. *Against Leviathan* was reviewed by Human Events, Research and Reference Book News, Carolina Journal, and Washington Times. *Rumbo a la Libertad* was reviewed in more than 30 Spanish-language newspapers including *La Vanguardia*, *Busqueda*, *Expreso*, and the *Miami Herald*. The forthcoming English-language version, *Liberty for Latin America*, was reviewed by Kirkus Reviews and Publishers Weekly. *Strange Brew* was reviewed by the Philadelphia Inquirer, California Farmer, and several papers in Napa Valley, Calif. *Drug War Crimes* was reviewed by NEXUS. *Changing the Guard* was reviewed by Security Management. *Faulty Towers* was reviewed by Research and Reference Book News. A Poverty of Reason was reviewed by Research Reports and was also recommended, along with *Hot Talk, Cold Science*, in Michael Crichton’s new best-selling novel, *State of Fear*. *Market Failure or Success, Liberty for Women*, and *The Voluntary City* were reviewed by India’s Educational Book Review. *Reclaiming the American Revolution* was reviewed by Chronicles and the Federal Lawyer.

- **Other Media**: Institute Research Fellows also frequently appeared in such newspapers, magazines, and wire services as Associated Press, Fox Newswire, Boston Herald, Houston Chronicle, Foreign Policy, Forbes, Dallas Morning News, New York Times, Barron’s, Denver Post, Rocky Mountain News, San Diego Union-Tribune, Hartford Courant, Tennessean, and Reason. Additional international coverage included UPI, Agence France Press, EFE, BBC, Financial Times, Agenzia Giornalistica Italia (Italy), El Tiempo (Colombia), Clarin (Argentina), El Economista (Mexico), El Correo (Spain), and Santiago Times (Chile).
The Independent Review

Globalization and Peace • RICO

The Independent Review, the Independent Institute’s quarterly journal, recently offered readers important insights for promoting world peace and the rule of law.

• The greatest benefit of free trade is not that it fosters prosperity—although Adam Smith was certainly correct when he observed that the international division of labor contributes significantly to the wealth of nations. Rather, it is the tendency of free trade to prevent war, according to sociologist Erich Weede (University of Bonn).

Numerous studies show that free trade promotes peace in two ways—by directly reducing the incentives to go to war and by promoting prosperity and democracy, which also contribute to peace. If these studies were better known, Weede suggests, many critics of globalization would become supporters.

“If globalization is understood as the spread of capitalism by free trade, foreign investment, and outsourcing, then globalization promises to promote prosperity and peace at the same time,” writes Weede. “Of course, the diffusion of capitalism and peace by globalization takes time and does not solve all urgent problems at once, but it is likely to prevent many security problems from even arising.”

Weede notes that the trade-peace tendency may not prevent war 100 percent of the time if other preconditions are absent. If property rights, the rule of law, and democratic institutions are weak, then the full security benefits of free trade may not be fully realized.

“The policy implications of the capitalist-peace strategy are simple: promote economic freedom and globalization. If the policy succeeds, one gets more prosperity, more democracy, less civil war, and less interstate war.”


• Until a few decades ago, there were only three named federal criminal acts—treason, piracy, and counterfeiting—criminal law enforcement was left primarily to the states. Today there are more than 3,000 federal criminal acts, largely due to the passage of the Racketeer Influenced and Corrupt Organization Act (RICO) of 1970.

RICO made it easier to prosecute organized crime, but it also criminalized offenses that once were considered merely civil matters. RICO has blurred the lines between state and federal law enforcement and overturned the due-process guarantees of the U.S. Constitution.

“Because RICO cases are tried in federal courts, U.S. attorneys do not have to prove to juries and judges that the accused engaged in the aforementioned crimes (which as a rule are violations of state criminal law); they must show only that it appears the defendants carried on those activities,” write William Anderson (Frostburg State University) and Candice Jackson (Judicial Watch). “Moreover, for a RICO conviction, the prosecutor must meet only the civil standard of ‘preponderance of the evidence,’ not the higher standard of ‘guilty beyond a reasonable doubt’ that historically has been required for criminal conviction.”


• The Empire Has No Clothes: U.S. Foreign Policy Exposed (10/28/04): Ivan Eland, Senior Fellow and Director of the Independent Institute’s Center on Peace & Liberty discussed his new book, The Empire Has No Clothes: U.S. Foreign Policy Exposed.

Although pundits from across the political spectrum began speaking about the U.S. governmental empire only recently, Eland said that in direct contrast to the wishes of America’s Founders such as Jefferson, Madison and Washington, the empire fully emerged during the Spanish-American War in 1898, when the U.S. invaded and conquered Cuba, Puerto Rico, and the Philippines. It grew precipitously during World Wars I and II and the Cold War and has greatly expanded since the demise of the Soviet bloc.

“Our empire is more like ancient Sparta than anything else, where we have loose control over our allies,” said Eland. “We control mostly ele-
ments of their foreign policy. . . . We’re trying to provide security so that other countries, including our allies, won’t develop independent military capabilities.”

The cost of this growing U.S. empire, however, is economically unsustainable and significantly slows the growth of the private, market-based, non-military, non-government sector of the economy. Furthermore, Eland argued, the U.S. has overextended its security commitments, formal and informal, to many countries that cannot contribute to the defense of the United States.

“My general philosophy of life was best expressed by General [Anthony] Zinni, who opposed the [Iraq] war. He said the United States should make few enemies, but those that it does make it should treat harshly. And I think that we need to avoid making enemies, and so, hopefully, we won’t have too many people to treat harshly.”


The Independent Institute’s ninth annual Summer Seminars on Liberty, Economy, and Society for high school and college students, co-sponsored by Holy Names University, will be held June 13–17 and August 8–12 at the Institute’s Conference Center in Oakland, California.

Led by economist and historian Brian Gothberg (Academy of Arts University), these seminars have been very popular with students, most of whom have had no prior instruction in economics. Students learn how the price system works; how markets coordinate the plans of millions of consumers and producers; the root causes of inflation, unemployment, monopolies, high healthcare costs, and numerous urban problems; and effective ways to promote economic growth, improve education, reduce crime, protect the environment, and much more. The small-class format includes fun lectures by Mr. Gothberg, guest speakers, videos, assigned readings, and lots of stimulating Socratic discussion.

The seminar runs daily from 8:30 a.m. to noon. The fee is $175/person (includes books). Space is limited, so early registration is recommended. (College course credit is available.) For more information and reservations, see http://www.independent.org/students/seminars.

(Left to Right) Economist Brian Gothberg, seminar leader; students.
In recognition of his pioneering work, Ivan Eland was awarded the distinguished Medal of the President of the Italian Republic by former Russian President Mikhail Gorbachev, President of the Pio Manzu Research Center, and Giandomenico Picco, Vice President and Special Advisor to the U.N. Secretary-General. The presentation was made on October 17, 2004, at a special conference, “Isole Senza Arcipelago,” in Rimini, Italy.

Gorbachev noted, “Senior Fellow and Director of the Independent Institute’s Center on Peace & Liberty, Oakland, California, Ivan Eland is one of the USA’s leading experts on foreign policy, security and defense. . . . His knowledge of the most recent American choices in terms of military strategy makes him one of the world’s best-informed experts on White House foreign and military policy. He has written numerous studies on strategy and foreign policy, including his new book, The Empire Has No Clothes: U.S. Foreign Policy Exposed, in which he questions the historical and theoretical assumptions on which the current U.S. interventionist foreign policy is based. To Ivan Eland goes the wholehearted recognition of all those seeking to comprehend the origins and the significance of the political decisions of our times in terms of war and peace.”

Independent Institute Reaches Millions

Media attention received by the Independent Institute for its research, publication, and communications program on a vast array of social, economic, legal, and environmental issues has grown dramatically. Articles, interviews, conferences, lectures, debates, media appearances, and the launch of new books by senior fellows Ivan Eland, Robert Higgs, and Alvaro Vargas Llosa have contributed significantly to this growth in coverage. Not including the enormous additional television and radio coverage reaching many more millions, the graphs below illustrate the accelerating numbers of people reached by Internet- and print-media coverage of the Independent Institute and its work.

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Olive W. Garvey Fellowships

Top Essays to Be Awarded
$2,500 (College Students) or $10,000 (Untenured Faculty)

The 2005 Olive W. Garvey Fellowship Competition—an international essay contest for college students and untenured professors under age 35—is now accepting essays related to:

“The great aim of the struggle for liberty has been equality before the law”
—F. A. Hayek, Nobel Laureate in Economics.

Cash prizes will be awarded to the top three essays in two divisions:

**Student Division**
1st prize: $2,500
2nd prize: $1,500
3rd prize: $1,000

**Faculty Division**
1st prize: $10,000
2nd prize: $5,000
3rd prize: $1,500

A panel of three scholars will judge original essays on clarity, rigor, and eloquence. The essays need not be technical or demonstrate hyper-specialized scholarship, although they should be serious in content, tone, and style.

**Deadline: May 1, 2005.** For complete eligibility guidelines, bibliography, and examples of winning essays, see [http://www.independent.org/students/garvey](http://www.independent.org/students/garvey).

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**The Independent Review**
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**New Book Challenges Foreign Policy**
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these interventions were supposed to protect.

Americans have ignored the economic, political, and security costs of the burgeoning U.S. empire at great peril. As Eland writes, “The fuzzy criteria that the U.S. government uses to determine whether American forces should intervene indicate that the American foreign policy is askew. Unlike the empires of old, which limited their military interventions to certain parts of the world, the United States is trying to police the entire globe. This book offers an alternative vision of a more restrained U.S. foreign policy that is more focused, more achievable, less costly, and a lot less dangerous.”


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