After 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-on-terror surveillance satisfied traditional warrant requirements, the NSA circumvented 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.

We hear that surveillance is a natural product of the national security state, and this is true enough. In our globalized world, nothing can shield against domestic spying so long as the nation remains perpetually at war. This has been true since the American Revolution and the wars throughout the nineteenth century, and U.S. involvement in the World Wars and Cold War only amplified spying 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?

THE RECENT MIDTERM elec-
tions in the U.S. show a
clear and deepening disillusion-
ment among Americans over
Washington-centric thinking.
Trust has been collapsing in the
“progressive” myth that govern-
ment provides a magic cure-all.

In short, the mainstream has tilled of “politics as usual,” which is now increasingly seen to mean
dysfunctional healthcare, unemployment, NSA
diyng, 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 lasting—
change 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 transfor-
mation 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 hu-
man flourishing around the globe and around town.

To help us leverage ideas into impact, please join
with us as an Independent Associate. With your tax-
deductible 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
tournal, The Independent Review (p. 3), plus
other benefits (see envelope).

David J. Theroux
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 centralization 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, Not Criminal 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.

“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
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.

“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.”

“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.”

“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.”

“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.”

“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.”

Visit our newsroom at www.independent.org/newsroom to read these articles and more.
On July 31, Research Fellow 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.

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

Thanks 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! •

We 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.” •
THIS 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 hands-on 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” 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 hard-working, innovative, and really drove up our Post-It note bill for the month, as my office can attest!”

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.

Invest in a Brighter Future for Liberty

We need your help to shape a free and bright future for individuals across the globe—and 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.

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.

Invest in a brighter future for liberty, today!