Love Gov: From First Date to Mandate, the Independent Institute’s five-part, satirical video series personifying the cost, folly, and intrusiveness of government run amuck, has gone viral with over 1.5 million combined YouTube views.

Telling the story of Alexis Smith and her overbearing boyfriend, Scott “Gov” Govinski—the stand-in for every meddlesome government do-gooder—Love Gov shows the human cost of the student-debt burden, job-killing workplace regulations, costly housing policies, bureaucratic healthcare, and privacy violations.

Alexis’s loyal friend Libby tries to help her see Gov for what he really is—a menace. But will Alexis come to her senses in time? If you haven’t done so, please tune in and find out—then share with friends on social media! (You can easily find Love Gov via YouTube, Independent.org, MyGovCost.org, or your favorite search engine.)

“Love Gov is a way to help anyone, especially Millennials, understand the federal government’s ever-expanding reach into personal lives,” said David J. Theroux, founder and president of Independent Institute. “It’s a lighthearted approach to reach audiences on a personal level, and inspire them to learn more and take action.”

The series, which Independent produced in association with Emergent Order, also promotes the updated MyGovCost mobile app, which features our Government Cost Calculator. The calculator enables users to estimate their lifetime federal tax liability, their contribution to various federal spending categories, and the amount of money they would have amassed if they had earned a modest 6 percent annual return on the money they fork over every year to the U.S. Treasury.

The release of Love Gov also accompanies the overhaul of MyGovCost.org. Visitors are now treated to updated descriptions of federal spending categories, a revised FAQ, and features that illuminate the problems that our bumbling, video villain Gov creates for Alexis.

First launched on August 31, 2010, MyGovCost and our Government Cost Calculator were created to help people better understand how federal spending and taxation affect their lives. If you would like to help spread our message of fiscal responsibility and individual liberty, please phone our Development Manager Kyle Palermo at (510) 632-1366, ext. 149.
Reaching Millions to Advance Liberty

The race for the White House has only just begun, but the American people already show signs of disdain for the prolonged assault of posturing, deceptions, and demagoguery that is now integral to every election season. The evidence: Public disapproval is trending higher for President Obama (52%) and far more for Congress (74%), as Americans overall grow increasingly annoyed with political double-talk.

The Pew Research Center reports that Millennials (those 80 million Americans born between 1980 and 1997) identify even less with partisanship. A Harvard survey of this age group reveals that “only about half of the respondents said they trusted the military, while 42 percent trusted the Supreme Court. The figures were even lower for the president, United Nations, federal government and Congress.” It’s no wonder that Millennials distrust government institutions. Many of the biggest challenges they face stem from misguided public policies, such as massive student loan debt, joblessness, unaffordable housing, expensive healthcare, and pervasive privacy invasions.

How can we channel their frustration into something constructive? As the Washington Post notes, social media is “the one place where millennials do talk politics more than older generations.” Recognizing the opportunity this creates, Independent has stepped up its outreach to young adults via Facebook, Twitter, and YouTube. In particular, our 5-part, satirical video series, Love Gov: From First Date to Mandate (p.1), is addressing their concerns in witty and engaging ways.

Garnering well over 1.5 million combined views on YouTube in its first month, Love Gov also connects viewers with our free MyGovCost mobile app, so they can learn more about the harms of government intrusiveness—and Independent’s pro-market, pro-liberty solutions. We invite you to share Love Gov with family, friends, and colleagues, and to help us move such ideas into impact by joining with us as an Independent Associate. With your tax-deductible membership, you can learn more about the harms of government intrusiveness—Even less (see p.5) and other publications, including our acclaimed journal, The Independent Review (p. 3), plus other benefits (please see envelope).

Jasay’s striking originality makes him hard to classify. His writings suggest an affinity for classical liberalism, but he has criticized that tradition for its “unrestricted wishful thinking.” He is admired by public-choice scholars, but he takes issue with the constitutionalism of James M. Buchanan. And although he advocates free markets, he has called Austrian School economist F. A. Hayek “startlingly naïve.” Nevertheless, Jasay’s freshness and profundity have earned him high praise from serious, liberty-minded readers. About his 1985 treatise, The State, symposium editor G. Patrick Lynch writes: “In this work, Jasay provides as realistic and unromantic a vision of the foundations of government as one can imagine.”

To understand the state, Jasay says we must first view it as a single agent with self-interested goals. Then we must ask: What would you do if you were the state?

Jasay’s approach inspires our contributors to tackle a host of important questions: How might a government be designed to minimize any threats to liberty? Why does Jasay find fault with Buchanan’s and Rawls’s “contractarian” theories of government? And how might public goods be provided without the use of government coercion to deal with the free-rider problem?

Jasay made his reputation by illuminating timeless theoretical issues, but he has also written numerous popular columns on current affairs. The final article in our symposium compares this work to that of Frédéric Bastiat, the 19th-century French individualist whom Schumpeter called “the most brilliant economic journalist who ever lived.” The verdict? Jasay brille!


(continued on page 6)
Independent Institute in the News

Center on Entrepreneurial Innovation
“(The underfunded public pension debt) is the biggest fiscal challenge California faces right now. The best way to get out of it is to switch to a 401(k) style defined contribution plan, like most private sector businesses have done and even a lot of public sector firms around the country have done. It’s a much more affordable, transparent, and fiscally sustainable approach.”
—Lawrence J. McQuillan on Newsmax TV, 5/28/15

Center on Health and the Environment
“In a free society, of course, dying patients shouldn’t have to petition bureaucrats for permission to take promising new drugs, so long as they understand there are risks involved… In the short term, the FDA should approve GM6 for the benefit of the 30,000 Americans suffering from ALS. In the long term, the FDA should get out of the approval process, for the benefit of the rest of us.”
—Benjamin W. Powell in National Review, 4/14/15

“Amtrak in 2008 was ordered to install Positive Train Control on its busiest routes—those in the northeast corridor, connecting Washington, Philadelphia, New York, and Boston. The job was never completed… Getting government out of the rail passenger business would free management to align service with passenger demand, and focus on quality and safety, rather than satisfying political constituencies.”
—Gabriel Roth in The Philadelphia Inquirer, 5/28/15

Center for Peace and Liberty
“The military-style police response we’ve witnessed in Baltimore and elsewhere should cause us all great concern. Police militarization has helped transform our country into a battlefield, where U.S. citizens are viewed not as civilians presumed innocent until proven guilty of a crime, but as enemies. Officers are trained to think of their patrols, not as their communities, but as ‘battlefields.’ We need to change direction.”
—Abigail R. Hall and Christopher J. Coyne in The Detroit News, 5/22/15

Center on Law and Justice
“The Armenian genocide and the Holocaust are not the only instances in which brutal despots have disarmed their victims and then murdered them. Similar tactics were used in Stalin’s Russia, Idi Amin’s Uganda, and Pol Pot’s Cambodia. Americans need to keep such events in mind the next time Washington seeks to limit gun ownership rights—or seeks to require gun registration. One cannot argue with history.”
—Stephen P. Halbrook in The Providence Journal, 5/19/15

Visit our Newsroom at independent.org/newsroom to read these articles and more.
Making Sense of the U.S. Healthcare Mess

By Robert P. Murphy

While writing my new book, *Choice: Cooperation, Enterprise, and Human Action*—a restatement of the essential insights contained in Ludwig von Mises’s 1949 economic masterpiece, *Human Action*—I became struck by how relevant the Austrian school economist’s lessons are today. For example, Mises provides an indispensable framework for understanding what went wrong with the U.S. healthcare system.

That framework rests on two themes of Mises’s book (and mine): the importance of economic calculation, and the instability of a “mixed economy” with elements of capitalism and socialism.

Traditionally, critics of socialism had stressed its incentive problems and its threat to political liberty. Yet to focus on the core flaw with socialist economic planning, Mises stipulated for the sake of argument that a socialist dictator was benevolent and possessed all the technical knowledge and ability needed to produce goods and services, and that the dictator’s agents enthusiastically implemented whatever plan he approved.

Even so, the socialist dictator would have no reliable means of evaluating his economic plan, Mises argued. The dictator would have no way to compare inputs and outputs, to ensure that society’s scarce resources were being allocated sensibly, given the preferences of his subjects. Without some way to measure a vast array of inputs—millions of labor-hours, acres of farmland, barrels of crude oil, and so on—in a common and appropriate unit, he could not know whether even a certain tweak to his plan would make things better or worse.

Nor does the socialist dictator know that the market economy—with its twin foundations of private property and the use of money—solves the planning problem through economic calculation. In a market economy, individual entrepreneurs can look at the money prices of their inputs and compare them to their sales revenues. If a particular entrepreneur realizes her business is unprofitable, this is the market’s way of telling her that the resources she consumes in her business activities are more urgently desired elsewhere.

Armed with this perspective, it is easy to see that a major cause of problems in the U.S. healthcare system is its woeful lack of market prices. (Indeed, that’s why Independent Institute Senior Fellow John C. Goodman titled one of his Independent books *Priceless.*)

Decades of government intervention in healthcare, including its artificial promotion of the third-party payment system, have undermined the price system and rational economic calculation. Consequently, patients are insensitive to the true cost of their actions, while medical professionals do what they need to “check the box” and receive compensation according to bureaucratic formulas.

In areas outside the standard realm of “healthcare”—such (continued on page 6)
The Economic Case against GDP

“There are three kinds of lies: lies, damned lies, and statistics,” Mark Twain quipped in a manuscript of musings published after his death. If he was correct—if statistics deceive (or can deceive) more than they reveal—then what should we make of one of the biggest statistics of all: gross domestic product (GDP)?

The question is critical because few statistics grab the attention of financial journalists, professional economists, and Federal Reserve policymakers as much as the one purported to measure the market value of a nation’s annual final output.

Unfortunately, all this attention is misplaced. GDP is a poor measure of total production and economic welfare because its construction is based on false assumptions, according to Independent Institute Senior Fellow Robert Higgs (“Gross Domestic Product—an Index of Economic Welfare or a Meaningless Metric?”).

Perhaps the worst problem is GDP’s inclusion of government spending and unsold government “services.” How can market prices be assigned to phenomena outside the realm of actual market transactions? Critics such as Simon Kuznets raised this question when national income accounting was first debated, but they eventually moved on and let officials at the U.S. Commerce Department have their way. GDP and its variants have been with us ever since.

“In any event, it is difficult to believe that this statistical measure is the sort of raw material with which a defensible science can be conducted,” Higgs writes. “As one looks upon what passes for empirical analysis in macroeconomics, the first impression that comes to mind is not the loveliness of GDP, but the ugliness of GIGO—garbage in, garbage out.”


Robert P. Murphy is a Research Fellow at the Independent Institute and author of Choice: Cooperation, Enterprise, and Human Action.
Independent Connects with Publishing Insiders

From May 28–30, the Independent Institute proudly touted its award-winning publications program at BookExpo America in New York City. The leading book event in North America, BEA draws more than 20,000 booksellers, librarians, and book-industry professionals, and Independent’s participation helps raise our visibility in the publishing world.

Marketing and Communications Director Kim Cloidt and Acquisitions Director Roy M. Carlisle were on hand to display our books, network with publishing specialists, and facilitate book signings by Senior Fellows John C. Goodman (A Better Choice: Healthcare Solutions for America) and Lawrence J. McQuillan (California Dreaming: Lessons on How to Resolve the Public Pension Crisis).

Our books were also featured in the Independent Book Publishers Association’s video interview series, now posted on YouTube.

“Our book publishing program addresses the most pressing social issues on the minds of Americans, such as healthcare and the pension crisis,” Roy Carlisle told IBPA Executive Director Angela Bole. “This is the year of the independent press.”

With four path-breaking books already published in 2015 and one more on the way, it’s also a banner year for Independent Institute!

For a list of awards our books have won, see www.independent.org/aboutus/awards.asp

Students Rise to the Challenge of Liberty Seminars

Our 22nd annual Challenge of Liberty Student Seminars, held in Colorado and California, were a raging success!

The largest seminar series in our history, the Summer 2015 conferences brought together 97 exceptionally bright college students from 23 states and 8 countries. Each student contributed a unique perspective and showed an eagerness to learn about free-market principles, interact with our faculty, and build meaningful relationships with other attendees.

Held at Colorado Christian University in Denver; the University of Colorado, Boulder; and University of California, Berkeley, the three five-day seminars were packed with lectures and breakout sessions on topics such as moral and economic principles, healthcare, the environment, business cycles, the surveillance state, and the future of liberty. Students further squared off in team debates.

Each seminar offered ample opportunity for student-teacher interaction in both classroom and informal settings, with scholars such as Tom Bell, Abigail Hall, Robert Higgs, Steven Horowitz, Ivan Pongracic, Jr., Benjamin Powell, Michael Thomas, Lawrence H. White, Ryan M. Yonk, and others. (For a complete list of faculty and topics, and selected videos, see www.independent.org/students/seminars/.)

Many students told us that the seminar clarified their academic and professional goals. “As a result of this seminar, I settled on what my graduate research will be,” said one attendee. “That moment came during the lecture on business cycles, and it will be a memory that sticks with me forever.”

As happens when young people come together, the seminar wasn’t exclusively a cerebral affair. Some students spent their free time playing sports or hiking together. The camaraderie that comes from enjoying the company of others with similar interests was evident throughout the seminar series.

One student wrote, “I didn’t expect to mesh as well as I did with the other attendees. People have become dear to my heart, and I am so grateful for that!”

A heartfelt thanks go out to our generous donors, who allowed us to reach a record number of students, especially to the Daniels Fund, whose support was vital to our success in Colorado.
Our new video series, *Love Gov: From First Date to Mandate* had barely hit the ground before it demonstrated enormous traction. Our YouTube channel saw more views in the two weeks after the launch than in the 4 years prior, and the series has already generated more than 1.5 million views.

The series is based on classic Independent Institute insights. But the approach is brand new, and grew out of a question we were being asked—and asking ourselves—more and more: How can we reach the next generation?

Answering this question has to be a top priority. Because now, more than ever, young people are fed up with the lousy hand that government is dealing them: skyrocketing tuition costs fueling massive student debt, a job market that offers precious little hope of paying it off, huge costs for healthcare and housing, and incessant government spying.

But good answers aren’t often found on campus or in popular culture. Our seminars, internships, and presence on social media help fill this gap, but something bigger was needed.

We went to our supporters for help. And thanks to them, we were able to produce and launch *Love Gov* to introduce ideas about government failure and free markets that turn frustration into a movement for change.

The glowing reviews we received from our supporters, summer interns, and colleagues were truly uplifting. Couple those with the skyrocketing views on YouTube, and the verdict is in: Our strategy to reach the next generation is paying off!

And with your support, there’s so much more we can do: more engaging videos; more Seminars and Student Programs; new publications for young people such as our new booklet series; and new online education programs on economics and liberty.

Contribute to Independent Institute using the enclosed, postage-paid envelope, or at www.independent.org/donate, and you can help make all of this possible, along with so much more.

So please join with us in awakening a powerful new force for liberty by making your tax-deductible contribution, today!