Prior to the War Between the States, the federal government largely stayed out of the private affairs of private persons. From the Reconstruction Era to the Progressive Era, the feds moved in and out of private affairs, started printing money legally, taxed personal income, redistributed wealth, regulated private property, engaged in the least moral, least useful, and most catastrophic of modern American wars—World War I—and set the stage for the post-Progressive Era which has brought us the Welfare State, the Warfare State, and the Administrative State.

No one has chronicled all this with more intellectual credibility and using more cogent reasoning than Independent Institute Senior Fellow Robert Higgs. Bob’s masterpiece, Crisis and Leviathan, remains the standard scholarly critique of the growth of the federal government from the Roosevelt/Wilson to the Carter/Reagan years.

In his new book, Taking a Stand: Reflections on Life, Liberty, and the Economy, come similar arguments, but often in a non-academic vein. Be prepared for Bob with his hair let down; for here are essays that show a whimsical, introspective, and personal Bob Higgs.

From the myth that the government has derived its powers from the consent of the governed to the role of independent experts in formulating monetary and fiscal policy; from the government’s duplicity in announcing the unemployment rate in a given month to how the state entraps us, if you want to see a true polymath at work, a humble giant thinking out loud about whatever thoughts that great mind found worthy of contemplation, these lofty, serious, sad, and illuminating essays will do the unthinkable—they will educate you beyond Crisis and Leviathan.

In my own television and academic work, I have attempted to use Bob’s fidelity to first principles as a model. I have not always succeeded. Yet, what a joy it has been for me to see that fidelity from a different angle; one just as faithful and beautiful, yet bound to create additional admiration for a good and fearless man’s mind and work that I love so much.

Judge Andrew P. Napolitano is Senior Judicial Analyst for Fox News and Distinguished Professor at Brooklyn Law School. [Adapted with permission from his foreword to Taking a Stand: Reflections on Life, Liberty, and the Economy by Robert Higgs (Independent Institute, 2015).]
The danger, of course, is that demagogues can take advantage of this sentiment when uninformed voters make rash choices out of fear and desperation. And while the public can now access the Internet and social media to find information about topics they care about—healthcare, jobs, economic opportunity, government spending and debt, immigration, schools, national security, and more—independent voices offering real answers, those grounded in moral and economic principles that stand the test of time, are few and far between.

The Independent Institute is uniquely equipped to meet the challenge. Standing at the forefront of cultural change, we aggressively employ both traditional and new media to spread our message—ideas that resonate and are backed up by impeccable scholarship. Our new, satirical, 5-part video series targeting Millennials, Love Gov: From First Date to Mandate, has surpassed 1.8 million combined YouTube views, giving Independent a total annual media reach of 5.3 billion (an increase of more than 70% over last year).
The Climate Science Boom/How Big Is Big Government?

Our quarterly journal continues to blaze new trails in public policy scholarship. Unfortunately, space limitations allow us to highlight only two of the several outstanding articles in the Fall 2015 issue.

The Climate Science Boom

Like an economy, fields of scientific research undergo periods of boom and bust. Climate science, while it has never gone into decline, is a prime example of a discipline enjoying a boom. Over the past 20 years, for example, the number of scientific papers related to “anthropogenic climate change” has risen twelve-fold, a Google Scholar search on that term shows.

What accounts for the surge, and what are its implications? This question is what William N. Butos and Thomas J. McQuade seek to answer in the lead article of the Fall 2015 issue of The Independent Review (“Causes and Consequences of the Climate Science Boom”). Butos and McQuade find that the boom has been fueled by a confluence of factors: scientific uncertainty, political opportunism, ideological predispositions, and “Big Players”—institutions that offer significant funding and prestige to scientists and policymakers that cooperate with their favored approach.

Although Big Players in science and markets conceivably can accelerate progress, their tremendous size and influence, and the way they interact with opportunism and ideology, cause normal feedback loops to short circuit, Butos and McQuade warn.

In climate science, the Big Players—namely, the UN Intergovernmental Panel on Climate Change and various government programs that dole out research grants—have helped to crowd out studies that test hypotheses running counter to the notion that climate change is a man-made threat to human welfare, and have undermined the normal scholarly give-and-take that helps make science a self-correcting endeavor.

The major lesson, Butos and McQuade write, “is that in science, as in the economy, Big Players of any sort distort normal systemic activity, render the emergent outcomes unstable and unreliable, and create an ideal breeding ground for incentives that motivate ideologically biased people to circumvent normal constraints in the name of pursuing a ‘greater good.’”

How Big Is Big Government?

Americans complain often about Big Government, but exactly how big is it? Robert Higgs, senior fellow at the Independent Institute and Editor-at-Large of The Independent Review, deals with this topic in his “Etceteras...” column in our Fall 2015 issue.

(continued on page 6)
Love Gov Video Series
“The Independent Institute cleverly expressed a situation many students and recent graduates find themselves in today, and neatly displayed many of higher ed’s self-inflicted wounds. ACTA grades schools on the value of their core curricula. If we graded films we would give Love Gov an A.”
—Independent Institute’s Video Series, Love Gov in National Review, 8/22/15

Center on Entrepreneurial Innovation
“The losers from banning or impeding Airbnb and other innovative services, such as ride-booking services Uber and Lyft, are consumers and producers. The 25 million transactions facilitated by Airbnb were undertaken because guests and hosts believed they would be better off. . . . Let’s keep government out of the bedroom, even if we’re renting it for only an evening.”
—Abigail R. Hall in Oakland Tribune, 7/4/15

“The argument that taxing sugary drinks helps to promote healthy lifestyles deflects attention from their actual effects. We don’t normally expect politicians to be truthful. But if they want to impose these taxes, they should be honest enough to admit that they will not end obesity or diabetes, but rather will generate more of other people’s money for profligate state governments to spend.”
—William F. Shughart II in The Wall Street Journal, 7/12/15

Center on Health and the Environment
“While (replacing Obamacare) isn’t possible with President Obama in the White House, the GOP could at least explain what its alternative would look like. The best alternative would be a universal, ‘refundable’ tax credit, which would enable individuals and families to purchase the kind of health coverage that best suits their needs, free of federal mandates and red tape.”
—John R. Graham in The San Francisco Chronicle, 8/11/15

Center on Law and Justice
“If city leaders ‘let them loot,’ restitution is due small business owners victimized by the state-condoned violence. ‘Mom and Pop’ retailers are the real victims of riots. That was true in 1965, it is equally true fifty years later.”
—Jonathan Bean in The Daily Caller, 8/11/15

Center on Global Prosperity
“Venezuela’s election, therefore, should not be seen as a decisive moment in the struggle for freedom. The outcome is being rigged even as I write this. Nevertheless, it is an election worth fighting, so long as the opposition and the international community understand that it is an important step in the long march towards liberty.”
—Alvaro Vargas Llosa in The National Interest, 8/22/15

Love Gov surpasses 1.8 million combined views on YouTube.

John C. Goodman on C-SPAN2’s BookTV (9/13/15)

Visit our Newsroom at independent.org/newsroom to read these articles and more.
Few topics in current affairs are as contentious as immigration. In some parts of the world, the social discord has moved beyond mere shouting matches, as people have vented their frustration and anger by throwing rocks or destroying property.

Yet despite the controversies, social scientists who study immigration largely agree about its effects, whatever differences they may have about how a nation should reform its policies. Their findings, however, are usually buried in academic journals accessible only to other scholars.

Fortunately, readers can now learn the substance of this vast body of research, thanks to a new book edited by Independent Institute Senior Fellow Benjamin Powell. Published by Oxford University Press, The Economics of Immigration: Market-Based Approaches, Social Science, and Public Policy, sets a precedent for books on this subject due to its unique combination of scholarly rigor and welcome readability.

Perhaps the most immediate benefit that readers will derive from the book is a keener ability to discern fact from fiction—a tool especially useful during election season, when politicians and pundits become more prone than usual to making sweeping generalizations without a scholarly leg to stand on. Readers will therefore become well equipped to dispel everyday myths and improve the quality of discussion in the public square.

“It is my sincere hope that this volume can help bring some reasonable, dispassionate discourse to a policy debate that is so often emotionally charged and devoid of decent scientific evidence,” Powell writes in his introductory chapter.

Social Science
The next three chapters draw on academic research that deals with the most frequently expressed concerns about immigration—its effects on wages, employment, economic progress, government spending, and culture. What exactly is the impact of immigrants on the wages of the native born? How does immigration affect the countries of origin?

Peter Leeson and Zachary Gochnour address these questions in chapter 2.

Is large-scale immigration compatible with a welfare state? In chapter 3, Alex Nowrasteh looks at immigration’s effects on government budget deficits, welfare, schooling, and Medicaid.

How well do today’s immigrants assimilate into American society compared to immigrants of yesteryear? Jacob Vigdor examines this and related issues in chapter 4.

And how have OECD countries dealt with immigrant workers? Alexandre Padilla and Nicolas Cachanosky examine work visas in chapter 5. Their contribution constitutes a bridge from purely factual issues to the realm of value-laden policy recommendations.

Public Policy
Authors of the remaining chapters make the case for numerous immigration reforms. Richard Vedder argues for a “market-based” approach to U.S. immigration in chapter 6. In chapter 7, Herbert London calls for significant reductions of legal immigration in order to better assimilate immigrants while legalizing those in the United States illegally. In chapter 8, Bryan Caplan and Vipul Naik make a case for complete open borders.

In chapter 9, Benjamin Powell concludes The Economics of Immigration by surveying alternative policy perspectives of six influential immigration scholars: George Borjas, Paul Collier, and Victor Davis Hanson (who have generally argued against increased immigration); and Gordon Hanson, Lant Pritchett, and Michael Clemens (who have generally supported increased legal immigration).

Given the enormous stakes in the debate—the health and welfare of countless people, immigrants and natives alike—the subject of cross-border migration warrants close study by everyone who strives to be an informed voter and effective leader in public discussion. As Powell writes, “Potential immigrants, our countrymen, and our descendants deserve as much.” See www.independent.org/store/book.asp?id=117
E N T R Y S

Independent Fellows on the Road, Innovative, Engaging and Inspiring

Independent Institute Fellows are best known for their enlightening books and op-eds as well as their numerous media appearances. Less renowned but also impactful are the public presentations they make to audiences large and small. These events not only provide a valuable opportunity for our Fellows to engage with the public, they also help put a “face” on Independent Institute.

This year one of the largest events where our Fellows spoke was FreedomFest—the leading “big tent” gathering for America’s liberty movement—held July 8–11 at Planet Hollywood in Las Vegas. Here is what our Fellows were up to:

Senior Fellow John C. Goodman and Senior Fellow Lawrence J. McQuillan spoke on two panels, one on “crises” and one on healthcare.

Research Fellow Robert P. Murphy debated Keynesian economist Robert Kuttner and discussed alternative foundations of the freedom philosophy.

Senior Fellow Randy T Simmons talked about the “anarchy” of America’s Wild West.

Former Board member and Research Fellow Peter Thiel debated “perfect competition” versus “monopoly.”

FreedomFest bills itself as “the world’s largest gathering of free minds.” The presence of our Fellows ensured that it included some of the liberty movement’s very best.

Senior Fellow Lawrence J. McQuillan has been on a media whirlwind since the June publication of his book, California Dreaming: Lessons on How to Resolve America’s Public Pension Crisis, a timely work on the causes, consequences, and cures for the massive underfunding of public employee retirement plans.

He has given more than 90 television, radio, podcast, and print interviews, including appearances on the Wall Street Journal’s “Opinion Journal Live” TV, Newsmax Now TV, KQED radio’s Forum with Michael Krasny, WOR New York City, and in The Atlantic magazine.

In addition to his two presentations at FreedomFest, he has discussed the pension crisis at the Sonoma Rotary Club, the San Francisco Economic Roundtable, and before 200 judges at Stanford University. His op-eds on the pension “tsunami” have appeared in National Review, Forbes, San Francisco Chronicle, and Sacramento Bee, and his Beacon blog posts on the subject have attracted much attention.

As voters and politicians get ready for the 2016 elections, don’t be surprised to see more of Dr. McQuillan in top media outlets and on your favorite public affairs programs!

Economists strongly favor measuring government’s size by looking at total government spending (G) relative to the nation’s economy as a whole, represented by total final output (GDP). Does this approach yield an unambiguous, objective measure? Hardly. GDP includes a large arbitrary component: government spending and unsold government “services” whose value is estimated by assigning them non-market (read: made up) prices.

Moreover, Higgs explains, the focus on government spending is wholly inadequate because government’s size is masked by its ceaseless imposition of hidden taxes: legal and regulatory requirements that impose costs on the people. Any truly meaningful measure of the size of government must therefore take account of its edicts and related red tape.

By one estimate, it cost Americans $1.83 trillion to comply with federal regulations in 2013, a figure that leaves aside the cost to conform with state and local regulations. The total dollar cost of government regulations—which surely exceeds the GDP of many nations—might shock people who live outside the United States and still believe it is a beacon of limited government.

“No one needs to tell Americans, however, how onerous and exasperating the entire burden of government regulations and related red tape has become,” Higgs writes.

See www.independent.org/publications/tir/toc.asp?issueID=83 •
Each season, the Independent Institute welcomes students into our Learning to Lead Internship Program. Our interns gain practical work experience and contribute directly to important projects in any one of our seven departments. In the past year, we have hosted a record 20 interns at our headquarters in Oakland, California!

Along with providing useful job skills and meaningful opportunities, we strive to cultivate enduring relationships with our interns. As evidence of our success, many who have entered our program have maintained these relationships after their internship ended, to seek career advice or to keep us current on their work and personal lives.

During the nearly two decades that we have offered internships, we have seen many program alumni take a career path that complements Independent’s mission. Some have done so by becoming college professors here in the United States or abroad, while others have gone on to help advance liberty in other ways.

Summer Donor Relations Fellow Alexis Garretson, for example, appeared in September as a guest on Stossel—television personality John Stossel’s program on Fox Business—for an episode titled, “Breaking Up with Government.” (Not coincidentally, this program was built around our Love Gov video series.) Thanks in part to our internship program, Alexis was positioned to take advantage of a tremendous opportunity to explain to John Stossel’s huge television audience why so many young people are fed up with Big Government.

While our Learning to Lead program gives interns valuable experience and opportunities, it also gives Independent something of tremendous value: new supporters and intellectual contributors for years to come. This year, for example, we hired two former interns.

Our new Communications Coordinator, Adriana Vazquez, joins us after having served as a Policy Research intern. And our new Editorial Assistant, Cecilia Santini, joins us after having cut her teeth as a Publications intern. Alexis, Adriana, and Cecilia are just a few of the scores of young people over the years who have leveraged our student programs into enduring benefits not only for themselves, but also for Independent and the broader liberty movement.

With help from our donors, Student Programs Manager Amy Lee Andres is working hard to recruit more young people into our Learning to Lead Internship Program and to ensure that they too will make a lasting impact!
Ask the more than 238,000 students attending one of the ten University of California campuses, each of whom will pay an extra $3,000 each year to clean up the mess of government mismanagement.

This year, students were informed that their tuition would increase by 25 percent over the next five years in order to pay the debt caused by California’s mismanaged public pension system. A debt they did not create or approve.

In the face of this injustice, Independent responded and the University system changed—thanks to you.

With your investment in Independent’s pathbreaking work, we put together a compelling media campaign around the innovative solutions offered by Senior Fellow Lawrence J. McQuillan in California Dreaming: Lessons on How to Resolve America’s Public Pension Crisis. This summer, for the first time in its history, the University of California decided to introduce 401(k)-style pension plans—one of the bold reforms McQuillan has proposed.

But your investment does not change just one government policy. By supporting Independent, you are changing minds. Even Janet Napolitano, President of the University of California, has recently stated, “Pension reform needs to happen. It’s the responsible thing to do.” This is the kind of change that lasts. By starting the conversation in California, our Members have created the opportunity for a wave of change to sweep across the country, to other states burdened by unfunded public pensions.

Our strategy to inspire the public and opinion leaders with free-market solutions is paying off! But there is so much more to be done. With your help, Independent will continue to lead lasting change on a variety of pressing policy issues, such as healthcare, the economy, and immigration.

Contribute to Independent using the enclosed, postage-paid envelope or at independent.org/donate and you can help lead this campaign for lasting change.

Please don’t wait! With the 2016 election heating up and the double-talk of Washington at an all-time-high, we have reached a critical moment. Now is the time to make your tax-deductible gift!