

# ATLAS

ECONOMIC RESEARCH FOUNDATION

SPRING 2009

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## ATLAS'S NEW LOCATION

After calling Virginia its home for more than two decades, Atlas packed its bags in March, hopped the Potomac, and settled into its new headquarters in downtown Washington DC!

### Please take note of the new address and phone number:

1201 L Street, NW  
Washington, DC 20005  
202.449.8449

# AT ATLAS



## PHILADELPHIA SOCIETY HONORS LEONARD LIGGIO

At the 45th annual meeting of The Philadelphia Society on March 27th in New Orleans, the board of trustees elected Atlas's Executive Vice President of Academics, Leonard P. Liggio, as a Distinguished Member. Other Distinguished Members include F. A. Hayek, Milton Friedman and W.H. Hutt.

## INTERNATIONAL THURSDAYS

Since 2005, Atlas has been hosting a monthly meeting at its headquarters to circulate the insights of experts connected to the Atlas network and to foster collaborations among those interested in international affairs. In March, Atlas held its first of these "International Thursday" events at Atlas's new headquarters, focusing on the topic, "Troublesome Issues and Areas for the Obama Administration." Dan Griswold of the Cato Institute spoke on global trade and the rising threat of protectionism. Helle Dale, Deputy of Foreign and Defense Policy Studies at the Heritage Foundation, addressed North Korea and U.S. defense policy. Rafael Coello of Fundación Ecuador Libre spoke about the prospects of freedom in the Andes, and former Congressman and president of the Afghan-American Chamber of Commerce, Don Ritter spoke about economic freedom in Afghanistan. Podcast recordings of past International Thursdays are available at [AtlasNetwork.org/NetworkNews](http://AtlasNetwork.org/NetworkNews). To sign up for International Thursdays email alerts contact [Allegra.Hewell@AtlasNetwork.org](mailto:Allegra.Hewell@AtlasNetwork.org).



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*The Atlas Economic Research Foundation is a non-profit 501(c)3 that works with think tanks and individuals around the world to advance a vision of a society of free and responsible individuals, based upon private property rights, limited government under the rule of law and the market order.*

## ADVANCING THE FREE SOCIETY USING NEW MEDIA TOOLS



In February, Atlas unveiled its redesigned homepage at [AtlasNetwork.org](http://AtlasNetwork.org). Here, you can find up-to-date information on Atlas's programs, awards, and events, as well as the latest news from around the Atlas network. More exciting features and innovations are being introduced in coming weeks:

- The Think Tank Toolkit blog is your gateway to advice on think tank management issues. Use the "Ask Atlas" feature to submit questions.

- Atlas's previous Think Tank Directory is being relaunched at [TheFreedomNetwork.org](http://TheFreedomNetwork.org) which will incorporate social networking tools (calendar, discussion groups, classifieds, RSS feeds).
- Two related sites will showcase free-market video content – [AtlasNetwork.tv](http://AtlasNetwork.tv) is your home for Atlas videos and we invite you to submit videos to be showcased on [GiveMeLiber.tv](http://GiveMeLiber.tv).

# MAKING A DIFFERENCE FOR FREEDOM

Dorian & Antony  
**Fisher**  
Venture  
Grants



2009

INTRODUCING  
FIVE GREAT  
INVESTMENTS  
FOR THE  
FUTURE OF  
LIBERTY

*Centre for Political Studies,  
Denmark*

*Institute of Economic and  
Social Studies, Slovakia*

*Instituto Juan De Mariana,  
Spain*

*Samriddhi: The Prosperity  
Foundation, Nepal*

*Show-Me Institute,  
Missouri, USA*



*Robin Sitoula and Samriddhi: The Prosperity Foundation (Nepal) face challenges as steep as the Himalayas, promoting economic freedom in one of the world's poorest countries.*

**S**ome days, the challenges faced by Robin Sitoula and his colleagues at **Samriddhi: The Prosperity Foundation** of Nepal seem as insurmountable as the massive mountains that dominate the country's north. After all, Nepal remains one of the poorest countries on earth, and when it emerged from a decade-long civil war, it was the Maoist Communist Party that prevailed last year

in the country's first democratic elections. As the Maoists and their party cadres have moved towards authoritarian policies, it is both risky and challenging for Samriddhi to advocate for economic freedom and openly question the rationale of protectionist policies.



Participants of The Youth Empowerment For Economic Freedom program at The Prosperity Foundation in Nepal.

But Sitoula takes a unique perspective on these challenges: “Wherever there are challenges, there are opportunities. The political turbulence of recent years has led to the drafting of a new constitution, and we are determined to have an impact on the shape it takes. We have learned that antagonism to entrepreneurship and economic freedom weakens when you discuss it as a means for achieving prosperity, a goal we all can agree on.”

To spread its message, the Prosperity Foundation has aligned with local chambers of commerce and industry, launching an educational program called *Entrepreneurs Speak*. The goal is to bridge the gap between the general public and policymakers, and encourage a public policy climate that is friendly to business and investment. Given Samriddhi staff’s background working with young people, it is not

surprising that other key programs are oriented toward developing the next generation of leaders for the country. *The Youth Empowerment for Economic Freedom* program is designed to explain the ideas of classical liberalism and train young Nepalis for careers in public policy, and its new *Docu-Talks* program organizes discussions around viewings of documentaries on the ideas of liberty. In June, Samriddhi is launching Nepali translations of Hernando de Soto’s *Mystery of Capital* and F.A. Hayek’s *The Road to Serfdom* as part of its Constitutional Roundtable Series.

The impressive early work of the Prosperity Foundation, just three years old, earned it one of five Dorian and Antony Fisher Venture Grants being issued by Atlas in 2009. The Fisher Venture Grants program, launched just last year,

provides up to \$100,000 over three years to young institutes that represent “great investments” for the future of liberty. To earn the full grant, these young organizations must work with Atlas on their business plans, reach certain milestones, and raise matching funds.

Via the Fisher Venture Grants program, Atlas donors are involved in putting significant funding into budding organizations that could have a major impact on the direction of liberty in different parts of the world.

The 2009 class of Fisher Venture Grantees consists of Samriddhi, plus the Centre for Political Studies in Denmark, the Institute of Economic and Social Studies in Slovakia, Instituto Juan de Mariana in Madrid, and the Show-Me Institute of Missouri.



## SHIFTING THE DEBATE IN DENMARK

Since its inception in 2005, the **Centre for Political Studies (CEPOS)** has put tax reform on the map in Denmark. By emphasizing the benefits of reducing the top marginal tax rate of 63 percent, CEPOS has put the pressure on policy officials and the Danish media to debate tax reform and their economists are repeatedly asked to weigh in. CEPOS' detailed policy proposals showing how tax cuts can be funded and the benefits in terms of increased labor supply and economic growth have had a strong impact on the climate of ideas in the Nordic country. Prior to 2005, reducing the top marginal tax was a losing issue. In 2009 almost all parties, including the Social Democrats and Socialist Peoples' Party, have some degree of top marginal tax reduction in their platforms.



## CHIPPING AWAY AT PUBLIC EXPENDITURE IN SLOVAKIA

Using innovative techniques to tackle the government leviathan in Slovakia, the **Institute of Economic and Social Studies (INESS)** is educating the general public on “how much people really pay for services they believed were free.” INESS recently launched a website called *The Price of the State* which is increasing pressure on political representatives to restrain public expenditure. Word of the website has spread like wildfire throughout Slovakian high schools and universities. In response to popular demand, INESS has prepared a set of educational tools for teachers, including a manual for instructors on how to teach public finance. The Institute is arranging distribution to 250 high schools.



## AUSTRIAN ECONOMICS IN SPAIN

In its fourth year educating talented Spaniards, **Instituto Juan De Mariana (IJM)** in Madrid has grown into its role as one of the premier institutions for teaching the foundations of liberty in the Spanish-speaking world. Using its Summer Program and Masters in Austrian Economics, IJM is helping to develop the future generation of great thinkers. In 2008, IJM collaborated with King Juan Carlos University (Spain) and Universidad Francisco Marroquín (Guatemala) to attract participation from renowned experts on Austrian thought for its year-long, EU-recognized program exploring the works of Hayek, Menger, Mises, and Schumpeter.



## SHOWING HOW IT'S DONE IN MISSOURI

Legend has it you have to show a man your worth in Missouri before he'll do business with you, hence the nickname “Show Me State”. In that vein, the **Show-Me Institute** works to hold government accountable. Recently, the Institute published eight articles in the *Peabody Journal of Education* that were crucial for defeating unprecedented increases in public spending on education, saving Missourians almost \$1 billion. Show-Me changed the climate of ideas by providing policymakers and the media with a different perspective on how to enhance school performance without taking away more taxpayer dollars. Supplementing this effort, SMI introduced *Show-Me: The Grades*, an online application that provides Missouri families with a series of free and useful tools for comparing public schools across the state.

Visit pages 12-13 for more on the Show-Me Institute and how networking and collaboration play a key role in its success...

*From top to bottom: Martin Ågerup, Executive Director of CEPOS, Richard Durana and Juraj Karpiš of INESS, Masters students at IJM, and a lecture sponsored by the Show-Me Institute featuring economist Steven Levitt*



Following a recent Mont Pelerin Society meeting in New York City, the Atlas Sound Money Project held its inaugural high level strategy session with monetary scholars including: Lawrence H. White (F.A. Hayek Professor of Economic History, University of Missouri-St. Louis), Deepak Lal (President of the Mont Pelerin Society), Peter J. Boettke (Professor of Economics, George Mason University), and Gerald P. O'Driscoll (former vice president of the Federal Reserve Bank of Dallas and Senior Fellow, Cato Institute). Pictured here, left to right: Pete Boettke, Deepak Lal, Gerald O'Driscoll

# ARE WE ALL INFLATIONISTS NOW?

By Alex Chafuen

**C**an we escape from the current financial crisis by dropping dollars from a helicopter? When Ben Bernanke repeated Milton Friedman's "helicopter drop" comments – that under certain conditions such an action would be warranted to fight deflation – analysts began calling him "Helicopter Ben."

The nickname might be unfair, but then the impact of having a monetary system based on government-created paper money has created a wealth

redistribution apparatus that is also unjust and unfair. By not questioning government's role on money, and arguing only the degree and direction of government monetary manipulation, most economists have been willing accomplices.

In an effort to save the free enterprise system from going through the traumas of the current crisis again, Atlas has launched a new *Sound Money Project*. An enlightened citizenship, aware of the immorality of the state manipulating money and credit, is the most secure barrier against the destruction of our assets.

Atlas will mobilize organizations in its network, and canvass its ranks to discover and nurture the next generation of sound money experts. Atlas believes that the large family of think tanks and their growing expertise in how to promote and advocate policy solutions can help potentiate the output of the next Mises, Hayek, Friedman or Becker. The Atlas Sound Money Project involves high-level summits with expert economists, an essay contest to identify young talent on these topics, and panel presentations at Atlas's networking conferences. The Project's goals are to be a catalyst to ongoing work on this topic by think tanks and

academic centers, to frame the moral debate on the topic, and to ensure that the importance of sound money is not neglected again.

The first free-market think tanks had a keen interest in sound money. In 1933, Edwin Walker Kemmerer, a professor at Princeton University, created the Economists' National Committee on Monetary Policy in response to President Roosevelt's calling for an end of gold clauses in commercial contracts. During the 1940s and 1950s, monetary issues were fresh in the minds of intellectuals and policy leaders, due to the experiences of great inflation in Weimar Germany and debates over the gold standard. In 1971, as President Nixon eliminated the fixed gold backing of the U.S. dollar, Kemmerer's group evolved into the Committee for Monetary Research and Economics (CMRE), which has remained vigilant to this day in warning of the dangers of paper money.

Few others can make that claim. During the low-inflation boom of the 1980s and 1990s, the topic all but disappeared. Various free-market scholars forecasted that monetary inflation would cease to be a debilitating problem. Some suggested the fundamentals of economics and value had changed (recall *Dow 40,000?*). Few of us voiced negative opinions on the excesses caused by easy credit. As a result, the dangers of reckless monetary policy have come back to haunt the halls of the Federal Reserve and the homes of Americans.

In response, Atlas's Project on Sound Money will bring together monetary policy scholars to provide a set of prescriptions that can serve as the North Star for future educational and advocacy efforts by free-market organizations. The Project intends to raise awareness of the poisonous effects of inflation on the economy and promote public policies consistent with sound money principles.

In 1609, the Spaniard Juan de Mariana wrote against currency debasement and inflation. He argued that no property would be safe from plunder if government exercised the same power over goods as it has on money. Four hundred years later, the cover of a leading news magazine here in the U.S. has screamed, "We Are All Socialists Now," as an unprecedented government plundering takes place.

For anyone who believed the battle of ideas was won with the fall of the Berlin Wall, this is a wake-up call that we must be more active in fighting government actions that threaten property and liberty. A top priority must be restoring the intellectual foundations of the case for sound money.

*Alex Chafuen in President and CEO of the Atlas Economic Research Foundation*

*Get involved with the Sound Money Project at AtlasNetwork.org! Compete for a \$5000 top prize in the Sound Money Essay Contest, and participate in a survey as a prelude to possible grants for your think tank's future work on sound money.*



The names have changed, but you are forgiven if you mistook this New Deal-era cartoon (originally published in *The Chicago Tribune* in 1934) for one about the U.S. government's aggressive response to our current financial challenges.



# TEACHING STUDENTS ABOUT AMERICA'S ECONOMIC TRADITIONS

*Photo caption: Teach Freedom Initiative grantee, Harry Verysar, speaks at the recent TFI conference in New Orleans about the newly launched 'Graduate Economics Symposium' at the University of Detroit-Mercy.*

ic foundations. This is the purpose of Atlas's *Teach Freedom Initiative (TFI)* program, which recently held two important events.

On March 27th in New Orleans, Louisiana, Atlas held a conference prior to the Philadelphia Society National Meeting titled "The Market Enterprise and the Commercial Republic: Teaching Students about America's Economic Foundations." Some of the best minds in the field of economics shared how they teach their students about a proper understanding of good economics. Professor James Otteson, visiting Professor of Government at Georgetown University, delivered the keynote address on the "Spirit of American Liberty: Principles and Practice." TFI grantee Professor Harry Verysar (University of Detroit Mercy) spoke on his newly developed Graduate Economics Symposium. Lee Wishing of the Center for Vision and Values at Grove City College discussed its new *Freedom Readers* program, a monthly gathering of students and journalists for conversation on economics and free dessert.

On April 5th, in collaboration with the Association of Private Enterprise Education (APEE), and Universidad Francisco Marroquin (UFM), Atlas held a TFI event in Guatemala City, Guatemala, titled "Improving Students' Appreciation of Free-Market Thinking". Intellectual entrepreneurs from the US, Central and South America, and Europe showcased their activities. Jeff Sandefer, founder of Acton MBA in Entrepreneurship, delivered the keynote speech on his experiences in building an educational program. Other speakers included: Veselin Vukotic (University of Podgorica, Montenegro), Nicholas Capaldi (Loyola University, Louisiana), and former Minister of Education of Slovenia, Mojca Kucler-Dolinar.

Headlines of major news magazines proclaim the bankruptcy of capitalism, and argue that we're all socialists now. Sadly, on many American campuses these headlines only restate the long-held conventional wisdom. It is therefore critical that Atlas and its allies improve and expand efforts to teach young people the principles of America's econom-

# UNDERSTANDING ISLAM AND MARKETS:

## ATLAS'S IBN KHALDOUN ESSAY CONTEST



**14<sup>TH</sup>** Century Islamic scholar, economist, and social scientist, Ibn Khaldoun's writings continue to inspire free-marketeers to this day, stressing the importance of limiting government to achieve economic prosperity and civilized nations. Atlas launched the Ibn Khaldoun Essay Contest in 2006 to examine the relationship between Islam and classical liberalism and enhance the social, economic, and cultural understanding between Islamic societies and the West. In 2007, Atlas awarded 21-year old Nouh El Harmouzi from Morocco the top prize. His aim was to "analyze, from a classical-liberal perspective, the causes of the Arab-Muslim societies' state of lethargy... and sketch out bottom-up solutions suited to the socio-political context of these countries." Nouh is now the editor of *Minbaralhurriyya.org*, the Atlas Global Initiative's platform for advancing liberty in Arabic.

This year, the two top prizes go to promising intellectual entrepreneurs, Volkan Eritit and Suleyman Dost, both of Turkey. An undergraduate at Sabanci University with plans to

study religious brotherhoods in the Middle East, Dost's essay examines the link between early Islamic history and free markets, focusing on the relevance of private property, supply and demand correlations, limited state intervention, and proper regulations in the marketplace. After studying international relations and philosophy at Middle East Technical University, Volkan Eritit remains active in the European Youth Forum Association and has founded a virtual newspaper for students and alumni of METU. Eritit recently presented F.A. Hayek's *The Road to Serfdom* in European Parliament as a guest speaker at a Mises Circle Meeting. Eritit's essay provides historical evidence for the compatibility of free market capitalism and Islam, citing Islamic cities as centers of trade, verses of the Qur'an, Khaldoun's explanation of profit, and Muslim's reluctance of tariffs.

Receiving Honorable Mention recognition were Saleh Muhammad Zeki Mahmmud Al Leheabi of Iraq, Rana Hanna Handal of the Palestinian Territories, and Mohamed Aladdin Wefati of Libya.



From top to bottom: Volkan Eritit, an analytical study of Khaldoun's social philosophy from the University of Paris, and Suleyman Dost

# THE 2009 SIR ANTONY FISHER

20 YEARS CELEBRATING THINK TANK PUBLICATIONS

## 2009 Sir Antony Fisher International Memorial Awards



### THE MORAL SUPERIORITY OF FREE ECONOMY (2008)

by Michal Wojciechowski

Published by the **Polish-American  
Foundation for Economic  
Research and Education  
(PAFERE)**, Warsaw, Poland

Making a strong case for the moral superiority of free markets, Wojciechowski assesses the situation in Poland as a system in which the success of entrepreneurs and businessmen has become less dependent on hard work and ingenuity, and more on nepotism and favors from state officials who arbitrarily interpret law and destroy even the most prosperous companies. PAFERE will share the first prize in the *Young Institute* category and receive \$5,000.

**S**ince 1990, Atlas has honored its founder, the late Sir Antony Fisher, with an annual awards program in his name. The Fisher Awards recognize think tanks that produce outstanding publications that enhance the public understanding of a free society. Seminal works, such as Hernando De Soto's *The Mystery of Capital* and Johan Norberg's *In Defense of Global Capitalism*, are among the publications earning top prizes in past years. This year, Atlas celebrates the 20th annual Fisher Awards at its Liberty Forum by honoring institutes from Poland, Belarus, Spain, and Chile.

# INTERNATIONAL MEMORIAL AWARDS



## IN SEARCH OF ECONOMIC MIRACLE: LESSONS FOR BELARUS (2008)

by Jaroslav Romanchuk

Published by the **Scientific Research Mises Center**, Minsk, Belarus

Lessons for Belarus examines the transition to a market economy for post-Soviet countries and concludes that most reforms have taken the path of welfare statism. Romanchuk argues the theoretical and ideological mistakes that ex-satellites made predetermined their high vulnerability to internal and external shocks. The book also explores the “myths of U.S. robber barons” and makes a powerful case for capitalism and free entrepreneurship, comparing the patterns of public versus private investment. Sharing top recognition in the *Young Institute* category, the Scientific Research Mises Center will receive \$5,000.



## IDEAS TO OVERCOME POVERTY (2008)

Compiled and published by **Libertad y Desarrollo**, Santiago, Chile

In *Ideas to Overcome Poverty*, a collection of authors address the underlying causes of poverty and advance proposals for facing the pending challenges of development. The book emphasizes the importance of economic growth, employment, education, and social programs, while underlining the key to improve social conditions of the poor is a commitment by the government to enhance and support individual efforts to build and grow the civil society. Libertad y Desarrollo will receive \$5,000 as winner of the *Established Institute* category.



## TENDECIAS DE FUTURO (FUTURE TRENDS)

Published by **Institución Futuro**, Navarra, Spain

Since its inception in 2001, Institución Futuro has been publishing the *Tendencias de Futuro (Future Trends)* a compilation of studies done by international think tanks that are relevant to current issues. The magazine provides Spanish-speakers with quality, timely work from think tanks all over the world based on the ideas of liberalism. With an audience of senior officials, civil servants, academics, and business executives, Future Trends provides the Hispanic community with in-depth commentary on the free society and paths to prosperity. Institución Futuro will receive \$2,000 and the top prize for *Best Magazine*.



# TRAVELLING WITH ATLAS: → CENTRAL ASIA ←

**A**tlas staff use modern technology to keep up with and assist partners around the world, but sometimes the old ways are best: you have to go there. Tom Palmer recently roamed the terrain of what was the northern path of the Silk Road, once the world's flourishing trade route connecting East and West. Today, central Asia is at a different sort of crossroads. Wahhabism is gaining acceptance among populations still suffering from the aftermath of Soviet misrule. Friends of freedom need to introduce an alternative narrative of how to achieve a better future.

Travelling by Soviet prop planes, Tom gave public lectures on economics and public policy, met with policy makers, students, journalists, and businesspeople, held strategy and planning sessions with think tank leaders, and had interesting financial discussions with border guards...



*Student leaders from AIESEC in Bishkek*

## BISHKEK, KYRGYZSTAN 2.6.09

**A**fter a series of long flights, I got to Bishkek at 4:00am and was greeted by my friend Seyitbek "Seyit" Usmanov, who took me to the Soviet-era, Hotel Dostuk (meaning "friendship" in Kyrgyz). After a rest I met Seyit and Mirsulzhan "Michu" Namazaliev, the main founders of the newly-formed Central Asian Free Market Institute (CAFMI). The first public event was a meeting with jour-

nalists on the financial crisis and economically rational responses, followed by talks to public audiences of young people. I was joined by businessman Emil Umetaliev, president of the Bishkek Business Club and now chairman of the CAFMI. I had several other lectures and seminars with students, journalists, and government officials at the Ministry of Economic Development and Trade, as well as late night strategy sessions with CAFMI leaders to formulate a mission statement, strategy, and business plan. CAFMI is building a great team and will work in Kyrgyzstan as well as the Central Asian region. They've already held public meetings featuring films such as "The Singing Revolution," on the overthrow of communism in Estonia, and have started work on distributing Milton Friedman's *Free to Choose* in Russian and Kyrgyz, translations of Frédéric Bastiat, organizing a regional Fall Freedom Academy (with Atlas's *InLiberty.ru* Russian program) and much more.



Tom Palmer addressing students in Dushanbe.



A young student from the Technical University of Osh poses a question on the foundations of liberty.

## OSH, KYRGYSTAN 2.9.09

I took a memorable flight over the mountains with Uluk Kydyrbaev of the Bishkek Business Club to Osh, Kyrgystan's second city. One notices more of the Soviet past there, not to mention the electricity blackouts and the "irregular tax collection practices" suffered by local entrepreneurs. (Rules may come and go, but people stay, and if you annoy the tax inspectors, there may be consequences.) I spoke to students at the local universities about globalization, the dangers of protectionism, and the roots of the financial crisis -- state interven-

tion into banking and finance. Uluk and our local host made it a success by graciously relieving the somewhat hostile old apparatchik translator of his duties.



Atlas's Tom Palmer with the Young Professionals Association in Almaty.

## ALMATY, KAZAKHSTAN 2.10.09

We flew back to Bishkek and right after getting out of the airplane, I boarded Michu's car for a long and snowy drive through the Tien Shan mountain range to Kazakhstan. It was a memorable border crossing. I was detained by Kazakh border guards for allegedly trying to enter "with three passports," as my passport has two extra sets of pages sewn in. They were also suspicious that I was entering on a tourist visa, but the translator relayed that I had meetings with top people at the National Bank, which I explained were private meetings. Until it was all cleared up, the head of the border guards and I had detailed discussions about the recently-announced devaluation of the tenge and what the value of the dollar would be in a year. Michu, our translator, and I were free to go after a few hours, and stopped off for bowls of *kurdak* at a roadside restaurant. Once in Almaty, I was joined by Krassen Stanchev of the Bulgarian Institute for Market Economics for some meetings with key officials, banking industry leaders, young professionals, students, journalists, and entrepreneurs. In addition to news articles and radio interviews, a major interview appeared

in the Russian business magazine *Expert* with the headline "Don't Treat a Hangover with Vodka," referring to my explanation of the causes of the crisis in easy credit and state intervention that undermined sound financial practices, a sickness that won't be cured by more of the same.

## DUSHANBE AND KHUJAND, TAJIKISTAN 2.13.09

Seyit and I flew to Dushanbe, where we were hosted by Temur Rakhimov, head of the AmCham in Tajikistan and a graduate of The Fund for American Studies, where he learned about classical liberalism. He set up great meetings in Dushanbe, where I spoke to over forty staff scholars at the government's think tank, the Centre for Strategic Research, as well as business leaders, students and the leaders of NAMO ("Growth" in Tajik), a new pro-market think tank in Dushanbe. We then flew to Khujand, where we met local business and student leaders and I gave a public talk at the Asiri Library. Upon returning to Dushanbe, we learned the airport staff had lost the key to the padlock to exit the airport, so using the illumination from the passengers' cell phones a security guard tried to smash the padlock with a giant rock with no success. We finally got out when someone found a key to another door.

A lot is happening in Central Asia, where there is a real thirst for sound institutions, the rule of law, prosperity, and freedom.

# THINK TANK SPOTLIGHT: THE VALUE OF NETWORKING

By Eric D. Dixon



*Show-Me Institute staff members meet with Missouri Gov. Matt Blunt (center) for the release of economist Stephen Moore's (second from left) study for the institute, "Repealing the State Income Tax by 2020."*

It often seems as though the growth of government will never cease. Trends point to massive spending increases, government intervention in the economy, and large segments of the public clamoring for more. The situation is not hopeless, however. During the past several years, state-based and regional free-market think tanks have sprouted up throughout the United States, bringing economic wisdom and a passion for liberty to policymakers and citizens on a local, individualized basis.

The staff and scholars of the Show-Me Institute in Missouri are proud to be among this new vanguard. Although we're a young organization, we've had several memorable achievements and have ambitious plans for the future. Our success would not have been possible without the widespread support that organizations like the Atlas Economic Research Foundation have provided.



*The Show-Me Institute's education funding conference touched on topics dealing with both taxation and educational quality. Pictured are two of the conference's speakers, Kevin Chavous (left), partner at Sonnenschein Nath & Rosenthal LLP, and co-founder and board chair of Democrats for Education Reform, and Julio Gomez (right), a private-practice lawyer who litigated a major 2007 school choice case in New Jersey.*

Getting started in the think tank world can be overwhelming. There are many issues to cover, policies to analyze, and people to reach with your message. You simply cannot “go it alone.” An array of resources is available to help newcomers learn best practices, efficient techniques, effective strategies, cutting-edge ideas -- and even teach old dogs a few new tricks.

Those of us who bring classical liberal insights to the policy world should learn to self-apply some of those same ideas. As Ludwig von Mises pointed out, “the increase in ... the productivity of labor is due to the employment of better tools and machines.” One surefire way to increase the productivity of your own labor is to make sure that you avail yourself of the opportunities that groups like Atlas provide. We’ve been doing exactly that at the Show-Me Institute since our inception. Getting involved with the broader think tank community is an investment in better tools, and that investment has paid off for us.

Atlas has been a particularly helpful resource. Director of Coalition Relations, Colleen Dyble and Vice President for Institute Relations, Jo Kwong have alerted Show-Me to seed funding and other grant opportunities, invited us to networking events, provided an invaluable think tank management toolkit, and connected us with numerous others in the think tank community who’d already been down some of the same roads we were embarking on. Show-Me has leveraged this assistance towards efforts in the ongoing battle over education in Missouri.

The Show-Me Institute is particularly excited about and honored by Atlas awarding it with a 2009 Fisher Venture Grant, for our plan to advance a new model of research

efficiency for free-market think tanks throughout the Midwestern United States. One of the advantages of several individual state-based think tanks is that localized talent is often better suited to address concerns specific to their own region. This framework follows F.A. Hayek’s observation that information is inevitably a decentralized phenomenon that is constantly changing, and so decisions are most effectively made in a decentralized fashion.

While this is certainly true, there are also many issues that are common among states and regions. As state-based think tanks develop many of the same research projects as their sisters in other states, it begins to make sense to share not only ideas about best practices, but actual research as well. By establishing a new clearinghouse for useful data and analysis, think tanks can avoid duplicating a great deal of basic legwork and investigation, making it more efficient for everybody to produce final projects that are tailored to their own policy markets. When groups in several states are touting the same important policy idea simultaneously, this cooperation leads to bigger impact -- not only in terms of greater media attention, but in real, practical policy change.

Milton Friedman once pointed out the need for a proliferation of dedicated groups in advancing liberty: “Stimulating independent thought, and examining alternatives to the present crippling governmental system badly needs doing, and is being done by all too few individuals and institutions.” Thankfully, there are more groups than ever fighting for freedom. The most effective of them realize that they have to work together to create a real, lasting impact.

*Eric D. Dixon is Editor at the Show-Me Institute.*

# STANDING UP TO RESURGENT PROTECTIONISM

A PETITION FOR FREEDOM OF TRADE FROM THE ATLAS  
GLOBAL INITIATIVE



Don't let politicians repeat the mistakes of the 1930s and plunge the world into depression and war," warns Atlas Vice President of International Programs, Tom Palmer. He is coordinating Atlas's global effort to defeat today's calls for protectionism and to promote free trade as the precondition for both prosperity and peace.

Palmer worked with Professor Don Boudreaux (George Mason University) to draft and circulate a petition that calls on "the governments of all nations to resist the calls of the short-sighted and the greedy to raise higher the barriers to trade" and "to tear down current protectionist barriers to free trade." A major theme of the campaign is to point out the relationship between free trade and peace: "Trade's most valuable product is peace. Trade promotes peace, in part, by uniting different peoples in a common culture of commerce." The petition has been signed by hundreds of academic economists, who note that "a great deal of rigorous empirical research supports the proposition that trade promotes peace."

In addition to presenting the petition to policy makers, the Atlas Global Initiative is creating short informative videos for the public, including a series featuring renowned trade specialist Jagdish Bhagwati of Columbia University, as well as holding seminars and public forums around the world to explain the dangers of blocking free exchange. A key element is to present the best research on the harmful effects of blocking trade and to do so in language (and languages) that can be understood by the lay public.

The Atlas Global Initiative has teamed up with the London-based International Policy Network to coordinate the initiative, which was had its public launch with a press conference in London on April 1st, the day before the start of the G20 Summit. Think tanks from around the world actively participated in the effort and have launched campaigns in their own markets. "This campaign is not a one-shot matter," said Palmer, "the peace, freedom, and prosperity of the world depend on what we do now. We cannot afford to fail."

The petition is available in more than twenty languages at [AtlasNetwork.org/tradepetition](http://AtlasNetwork.org/tradepetition).

## FREE TRADE IS THE BEST POLICY

*The specter of protectionism is rising. It is always a dangerous and foolish policy, but it is especially dangerous at a time of economic crisis, when it threatens to damage the world economy. Protectionism's peculiar premise is that national prosperity is increased when government grants monopoly power to domestic producers. As centuries of economic reasoning, historical experience, and empirical studies have repeatedly shown, that premise is dead wrong. Protectionism creates poverty, not prosperity. Protectionism doesn't even "protect" domestic jobs or industries; it destroys them, by harming export industries and industries that rely on imports to make their goods. Raising the local prices of steel by "protecting" local steel companies just raises the cost of producing cars and the many other goods made with steel. Protectionism is a fool's game.*

*But the fact that protectionism destroys wealth is not its worst consequence. Protectionism destroys peace. That is justification enough for all people of good will, all friends of civilization, to speak out loudly and forcefully against economic nationalism, an ideology of conflict, based on ignorance and carried into practice by protectionism.*

*Two hundred and fifty years ago, Montesquieu observed that "Peace is the natural effect of trade. Two nations who differ with each other become reciprocally dependent; for if one has an interest in buying, the other has an interest in selling; and thus their union is founded on their mutual necessities."*

*Trade's most valuable product is peace. Trade promotes peace, in part, by uniting different peoples in a common culture of commerce – a daily process of learning others' languages, social norms, laws, expectations, wants, and talents.*

*Trade promotes peace by encouraging people to build bonds of mutually beneficial cooperation. Just as trade unites the economic interests of Paris and Lyon, of Boston and Seattle, of Calcutta and Mumbai, trade also unites the economic interests of Paris and Portland, of Boston and Berlin, of Calcutta and Copenhagen – of the peoples of all nations who trade with other.*

*A great deal of rigorous empirical research supports the proposition that trade promotes peace.*

*Perhaps the most tragic example of what happens when that insight is ignored is World War II.*

*International trade collapsed by 70 percent between 1929 and 1932, in no small part because of America's 1930 Smoot-Hawley tariff and the retaliatory tariffs of other nations. Economist Martin Wolf notes that "this collapse in trade was a huge spur to the search for autarky and Lebensraum, most of all for Germany and Japan."*

*The most ghastly and deadly wars in human history soon followed.*

*By reducing war, trade saves lives.*

*Trade saves lives also by increasing prosperity and extending it to more and more people. The evidence that freer trade promotes prosperity is simply overwhelming. Prosperity enables ordinary men and women to lead longer and healthier lives.*

*And with longer, healthier lives lived more peacefully, people integrated into the global economy have more time to enjoy the vast array of cultural experiences brought to them by free trade. Culture is enriched by contributions from around the world, made possible by free trade in goods and in ideas.*

*Without a doubt, free trade increases material prosperity. But its greatest gift is not easily measured with money. That greatest gift is lives that are freer, fuller, and far less likely to be scalded or destroyed by the atrocities of war.*

*Accordingly, we the undersigned join together in a plea to the governments of all nations to resist the calls of the short-sighted and the greedy to raise higher the barriers to trade. In addition, we call on them to tear down current protectionist barriers to free trade. To each government, we say: let your citizens enjoy not only the fruits of your own fields, factories, and genius, but also those of the entire globe. The rewards will be greater prosperity, richer lives, and enjoyment of the blessings of peace.*

*The Atlas Economic Research Foundation and the International Policy Network invite you to add your name to this petition. Already many hundreds of prominent economists have added their names. Join them in opposing protectionism.*

**Please visit [www.atlasnetwork.org/tradepetition](http://www.atlasnetwork.org/tradepetition) to add your support**

## WHICH US STATE IS THE MOST FREE?

The **Mercatus Center** (United States) just released the first-ever comprehensive ranking of American states and how their public policies affect economic, social and personal freedom. This study improves on prior attempts to score economic freedom by including measures of social and personal freedoms. The results of this study showed that the freest states in the country are New Hampshire, Colorado and South Dakota. All three states feature low taxes and government spending and middling levels of regulation and paternalism. The Mercatus Center received a Templeton Award from Atlas in 2008 in the category of Special Achievement by a University-based Center.

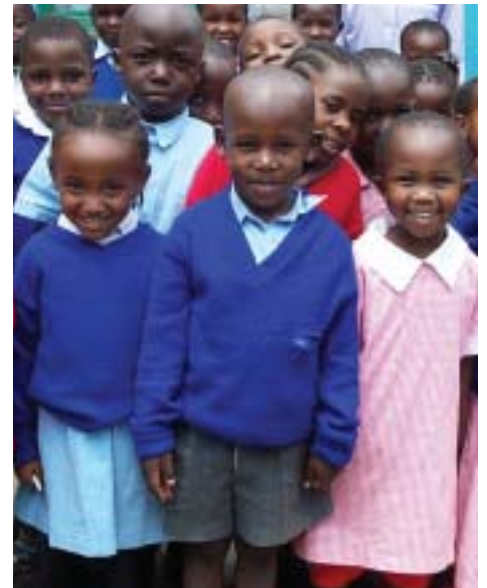


## LIBERTARIAN TEXTS NOW AVAILABLE IN SWAHILI

Swahili versions of libertarian texts are being made available at the Atlas Global Initiative's platform for freedom in Africa, *AfricanLiberty.org*. The first text posted is Tom Palmer's *Twenty Myths About Markets* (in Swahili: *Hoja Ishirini za Uongo kuhusu Masoko*). Coming soon are texts by Frédéric Bastiat, John Stuart Mill, Friedrich von Hayek and others.

## EG WEST CENTRE SEEKS INSTITUTE PARTNERS FOR SCHOLARSHIPS FOR KIDS PROGRAM

Atlas Templeton Freedom Award winner, The **EG West Centre** (England), is currently looking to help *Scholarships for Kids* ([scholarshipsforkids.org](http://scholarshipsforkids.org)) expand into more developing countries. Scholarships for Kids is dedicated to helping children attend private schools serving low income communities in developing countries. The recent growth of these private schools has been documented by the Centre's Professor James Tooley, whose research has found that they are now providing a better education than government schools at a fraction of the cost. Professor Tooley presented his findings to the very first Atlas Club Briefing in Colorado Springs in 2006. The program is currently being introduced in Kenya with hopes to expand to other developing countries in the future. If your institute is interested in helping to expand this program, please email James Stanfield ([j.stanfield@ncl.ac.uk](mailto:j.stanfield@ncl.ac.uk)) to register your interest. Further details of Professor Tooley's research can be found at [www.ft.com/tooley](http://www.ft.com/tooley).



## NEW OPPORTUNITY FOR STUDENTS & YOUNG PROFESSIONALS IN AFRICA

From August 16-21 the **IMANI Center for Policy & Education** (Ghana) will be hosting the 2009 Students & Young Professionals African Liberty Academy at Ashesi University in Ghana. This year's program will include presentations by some of the continent's finest leaders from the government, business and NGO communities. The deadline for applications for this program is April 30th. Early applicants will receive free copies of Johan Norberg's *In Defense of Global Capitalism* and Swahili translations of Bastiat's essays on political economy.





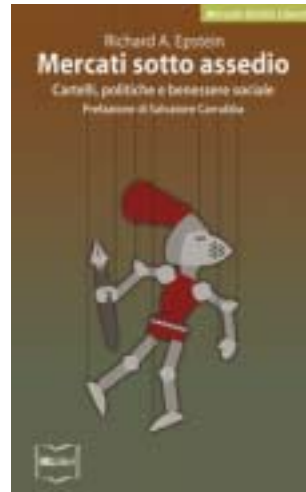
## NOBEL LAUREATE LINKS JUDAISM AND MARKET PHILOSOPHY

Professor Robert Aumann, 2005 Nobel Laureate in Economics, delivered the inaugural lecture of the Center for the Study of Judaism and Economics at the **Jerusalem Institute for Market Studies** in November 2008. Aumann discussed the link between markets and Judaism and the current economic downturn by explaining the role of incentives in the growth and prosperity of a free society. He cited exam-

ples illustrating how the Torah and the Talmud acknowledge the importance of having the right economic incentives within a competitive market economy.

## PUBLISHING CLASSICAL LIBERAL WORKS IN ITALY

At the beginning of March, **Istituto Bruno Leoni** (Italy) launched a publishing house to print the great works of free market economists in the Italian language. Books that have been published so far include, Arnold Kling's *Crisis of Abundance*, Richard Epstein's *Free Markets Under Siege* and Vaclav Klaus' *Blue Planet in Green Shackles*. These and other books will be sold in bookstores throughout Italy. IBL received a Fisher Venture Grant from Atlas in 2008.



## NEW THINK TANK IN MEXICO

Mexico has recently captured the public policy spotlight as many worry about the direction the US neighbor may in the near future. As crime rates and tension rise in Mexico, there is hope on the horizon. Headed by Armando Regil, **Instituto Pensamiento Estratégico Agora (IPEA)** was formed at the beginning of 2009. IPEA is a non-profit, independent, market-oriented think tank, which aims to train a new generation of policy entrepreneurs and leaders in promoting the principles that sustain a free and prosperous society. IPEA has hit the ground running –already launching an informative bilingual website and organizing the IPEA University, a program for Mexican youth.



## CEDICE CELEBRATES 25 YEARS

Facing one of the most hostile climates for advancing liberty in the world, **CEDICE** (Venezuela) has persevered, winning Atlas's 2008 Freda Utley prize among other distinctions. From May 27-29, 2009, various organizations will co-sponsor an international conference marking CEDICE's quarter-century long struggle promoting free expression, market economics, and limited government. The conference, "The Latin American Challenge", will be held in Caracas, Venezuela and has attracted speakers such as author Mario Vargas Llosa, former President of Bolivia, Jorge Quiroga, and Cristian Larroulet, executive director of **Libertad y Desarrollo** (Chile). Information is available at [cedice.org.ve](http://cedice.org.ve).

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For more information, please visit  
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