

Atlas

YEAR-IN-REVIEW

FALL 2006

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The Atlas Economic Research Foundation 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. Atlas is a nonprofit 501(c)(3) organization that is supported solely by donations from individuals, foundations and corporations.

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At Atlas

New Staff at Atlas

The Atlas Economic Research Foundation is pleased to welcome Alexis Serote and Rebecca Waskey to our staff. Alexis, the new Donor Relations Associate, graduated from the University of Michigan in 2005, where she received her Bachelor's degree in linguistics with an emphasis in language acquisition. While at Michigan, Alexis had the opportunity to study globalization and grassroots politics in northeastern Thailand through the Council on International Educational Exchange at the Research and Development Institute at Khon Kaen University. Prior to joining our staff she worked at a Washington, DC law firm and taught English as a Second Language in Mt. Rainier, MD. She is currently pursuing her Master of Science degree in Peace Operations Public Policy at George Mason University in Arlington, VA. Becca joined Atlas in October 2006 as the Assistant to the President. In May 2006, Becca received Bachelor's Degrees in Business Management and Communications with a minor in Economics from Grove City College in Pennsylvania.



Rebecca Waskey



Alexis Serote

James Arthur Pope Leaves the Atlas Board

In September, James Arthur Pope stepped down from the Atlas Board of Directors after 16 years of service, in order to focus his attention on his family's business and private foundation. To show their gratitude for his significant contributions to Atlas's growth, board members and senior staff gave Pope a specially crafted silver globe, which included an emerald marking his home city, Raleigh, North Carolina. The pine box, containing the globe, includes an inscription of words from John Locke that reflect Pope's role as a lawyer, historian, philanthropist and patriot: "Tis the Greatest Charity to Preserve the Laws and Rights of the Nation."

Abby Moffat Joins the Atlas Board

Abby Moffat joined the Atlas board in September 2006. No stranger to the world of free-market think tanks, Abby has served as trustee of The Shelby Cullom Davis Foundation since 1993 and is vice chair of grants. She also serves on the Board of Regents of the Center for Security Policy and on the board of the Institute of World Politics, a graduate school of national security and international affairs. A 1988 graduate of Mount Vernon College, Abby lives in Bethesda, Maryland with her husband and two children. "I'm honored to be a part of the unfolding Atlas success story," Moffat says. "I think of the business of planting free-market think tanks and then connecting them as the task of driving the stakes and tying the cables that hold down tyranny worldwide."



The Atlas board and senior staff during the September 2006 Board Meeting: (seated, left to right) Abby Moffat, Bill Sumner, Andrea Millen Rich; (standing, left to right) John Blundell, Jo Kwong, René Scull, Dan Grossman, Tim Browne, George Pearson, Alex Chafuen, and Brad Lips. (Not pictured: Alejandro Garza Lagüera, Leonard Liggio, Linda Whetstone, and Curtin Winsor).

Overview of the Annual Report

By Bradley A. Lips, Chief Operating Officer



Welcome to Atlas's 2006 Year-in-Review report!

Each year, we publish this retrospective so you can see how Atlas is investing its resources in freedom-oriented projects in many different parts of the world – from right here in the U.S., which must always remain a beacon of liberty, to parts of the world that have long been deprived of freedoms that many of us take for granted. In the regional sections this year, we have included 'Reflections' from well-established think tanks about their beginnings and 'Intellectual Entrepreneur' stories from the newest additions to the Atlas network.

It's our great pleasure to be able to play an intermediary role that we believe is crucial: connecting this broad family of friends of freedom, helping them learn from each other's experiences, and find the know-how, the resources, and the inspiration to have a real impact in the world of ideas.

When I joined Atlas eight years ago, what most struck me was the passion and sincerity of the people involved in this network. Perhaps I was still affected by the views that prevail on college campuses – that the Left is the natural home for "people who care," and that those who believe in free enterprise and limited government have suspect motives.

My experience while at Atlas has completely changed my mind. The moral high-ground rightly belongs to our friends.

Friends like Kate Zhou, who survived the famine of the Great Leap Forward, and now has set up a Hayek School and other initiatives to help the poor in rural China.

Or Anil Patel, whose two decades of work in growing a health clinic for tribal peoples in India ultimately led him to question prevailing socialist ideas, and create a new think tank, the Initiative for Open Society, to advocate market-oriented ideas.

Or Atilla Yayla of the Association for Liberal Thinking in Turkey, who has endured government harassment, while quietly training hundreds of students and publishing scores of books on the virtues of the free society.

Individuals like these are not attracted to our work by material rewards. (To be sure, Atlas's ideological opponents have found a far more lucrative calling in soliciting government grants to advise governments to grow bigger.) Atlas's friends are motivated by a simple

desire to do what's right.

They believe that by conducting sound research and engaging in public debate, we can foster public policies that provide more freedom, more opportunity, and better living standards for people all over the world.

What's very exciting is how Atlas and its friends are becoming more proficient at reaching new audiences. As a consequence, more and more people are having this revelation: defenders of free enterprise do occupy the moral high ground, and those who prefer increasing the size of government work against the interests of everyday citizens.

Some of this long-term work is yielding tangible results – such as the World Health Organization's decision to utilize the long-maligned chemical DDT for malaria prevention in developing countries. For years, Atlas friends like Roger Bate, Richard Tren and Paul Driessen, have been calling attention to the tragedy of sacrificing millions of African, Asian and Latino children who have died from this very preventable disease.

Elsewhere, Atlas has seen its allies play larger roles in the traditional media, such as Alvaro Vargas Llosa attaining a regular column in *The Washington Post*, while still others utilize the new media world of blogs and YouTube to convey pro-liberty messages.

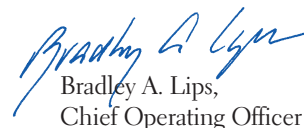
Our prize programs have expanded Atlas's reach, and helped bring greater attention to partners in difficult parts of the world, like Belarus, Venezuela and the Balkans.

Atlas's Teach Freedom Initiative is taking the ideas of a free society back into university settings, where they have so long been marginalized by champions of political correctness.

Together, this portfolio of activity is strengthening our movement of free-market institutes and scholars, which is so vital for helping preserve and advance liberty around the world.

Of course, the environment of ideas in 2006 is full of dark storm clouds: security threats, populist demagoguery, and creeping socialism in many arenas. At times like these, it is all the more important that we keep building the intellectual case for individual liberty, free trade, and limited government under the rule of law.

We hope you will continue to partner with us in this important work in the years to come.

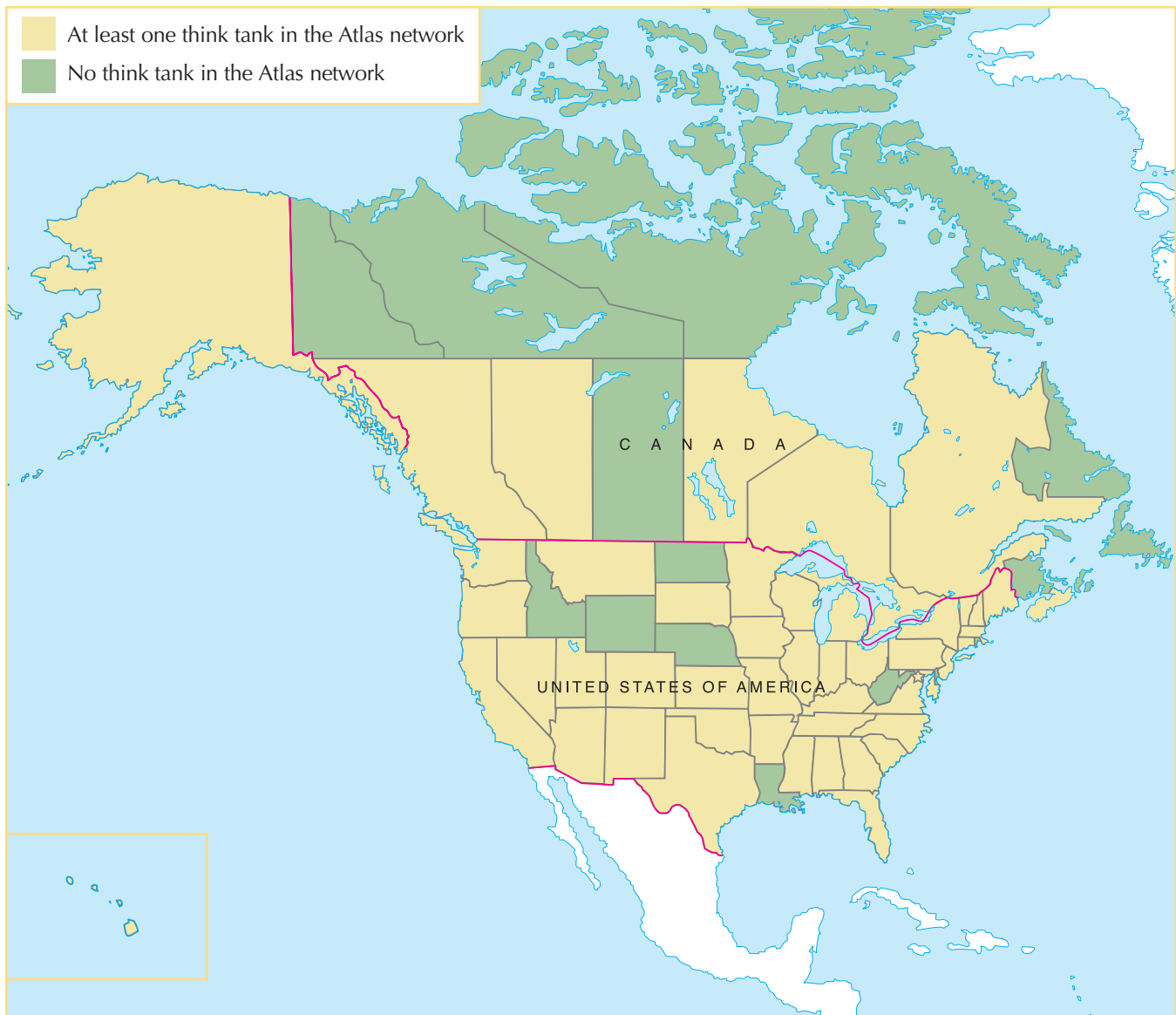

Bradley A. Lips,
Chief Operating Officer



Among the schools that Kate Zhou's Education Advancement Fund International has founded is the Xiang Xi Rural Women Training School. Zhou (right) is pictured with a local woman who graduated from the school.

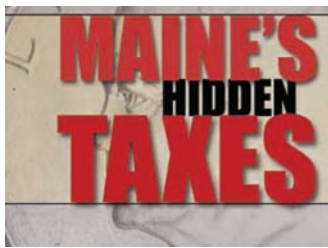


North America



Thanks to its generous donors, Atlas's North American Support Program has invested in young institutes in eight states and three Canadian provinces. As Atlas looks over its past twenty-five years, it is pleased to see growth in its investments and is excited about opportunities to further strengthen and enhance a network of more than fifty North American think tanks in forty-two U.S. States and six Canadian Provinces. Atlas's sixth annual Liberty Forum attracted over thirty North American free-market organizations and included presentations on fundraising, communication and other management strategies by Templeton Freedom Award and Prize winners and by think tank leaders. The **Maryland Public Policy Institute**, just five years old, was awarded a \$25,000 award from the Milton Rose D. Friedman Foundation for its proposal to provide

school choice to Maryland's foster-care children. The **Atlantic Institute for Market Studies'** three-year project of High School Report Cards, rating the Atlantic Canadian public school system, has resulted in schools beginning to publish assessments of their own work by providing comparison reports and studies highlighting the effectiveness of each particular public school. It has forced schools to assess their effectiveness and focus on reforms needed to provide better education for Atlantic Canada's youth. In addition to its core work with independent state-based think tanks, Atlas has also been focusing on helping academics find opportunities to improve the understanding of the causes and consequences of freedom through its Teach Freedom Initiative.



Maine's Hidden Taxes is one area of the measurement in MHPC's Maine by the Numbers.

Maine — Through effective policy research, legislative testimony, and public speaking, the **Maine Heritage Policy Center (MHPC)** seeks to bring free-market, conservative principles to the forefront of public debate. MHPC is the principle author and information source for a pending citizen's initiative referendum that would create a statutory Taxpayer Bill of Rights for Maine. In addition to its twenty original policy reports, MHPC released three additional major research products: *The Maine Economic Atlas*, a comprehensive demographic analysis of each municipality in the state; an updated and expanded version of *Maine by the Numbers*; and a comprehensive analysis of population and wealth migration within, to, and out of Maine.

Tennessee — Despite being one of the youngest free-market think tanks in the United States, the **Tennessee Center for**

Policy Research (TCPR) has quickly established itself as one of the most effective. TCPR began 2006 with a major legislative victory when Tennessee's governor signed into law an ethics bill, based largely on TCPR recommendations,

to increase government transparency and accountability. TCPR's publications also encouraged state legislators to pass a three-day break from the burden of the state's 7 percent sales tax. TCPR received tremendous media coverage from its *Tennessee Pork Report*, which uncovered nearly \$240 million of waste, fraud and abuse of state tax dollars.

Utah — The **Sutherland Institute** continues to make progress in its efforts to transcend politics as usual. The Best of State organization recently recognized the Institute as Utah's top Education/ Advocacy group for Sutherland's Transcend Series, an innovative program that focuses on topics pertinent to public service and statesmanship. Created in 2004, the Transcend Series has already provided more than 230 elected and other community leaders from across the political spectrum with a program to become better informed, equipped and skilled to serve in their respective roles. Focusing on three dimensions of effective leadership — character, intellect, and process — the program is conducted as a series of monthly sessions, each addressing a topic one of the three dimensions. ☺



State Senator Jim Bryson, U.S. Rep. Marsha Blackburn, TCPR President Drew Johnson and former U.S. House Majority Leader Dick Armey at TCPR's spending control town hall meeting.

Reflections

Pacific Research Institute (California)
(from Sally Pipes, President & CEO)

When I took over in 1991, the **Pacific Research Institute** had a budget of \$550,000, and in 2005 we raised \$4.8 million. We owe a great deal of gratitude to the Atlas Economic Research Foundation, as they provided bridge funding in 1991 and 1992 so that we could rebuild PRI and implement our strategic plan. This was so critical to our survival and ultimate growth and success.

1981 vs. 2006

In 1981, PRI had a budget of \$372,766. In 2006, our budget is \$4.8 million.

In 1981, PRI had five employees; today we have twenty-five.

PRI was originally a free-market book publishing house. In 1981, the Institute was working on two books: *Resolving the Housing Crisis* and *Public School Monopoly*. In 2006, PRI will have published two books and more than thirty studies and briefings.

In 1981 PRI gave Atlas \$30,000 — a shared grant from a major donor.

In 1981, PRI became one of the first think tanks to promote school choice as an alternative to the public school monopoly. Today, there are 574 charter schools in California, serving over 200,000 students.

In 1981, PRI had one media hit — the *Christian Science Monitor*. So far in 2006, PRI scholars have been quoted in more than 200 articles, have done more than 100 radio interviews, and have made a dozen television appearances.



PRI President Sally Pipes (left) with Rose and Milton Friedman.

Intellectual Entrepreneur

John Carpay (Canada)



“I’m angry about bad public policies which cause misery and poverty, and inflict suffering on people. These policies are often, if not always, imposed in the name of “equality,” “social justice” and other high-minded notions. I’m a firm believer in the saying attributed to Edmund Burke: “The only thing necessary for evil to triumph is for good men to do nothing,” comments John Carpay, who joined the **Canadian Constitution Foundation (CCF)** as its first full-time executive director in June 2005. The former director of the Canadian Taxpayers Federation and civil litigator is working hard to achieve CCF’s mission of protecting individual freedom through education, communication and litigation. In many ways it operates similarly to the successful Institute for Justice in the United States. To address the “preventable evils” of “high taxes, long waiting lists for health care, racist aboriginal policies, threatened families, and courts promoting “equality” at the expense of liberty,” CCF is currently focused on conducting research projects on aboriginal policy, giving the Canadian Supreme Court Justices ‘freedom rankings’ based on their rulings, supporting the constitutional challenge to Alberta’s monopolistic health care legislation, and other projects.

Latin America



Bolivia — Founded in 1992, **Fundación Libertad y Democracia** (FULIDE), named Walter Justiniano, a former businessman, as its new executive director. The previous executive director, Oscar Ortiz, left FULIDE after he became a member of the Bolivian senate. FULIDE became more involved with the different movements organized to stop President Evo Morales's attempts to restrain freedom and to control the private sector. In particular, it led the formation of a network of institutes, civil organizations and corporations from Santa Cruz to defend free-market values while the Constituent Assembly rewrites the Bolivian constitution.

Colombia — 2006 saw a transition of leadership at the **Instituto de Ciencia Política** (ICP) when Rafael Merchán left his position of Executive Director to run for congress. Marcela Prieto, an experienced policy maker who knew ICP founder Hernán Echavarría well, replaced Merchán. She launched a new series of activities, increased ICP's presence in the media, and developed new products, including the weekly policy analysis, "ICP Concepts." *Perspectiva* magazine, the successful publication edited by ICP and contributed to by many other Atlas-affiliated groups in the region, added distribution to Guatemala and Honduras. Soon, *Perspectiva* will be sent to individuals in all countries of Latin America. ICP also will soon buy its own headquarters, thanks to a generous donation. ICP will use this space to expand their operation and to house the recently donated library of Hernán Echavarría.

Peru — Daniel Córdova, a professor and dean of the Economics faculty at the Peruvian **Universidad de Ciencias Aplicadas**, organizes an annual summit on free markets and open societies in the region, including speakers like Mario Vargas Llosa, Ricardo López Murphy, and Enrique Krause. This coming October, José María Aznar, the former president of the government of Spain, will deliver the keynote speech. Córdova is also involving young intellectuals at the university in preparing economic research and policy proposals to promote debate in Peru.



Haiti — Hans Tiphpenhauer has actively worked towards political and economic reform in Haiti since he was a student leader in the 1991 protest against the corrupt, dictatorial presidency of Jean-Bertrand Aristide.



Left to right: Journalist Julio Nieto Bernal, ICP Executive Director Marcela Prieto, and former Minister of Communications José Manuel Arias Carrizosa during ICP's conference on competition, the Foro America Latina: Políticas Públicas.

More recently, Tiphpenhauer has been the advisor to several influent political leaders, a member of the steering committee of the Group of 184, and head of the Haitian Civil Society/Political Party negotiation team with CARICOM in the Bahamas in 2004. As general director of **Fondation Espoir**, Tiphpenhauer heads the Jeune Ayiti program, Haiti's most important platform for educating and empowering youth. The program has networked more than 300 associations and produced over 600 young leaders in the political and social arenas. Hans assists young organizations by providing training in areas

such as leadership skills, conflict resolution, and grant writing.

Honduras — With the recent creation of **Instituto Veritas**, Guillermo Peña has established the first and only independent, non-partisan, free-market think tank in Honduras. Guillermo was educated in the United States and interned at the John Locke Foundation (North Carolina), where his mentors further

inspired his passion for the power of ideas. Guillermo hopes that Instituto Veritas will unite like-minded freedom fighters to counter the irrational populism and ineffective government that prevent Honduras from achieving economic development. The institute will conduct research, propose policy solutions to social and economic problems, and hold seminars to explain these ideas to journalists and businessmen. Instituto Veritas will have to navigate a difficult political scene with an extremely strong bipartisan system and a rising number of populist politicians. Honduras desperately needs to be set on the path to prosperity, and Instituto Veritas is a refreshing step in the right direction. ☺

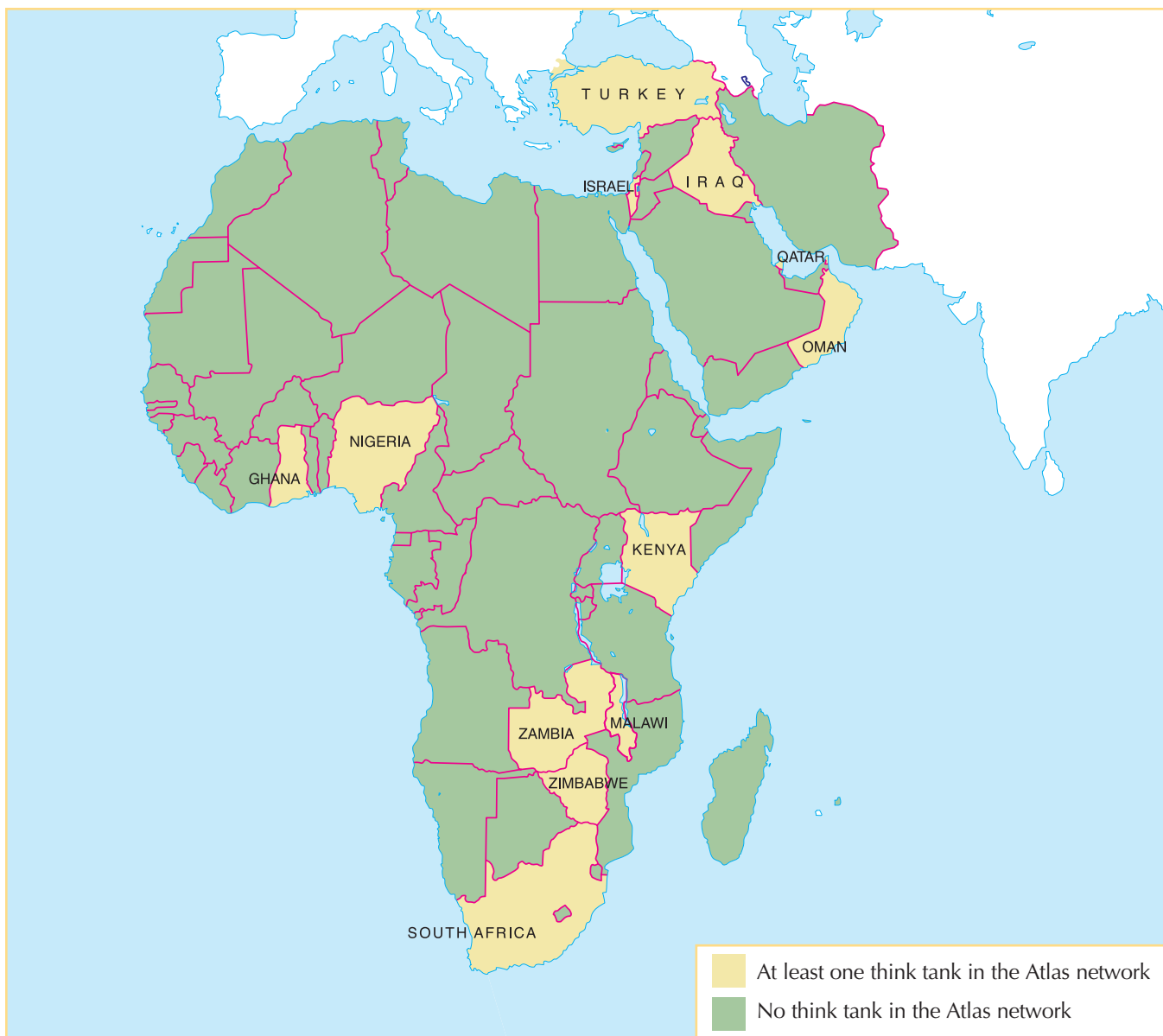
Intellectual Entrepreneur

Carlos Castillo (Nicaragua)

Carlos Castillo first connected with Atlas through Harald Klein, the director of Friedrich Naumann Foundation in Latin America. Growing up in Nicaragua, Castillo experienced the corruption of both the Somoza and Sandinista governments, including the incarceration of his father under false pretenses in 1982. His family then moved to the United States, where Castillo studied law. After returning to Nicaragua in 1992, Castillo served as an advisor for the minister of health and helped several members of the Liberal Party earn positions in government. In order to keep the stubborn leftist regime from re-emerging, Castillo found that he and his like-minded friends could not limit their political activity to election years. He and his peers officially established **Asociación de Jóvenes Empresarios** in 2005 to maintain a strong influence on the politicians year-round, to encourage the people to be politically active, and to find ways to limit the effects of the black market on private businesses.



Africa & the Middle East



Despite working in environments that are plagued with corruption, tyrannical dictators and extreme poverty, Atlas has come into contact with young, talented, articulate, and passionate Africans who are not just sitting back and watching, but engaging in the battle to find solutions to these problems. They understand not only the importance of ideas, but the importance of investing in the next generation of young people – and each other. Just three years ago, Franklin Cudjoe started **Imani: The Centre for Humane Education**, and now he is mentoring upcoming think tank leaders, such as Denford Madenyika, who is developing the **Dzidzai Foundation** in Zimbabwe to help village people and

high school and college students understand and embrace the principles of a free-market economy. James Shikwati, who started the **Inter Region Economic Network** (Kenya) in 2001, has pioneered annual pan-African networking meetings for think tank leaders and collaborated with the **Mackinac Center for Public Policy** (Michigan) to host an African Think Tank Leadership Conference this past August. Larry Bailey, an International Freedom Corps scout, brought new contacts to Atlas. Also, additional staff and resources have helped Atlas to expand its Middle East portfolio to include new efforts in Egypt, Jordan, Morocco and the United Arab Emirates.

Iraq — As Iraq embarks on rebuilding its economy, the **Baghdad Economic Forum (BEF)** aspires to play an important role in helping the country transition from a centralized, command economy to a free-market, liberal economy. Through roundtable discussion, papers, and workshops, BEF is working to elevate civil society's awareness of sound economic thinking and the importance of institutional reform of Iraq's legal framework as well as the need for transparency and accountability within government, civil society, and the private sector. Furthermore, despite the challenges of working within an insecure environment plagued by terrorist acts, the BEF is working to convene the first economic forum with the Council of Iraqi Representatives and is working to publish the Arabic version of *Common Sense Economics* as a way of disseminating free-market concepts throughout the region. Dr. Abbas Abu Altimen, director of BEF, notes that "BEF as a think tank is committed to strive for the institution of market economy beliefs in Iraq."



BEF founder, Dr. Abbas Abu Altimen.

Oman — The **International Research Foundation (IRF)** is an independent, non-profit think tank based in Oman. Its mission is to measure and communicate the impact of competitive free markets on the welfare of individuals for the purpose of designing liberalized policies, especially in the Arab world. Among IRF's first activities was contributing to Fraser Institute's *Economic Freedom of the Arab World in 2005* and hosting a conference in Oman to present the findings of the Index,



IRF presentation honoring the two freest countries in the Arab world, Lebanon and Oman, based on the Fraser Institute's Economic Freedom of the World.

which included a gala dinner to honor countries that have the most liberal economic policies in the region. IRF, in coordination with its strategic partners, has conducted a series of campaign programs promoting economic freedom through publications, TV series, road shows, and seminars. On January 18, 2006, IRF organized "Economic Freedom in the Arab World: the Case of Oman" with the Atlas Economic Research Foundation and the Cato Institute in Washington, D.C., to coincide with the signing of a free trade agreement between the United States and Oman.

Zambia — The **Zambia Institute for Public Policy Analysis (ZIPPA)** wants to contribute to the creation of a flourishing business environment in Zambia and sub-Saharan Africa, which will lead to continuous improvement in the standard of living of the people of Zambia. Founded in September 2004, ZIPPA promotes a wider appreciation of the key role of free markets and competition in economic development while countering the current tendency in Zambia to attack the "neo-liberalism" of the West and to embrace the populist urgings from Latin America. ZIPPA's journal focuses on foreign direct investment, tourism, local government, mining, and the role of government. The journal's influential readership includes 500 subscribers and 150 members of the National Assembly. ZIPPA plans to expand its activities to include discussions and debates at universities and colleges, and to provide training in free-market economics for media practitioners.

Reflections

The Free Market Foundation (South Africa)
(from Leon Louw, Executive Director)

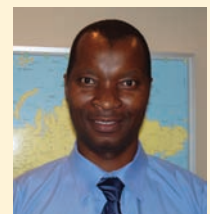
The **Free Market Foundation (FMF)** differed in important respects and varying degrees over the years from other "Fisher Institutes" in the Atlas family, mainly because it was the only world-class institute in (a) the third world and (b) a country in transition to democracy. FMF played a significant, some would say decisive, role in South Africa's peaceful transition and in the substantial liberalization of the economy. FMF promoted over 200 pro-market reforms which were adopted, including the abolition of most forms of business licensing, transfer of most public transport from government monopolies to private alternatives, and transformation of agriculture from one of the world's most regulated to its freest agricultural market.



Most significantly, many of the FMF's constitutional proposals are in the new constitution, which is characterized by liberal democratic checks and balances such as the rule of law, property rights, and the right to "fair and reasonable" administration. The FMF today operates in a profoundly different world, in which, like its counterparts elsewhere, it takes a longer-term view. Unfortunately, it still has to fight racism in the form of "reverse" discrimination.

Intellectual Entrepreneur

Denford Madenyika (Zimbabwe)



"I always wanted to challenge the Zimbabwean government's policies on property rights, freedom, human rights, and the rule of law. I organized protest demonstrations at the Zimbabwe High Commission in April 2002 to demand a return to normalcy. I also published a number of articles criticizing the rule of impunity, but I did not feel that I was making any impact. One factor that was holding me back was fear and hesitation," explains Denford Madenyika, when asked why he founded the **Dzidzai Foundation**. While a Master's student at North Carolina State University, Madenyika attended a student conference of the Young America's Foundation, where speaker Bay Buchanan exhorted the students to, "Stand for what you believe or else shut up." After hearing Buchanan's challenge, reading books like Hayek's *The Road to Serfdom* and Bastiat's *The Law*, attending more student conferences, and meeting with Atlas, Madenyika decided to take formal action to bring the intellectual battle to Zimbabwe. Dzidzai Foundation is the first think tank dedicated to conveying to Zimbabweans from village people to high school and college students the ideas of individual freedom, free-market ideas, and personal responsibility.

Europe



Momentum for free-market activities in Europe continues to increase as young people are eager to embrace new ideas and to apply them to advance freedom, such as the **F. A. Hayek Foundation's** work to help advance the passage of the flat tax in Slovakia. Recognizing the need to share strategies and collaborate on projects, over 100 think tank leaders and market-oriented individuals met in Vienna, Austria, in June 2006 for the third annual European Resource Bank meeting. Atlas actively assisted the effort of new think tanks in Azerbaijan, Georgia and Macedonia. This October, Atlas worked with the Cato Institute and **New Economic School-Georgia** to organize a conference in Tblisi, Georgia, to bring together reformers from throughout the former Soviet Union and its neighbors to find ways to work toward policy reforms that are conducive to peace and prosperity. Fellowships and

training also played a significant role in think tank development. Former Atlas Koch fellows Rahim Taghizadegan and Julian Rauchdobler launched **Liberty Ideas** in Austria, to encourage young people to enlarge and protect their individual liberty and educate them in ways of making informed decisions as consumers and citizens. Tural Veliyev, whom Atlas has been in touch with for many years since his internship at the Cato Institute, developed the **Free Minds Association** (Azerbaijan) in 2005 to bring the idea of freedom to a country where it is poorly understood and not respected. Jaroslav Romanchuk, president of the **Scientific Research Mises Center** in Belarus, continues to operate in an equally challenging environment. He is using current political campaigns to develop grassroots social groups, and he teaches courses on freedom "under the radar" on university campuses.

Denmark — **Copenhagen Institute (COIN)** aims to ensure that Denmark develops into one of the most innovative and dynamic growth societies in the world — a society in which individual liberty grants empowerment. In 2006 Copenhagen Institute published several books including *Vera and Benefica* by Anders Fogh Rasmussen, a translation of Wilfried Prewé's *From Welfare State to Social State*, and an online translation of Ayn Rand's *Anthem*. The Institute has hosted several events, including one with Dan Mitchell of the Heritage Foundation, as well as events aimed at the think tank's grassroots program for the next generation, also known as Generation Freedom. As a leading policy institution in Denmark, the Copenhagen Institute's staff appears frequently in the media, both through op-eds and articles and in live radio and TV debates with key policy makers. At least one of Copenhagen Institute's op-eds has been sent to all cabinet members in the Danish government by the minister of Finance.

France — Although France has high unemployment, large deficits, and stagnating purchasing power, the government does



In March 2006, *Liberté Chérie* staged a counter demonstration calling for university students to end their protests against job contract reforms.

not act for fear of being blocked by the unions. Unions spread anti-free-market propaganda, which unfortunately has worked: according to a 2006 survey, only 36 percent of the French think that the free market is good for its future. In 2003,

when the unions went on strike against the pension system reform, a group of Political Science students decided that they could not bear it anymore. They set in motion their own demonstration against the strikes ...and they found out that they were not alone! With their new association, *Liberté Chérie*,

they managed to rally 80,000 protesters against the strikes. They met huge success in the media, and right after that, the strikes stopped. Now, *Liberté Chérie* has more than 20,000 supporters. *Liberté Chérie* continues to challenge the anti-free-market sentiment in France through rallies, training seminars, and an annual summer university.

Georgia — Over the past year, the **New Economic School-Georgia (NES-Georgia)** has exposed 3,371 individuals from Georgia, Armenia and Azerbaijan to its activities; trained 2,110 people at its seminars; and sold more than 340 free-market books by Mises, Hayek, Rothbard, Callahan, Rand, Menger and others. Carl Menger's *Principles of Economics* has been translated and published in Georgian under the editorship of NES president Paata Sheshelidze. Thanks to the initiative of NES-Georgia and its cooperation with the State Minister on Coordination of Reforms, Kakha Bendukidze, and World Bank-Georgia, a project to facilitate free-market reforms has been launched. The mission of this project is to explain and popularize the successful experience towards free markets and decentralization. NES-Georgia's Armenian and Azerbaijani country reports have been integrated into the Fraser Institute's *Economic Freedom of the World Index*. 🌐



Georgian Business Federation President Giorgi Isakadze, NES's Paata Sheshelidze, Heritage Foundation's Marc Miles, and NES's Gia Jandieri. In February 2006, NES organized a series of meetings for Marc Miles around the release of the latest Index of Economic Freedom.

Intellectual Entrepreneur

Free Minds Association (Azerbaijan)



Two of the founders of FMA, Rashad Shirinov (left) and Tural Veliyev (right).

Many countries today are in a state of rapid economic, political, and social change. Although the number of "free" countries has increased in the past ten years, many nations, in the face of such rapid fundamental changes, move in the opposite direction and experience new forms of dictatorship. Azerbaijan is no exception to this trend. Free thinking and basic ideas such as rule of law, liberty, justice and respect for private property do not exist. The **Free Minds Association (FMA)** was established in 2005 by a group of young people who understand the root of the problems today in Azerbaijan and have been inspired by the ideas of freedom and liberty. FMA gives great importance to the achievements and potential of Azerbaijan's youth. To date, FMA has organized a major training program featuring Tom Palmer of the Cato Institute; a summer seminar on "Understanding Free Society and Intellectual Change;" and virtual discussion groups for more than 600 students to provide young Azerbaijani people with opportunities to discuss the ideas of freedom.

Reflections

Adam Smith Institute (United Kingdom) (from Eamonn Butler, Executive Director)

Today, the **Adam Smith Institute (ASI)** has moved beyond using tea-chests and packing-cases as its office furniture, but in 1981 our desks and chairs were scavenged or bought used from cut-price dealers. All Britain's main industries were still nationalized, so we were woefully under-resourced for our task — creating practical policy alternatives and combating the belief that free markets simply could not work.

We put out a stream of publications and articles supporting Margaret Thatcher's desire to embrace market economics, and showing how it could be done. No one realized we were only marginally bigger than a "two men and a dog" outfit. We didn't have a dog, though by 1981 we had acquired a student! The student was paid, but the two directors had to take part-time jobs because the ASI couldn't afford to pay them as well. It was informal, chaotic, opportunistic, and penniless — but also very effective. And a lot of fun.

Asia & the Pacific



Think tanks in Asia are continuing to make their presence known and are having an impact: Barun Mitra of the **Liberty Institute** (India) placed an op-ed in the *New York Times* and the **Centre for Civil Society's** "Education Choice Campaign" resulted in the removal of the cap on the school licensing system in New Delhi. The **Centre for Independent Studies** (Australia) celebrated its thirtieth anniversary, and the **Alternate Solution Institute** launched the Special Pakistan Edition of the *2005 Economic Freedom Index*. The **Center for Research and Communication** (Philippines) has been working hard towards the passage and implementation of the RORO (roll-on, roll-off) policy – a policy that has liberalized port restrictions, encouraged competition and allowed farmers to move their goods between the islands at half the cost. The new **Independent Research Center** (Kyrgyzstan) continues

to be persistent in its efforts to reform the tax code. Atlas hopes to increase the Asian network through our annual Asian Liberty Forum meetings, Mont Pelerin Society meetings, Templeton Freedom Awards program, Atlas board member trips, International Freedom Corps scouting trips, and from recommendations from within Atlas's network. Young intellectual entrepreneurs are learning from others – including Hiroki Fukuda, who spent time with the Leadership Institute (Virginia), before starting the **Leadership Institute-Japan**, and Qiang Liu, a 2006 Koch Fellow whose childhood of living in a remote and impoverished village of Gansu province drove him to seek answers to a better life. Liu now works for Professor James Tooley at the **E. G. West Centre** (United Kingdom), where he will explore private school options for rural Gansu.

China — Despite the tough political environment for nonprofits, especially classical liberal think tanks, in China, the scholars and network of **Cathay Institute for Public Affairs (CIPA)** continue to build a solid record of accomplishment. CIPA's efforts to promote liberty in China focused on the most important public issues, such as private property rights protection, the rule of law and constitutional democracy. CIPA articles appear regularly in China's leading newspapers and magazines. Believing that capital freedom strengthens property rights and economic freedom, and expands political freedom, CIPA recently started the Capital Freedom Watch project to further drive out the lingering communist legacy in China.



Liu Junning, founder of CIPA.

Hong Kong — The **Lion Rock Institute (LRI)** has its hands full fighting against unions, social activists, and a chief executive with pharaonic ambitions to keep Hong Kong free. LRI led protests against arbitrary competition policy and the depredation of Hong Kong's simple and low tax structure. LRI undertook an education campaign on the basics of economics geared toward policy makers and the general public through media appearances, lectures, discussion groups, and debates. The WTO ministerial meetings gave LRI the chance to show the world the benefits of unilaterally dismantling trade barriers and Hong Kongers the uniqueness of their economic freedom. Doing battle with self-serving interest groups (Korean "farmers," for example) and their multimillion-dollar budgets gave the LRI and its international allies a great platform to improve their profile and deliver the message about the benefits of liberty.

Japan — The **Japanese for Tax Reform (JTR)** advocates economic freedom, individual liberty, and limited government in Japan by promoting a simple, reduced-rate flat tax system. In April 2006, JTR helped launch two new organizations: The **Institute of Free Economy (IFE)** and the **Leadership Institute Japan (LIJ)**. IFE is a libertarian, market-oriented think tank that focuses on researching and distributing publications as well as building networks among free-market economists and other experts in Japan. LIJ is an educational organization that focuses on training young Japanese to become leaders of the conservative movement in Japan. In July 2006, the LIJ organized a three-day intensive seminar, including Morton Blackwell, president of the Leadership Institute (Virginia), as a speaker. In May 2006, Bjorn Tarras-Wahlberg, secretary general of the World Taxpayer's Association, spoke at a JTR forum with representatives from three political parties in Japan.



Bjorn Tallas-Wahlberg (left) with JTR founder, Masaru Uchiyama.

New Zealand — Founded in 2001, the **Maxim Institute** advances ideas and leadership for a more just, free and compassionate New Zealand. One of its key strategies is to advocate more freedom in education. The Maxim Institute undertook original research into parents' views on schooling and examined how freer models can improve outcomes for pupils, and published their findings in a series of reports called *The Parent Factor*. *The Parent Factor* reports generated nationwide media debate and Maxim Institute has since been invited to brief members of Parliament on how greater freedom in education could better serve New Zealand's children. In 2006, the series also won the Innovative Projects category of Atlas's Sir Antony Fisher International Memorial Award. 🌐

Reflections

Center for Free Enterprise (South Korea)
(from Chung-Ho Kim, Executive Director)

Founded in 1997, the **Center for Free Enterprise (CFE)** operated from the beginning under the slogan, "No Fear and No Compromise." "No fear" described CFE's determination to advocate the superiority of a free-market economy without reservation, which was regarded almost as a taboo. Advocates of free-market ideas were regarded as puppets of big businesses who distorted the truth. CFE was launched to counter this intellectual environment, by standing in the extreme opposite. By doing so, it intended to encourage those intellectuals in the gray area, who hesitated to speak in favor of free markets due to the fear of being shunned by others, to speak up. As expected, scholars of CFE were regarded as lunatics for many years.

Since then, CFE's "scarcity value" has dramatically fallen because of its success. The newly formed conservative NGOs, such as the New Right Group and the Citizens United for Better Society, also produce free-market logic, which CFE was notorious for promoting. These groups signal CFE's success in making people accept free-market principles. CFE, ironically, has lost its monopolistic position as the only free-market think tank in Korea.

Intellectual Entrepreneur

Robin Sitoula (Nepal)



Despite the numerous reasons to be a prosperous country, Nepal tragically remains one of the poorest countries in the world. Violent radical communists, anemic policies that impede investments and economic growth, and devotion to the idea of the welfare state, all contribute to Nepal's very unstable situation. Recent Atlas Fellow Robin Sitoula vowed, "I feel it is important to start anything and everything to prevent Nepal from this ill fate. It is high time that Nepal realizes the importance of liberating its economy and participating in the global economic order to capitalize on its strengths and prosper." Sitoula, currently the president of the Youth Initiative South Asia, plans to establish a think tank to bring education, awareness and advocacy of ideas that can better Nepal. "My fellowship at Atlas played a pivotal role in helping [jump-start my institute] by providing me with networking, practical learning opportunity, and exposure."

To all Our Donors: Thank You for Making a Difference!

By Jo Kwong, Vice President of Institute Relations



The annual *Year-in-Review* is a great way for the Atlas staff to take stock of our accomplishments. By the time we've put each issue together, we can't help but smile. We are proud of what you help us achieve! As you flip through these pages, I hope that you, too, will sit up a bit higher, pleased with what you have done. Through our Atlas partners around the world, *you are working on the ground* to advance freedom around the world. How good does that feel?



Walter LeCroy (second from right) participated in the Atlas Club Briefing during the Atlas Liberty Forum in Colorado Springs. He is pictured with Tabriz Jabbarov of Azerbaijan, Vahagn Khachaturyan of Armenia, and Atlas's Jo Kwong.

I'm pleased to tell you that this year, we initiated a few ways to better connect Atlas supporters to the people they help. After all, with Atlas's "connector" role, it only makes sense that we should also focus on connecting you to the think tanks on the ground.

First off, the new Atlas Club Briefing series offers "up close" opportunities to meet leading freedom fighters. This year, at two of Atlas's major events – the annual Liberty Forum in Colorado Springs and the 25th Anniversary Celebration in San Francisco – we held special briefings for donors who contribute more than \$1,000 a year.

At the inaugural Atlas Club Briefing, James Tooley and Pauline Dixon of the **E.G. West Centre** in New Castle, UK, spoke about their research on private education for the poor. The technological glitches of playing UK-based software in U.S. systems forced participants to gather round a computer screen, but the impact was barely diminished. Walter LeCroy exclaimed, "This is one of the most encouraging things I've heard in a long time!" Walter has since made dozens of extra copies of the Centre's DVD to share with others. What a great way to spread the word to friends.

Next up in San Francisco, Atlas donors heard from two extraordinary Asian leaders. Elbegdorj Tsakhia, two-time prime minister of Mongolia, discussed the difficulties of overcoming cultural expectations and customs to move towards greater individual freedom. And

Kate Zhou, **Education Advancement Fund International** founder, talked about the "underground railroad" she's busily building in China to promote opportunity for the rural poor. With a special focus on rural women, Zhou is practically a one-stop shop, offering services ranging from education (at the "Hayek schools" she founded), to micro-credit, to protection of women who violate the one-child policy.

Beyond these special opportunities, I've sought to share one of the wonderful benefits that I experience personally through my life at Atlas – the free-market perspective on politics and events that are unfolding around the world. This year, I've shared letters to our friends about the re-election of authoritarian president Alexander Lukashenko in Belarus with comments from Jaroslav Romanchuk of the **Scientific Research Mises Center**; news of the Montenegrin vote to sever ties with Serbia with perspectives from Petar Ivanovic of the **Center for Entrepreneurship and Economic Development (CEED)** and Veselin Vukotic, president of the **Institute for Strategic Studies and Prognosis**; and the evolving Chavez-Castro-Morales axis in Latin America.

Additionally, we're developing exciting opportunities for donors to travel with us. While the traditional Atlas workshop series focuses primarily on enhancing the effectiveness of our international intellectual entrepreneurs, more and more donors are finding the venues to be great travel opportunities, as well as intellectual recharge times. A record number of donors joined us in Colorado Springs for the Liberty Forum. Some attended the third Asian Liberty Forum,

held this year in Kuala Lumpur. And the especially adventurous are traveling to Tbilisi, Georgia and Baku, Azerbaijan in late October!

If international travels, beyond the traditional tourist path, are of interest to you, perhaps we can help. In many cases, our international colleagues are happy to arrange exciting tours and visits (and sometimes serve as personal guides).

Looking back over the year, I hope you feel as if we've better connected with you... that you are getting a good glimpse of what it feels like to help people who are champions of freedom. All of us on staff at Atlas, as well as our think-tank partners, extend a hand of thanks to you. You are making a difference in the world! 🌍



Pauline Dixon (left) and James Tooley (right) of the E.G. West Centre stand with Arthur Schwartz (center) of the John Templeton Foundation. The E.G. West Centre's work on private education for the poor in India, China, Nigeria, and Kenya was the topic of the Atlas Club Briefing at the 2006 Liberty Forum.

How You Can Advance Freedom

Your support of the Atlas Economic Research Foundation is a venture capital investment in advancing freedom around the world.

Together, you and I and the rest of the Atlas team are making the world a better place by helping brave entrepreneurs of freedom in more than a hundred different countries across the American, African, Eurasian, and Australian continents.

As you can see from this report, your support for Atlas is aiding some very special people. These are individuals who want to see their countrymen have the chance to enjoy the same rights of life, liberty, and property that we enjoy here in the United States, rights that are too often being denied them.

The Atlas Economic Research Foundation is thankful to count you among our allies. Below I have detailed a number of ways you can help Atlas's efforts.

Join the ATLAS CLUB

The people who contribute to The Atlas Club are the backbone of our efforts. Their annual pledges of \$1,000 or more allow us to budget our resources and plan effectively as we take the freedom message to the many corners of the globe. This unbridled commitment to Atlas helps make our vision a reality.



Atlas Club sponsors receive invitations to special Atlas Club Briefings where they meet the on-the-ground actors of the freedom movement. Also, each year's members are honored with a listing on a plaque at our headquarters. In addition to this small recognition, Atlas sponsors have the satisfaction of knowing they are investing in ground-level efforts to secure a vision of a society of free and responsible individuals based upon property rights, limited government under the rule of law, and the market order.

Please join the Atlas Club today! Your investment could help us do so much. For example,

- A \$1,000 gift could help fund the translation of a book about liberty into another language, where it can persuade government leaders and others.
- A \$5,000 gift could help Atlas sponsor a Visiting Fellow from abroad who would stay at Atlas for six weeks to learn the basics of think-tank management and develop programs to implement in his country.
- And a \$10,000 gift could enable us to host an international conference where we could meet more pioneers we could support, and help others keep in touch with one another.

But if these amounts should prove too high, you should know we would greatly appreciate any contribution you felt appropriate.

Simply return the reply envelope that accompanies this newsletter or sign up for the Atlas Club online. From the Atlas website at www.atlasusa.org, click "donate" and select your preferred option.

Help Atlas with Its Matching Funds Opportunity

When the **John Templeton Foundation** gave a grant to Atlas in 2003 to establish the Templeton Freedom Awards, it simultaneously created a matching grant opportunity of up to \$250,000 per year.

The John Templeton Foundation will match *on a dollar-for-dollar basis* new donations that are aimed at extending Atlas's work into "difficult countries" that have few, if any, institutions championing the ideas of a free society.

We hope that you will help us take advantage of this extraordinary matching opportunity by making a donation today.

Leave a Legacy That Reflects Your Love of Freedom

When my mom died unexpectedly last year (she seemed much too young and too healthy), I started thinking very differently about life and death. Though it can be a difficult subject, it's even more challenging when you consider that, without thoughtful planning, the *government* may be the primary heir to your estate.

I was very touched at the outpouring of generosity from family, friends, and Atlas donors alike, in sending donations to support Atlas's efforts in China – Mom's homeland – in lieu of flowers. There are so many ways we can leave a legacy.

Do you have a will that distributes your assets in line with your own priorities? If those priorities include advancing liberty, please consider including Atlas as a beneficiary of your will or living trust.

If you have already added Atlas as a beneficiary of your estate, please let us know so we can recognize your generosity and dedication to our shared principles.

Sample Bequest Language (please have your attorney review)

I give, devise and bequeath to the Atlas Economic Research Foundation, tax identification number 94-2763845, 2000 North 14th St., Suite 550, Arlington VA 22201, [insert amount, percentage, or remainder of estate] to be used for general operations [or a donor-designated purpose].

Create a Legacy of Freedom: Dare to Speak Out

By Jo Kwong, Vice President of Institute Relations



When our twin daughters were young, my husband and I treasured the nightly bedtime ritual of reading to the girls until they fell asleep. We relished the time together and we loved exposing them to the world of books.

Somehow, however, the girls ended up to be sports kids, preferring to have a basketball or football in their hands, rather than books.

I thought the situation would eventually change as they matured, but by the time they were twelve years old, I decided to take desperate measures for desperate times. I offered to pay them – per page – to read any book of their choice (no picture books, of course!). Jessie chose to stay penniless, but Asia looked around our home library and picked the biggest book she could easily find. It turned out to be an offer that changed her life.

Asia devoured Ayn Rand's *Atlas Shrugged* – so much so that she never ended up asking me for her “payment.” She went on to read it three times. She tells me she's read every word of John Galt's speeches.

Anna and Richard Ebeling of the **Foundation for Economic Education** heard of Asia's passion for Rand. By the time she was in ninth grade, they offered her a spot in FEE's weeklong program for high school students. She took a lot of ribbing from her basketball team when she took that week off to attend “a librarian conference” (i.e. libertarian), but we worked it around her basketball schedule and packed Asia off for Irvington-on-Hudson, New York.

I worried about how well Asia would fit in, given that Rand was her entire free-market repertoire. Apparently, I vastly underestimated the amount of information she picked up from being raised in a classical liberal household. In her first phone call home, she said, “Mom – many of the kids here are total leftists!” When I asked her what she meant, she replied, “Some of these kids think there is a role for the government in primary education!”

The education she received at FEE was tremendous. She became even more passionate about classical liberal ideas. The ideas increasingly became her filter for viewing the world.

During the first week of tenth grade, the class was assigned the perennial task of reporting on their favorite book. Up shot Asia's hand and out came a treatise on Rand. She came home

from school that day to tell me that a classmate launched into a discussion of “objectivism” immediately afterwards. Asia hadn't even used the word, so possibly this student was a closet objectivist, waiting for an opportunity to find someone to share ideas with. The parent teaching moment-of-the-day: “Asia, always be brave enough to share your minority views and you will be surprised at how many people you will reach. Dare to speak out.”

From that moment on, Asia's classmates learned a new word – *libertarianism*. Several weeks later, when their government teacher taught a lesson about American political parties, the students asked the teacher about his party affiliation. He declined to be specific, saying that he did not want to influence their thinking. Asia's hand shot up again and she asked, “Does

that *Reason* magazine on your desk have any bearing on your party affiliation . . . might you be a libertarian?” With those cards on the table, he confessed, opening up a firestorm of questions from the students. This teacher has since become a school favorite and he is now regularly asked about libertarian, or free-market, perspectives on the teaching topics that come up in his classroom.



Asia, Jo Kwong's daughter, reads Ayn Rand's *We the Living*.

I shared this story as a way of suggesting that we build a legacy of freedom by daring to speak out – by consistently promoting our ideas. As we take every opportunity to show how freedom benefits all, we often reach people without even realizing it. Our words may reach the most unsuspecting allies. Or they may help galvanize those who might share our ideas but are otherwise fearful of speaking out.

In Asia's case, her outspokenness created the opportunity for her classmates to learn about free-market perspectives – and a chance for a public school teacher to share ideas that might otherwise lie dormant.

If one high school student can create these small ripples, imagine how Atlas's intellectual entrepreneurs are impacting people the world over. As you know, with your help, Atlas supports people who speak up for freedom on a daily basis. I'm reminded of James Shikwati, the president and founder of **Inter Region Economic Network** in Kenya. Capitalism, he said, has a negative connotation in his country, so “I take every opportunity possible to show how I'm a capitalist and how that is good!” Through the work of IREN, he speaks out on a wide



Unirule Institute founder Mao Yushi, and Foundation for Economic Education President Richard Ebeling at the 2005 Freedom Dinner. In 2004, the Chinese government cancelled Unirule's NGO status and banned one of Prof. Mao's books. Despite these restrictions Unirule continues to operate in China as a commercial company. (photo courtesy of Harold Hechler Associates).

range of issues, reaching students, politicians, journalists, and other opinion leaders.

In July, for the first time, I met Rashad Shirinov of **Free Minds Association** (see page 11), one of Atlas's newest partners in Azerbaijan. In June, it organized a three-day youth seminar in partnership with the Friedrich Naumann Foundation in Nabran. More than thirty students participated in the seminar, "Understanding Free Society and Intellectual Change," and discussed topics such as "Liberalism and the Role of Intellectuals," "Property Rights as Fundamental Liberal Value," "Isaiah Berlin and Power of Ideas," and "Perspectives on Development of Free Society in Azerbaijan." Because Rashad and his colleagues are willing to speak out, a new generation of Azerbaijanis is learning how free markets, rule of law and limited government can lead their country to greater prosperity.

In one of our newest efforts, Atlas is working with a group of scholars in China, Hong Kong, and Taiwan. Because of the repressive conditions they face from the Chinese government,

In June 2006, thirty students participated in the Free Minds Association's seminar, "Understanding the Free Society and Intellectual Change." The program consisted of lectures, working groups and discussion.



they are forced to operate under pen names, with an informal operational framework and little administrative structure. But the ideas they study and teach are sound and principled. They are producing seminars and translations of key classical liberal texts. Because they dare to speak out, over the course of the next few months, fifty students from five major cities in China will be exposed to the teachings of F. A. Hayek and other leading Austrian economists.

Atlas's work, of course, is not limited to overseas and it's not limited to countries that exercise political repression. Earlier this summer, I met with a colleague to explore a new institute that will offer leadership, and a voice, to black Americans who reject leftist ideologies. As Clarence Thomas and other prominent black conservatives know all too well, blacks who hold libertarian or conservative ideas are ridiculed instead of engaged in discussion. They are accused of being "sell outs" and "Uncle Toms." This organization is daring to speak out, questioning why 90 percent of America's blacks support a political party and an ideology that has done nothing to advance their interests. It's ready to stand up to politically correct repression that uses intimidation tactics rather than intellectual engagement.

You, our trusted friends and supporters, enable Atlas and its partners to speak out. You help us deliver support to operations in China. You travel to Azerbaijan and witness the exciting developments, and in turn, support their efforts. You earmark your contributions for Atlas's work in difficult territories. You give support to our general operations so we can help out groups in the U.S. and elsewhere, knowing that the price of freedom is eternal vigilance.

Thank you, dear Atlas friends and supporters . . . and thanks also to Asia, James, Rashad, our underground friends in China and elsewhere, for speaking out in the name of liberty. Together, we're making a difference! 🌐



Foreign Aid: A Failed Concept?

By Leonard P. Liggio, Executive Vice President



Classical liberals have focused on the fallacy of foreign aid for more than half a century. Henry Hazlitt and Felix Morley presented detailed analyses of “external welfare.” Lord Bauer (P. T. Bauer) wrote extensively on the failures of foreign aid in Africa and Asia. Stanislaw Andreski, a Liberal sociologist, described kleptocracy in Africa and South America. Since then many economists have devoted quantitative skills to present the failures of foreign aid. Despite the fact that the failure is in the concept itself, some persons still ask if the failure is in the people or the system.



Lord Bauer

During the 1980s, when the Cato Institute’s summer seminars were at Dartmouth College, my lectures included the fact that African merchants were engaged in capitalist activity thousands of years before Europeans, as were Chinese, Indian, and Malay merchants. In the nineteenth century, when European powers carved up Africa, they needed workers for the hard labor in mines or palm oil plantations. The natives preferred to work on their own farms rather than for foreign state-created entities. European administrators introduced modernity into these countries: taxation. The villages were presented with a tax bill to be paid in European currency, which they did not use. They were told that so many persons working in the mines or plantations would be credited against the civilized tax-account. Some villages did not understand the civilization of taxes, until the military forces burned the villages as a step toward progress.

Post-colonial governments have learned their lessons well from European colonial governments as well as from the World Bank and International Monetary Fund – that taxes are the first sign of progress. William Easterly explains it well in his *The White Man’s Burden: Why the West’s Efforts to Aid the Rest Have Done So Much Ill and So Little Good* (New York, The Penguin Press, 2006). He offers an example from his colleague at New York University, Professor Leonard Wantchekon, who grew up in a poor village of 3,000 persons in central Benin. His father farmed a field a distance from the village and slept in a cave part of the year to be near to the field. His parents valued education and used much of their income for their children’s education. Wantchekon declares:

Thirty years later, I realized that Zagnanado has produced ten university professors, thirteen medical doctors, two architects, four diplomats, and at least one hundred more with at least a

university degree. At least seven of “our” professors and medical doctors work in the United States, Germany, and France. Zagnanado is also the home town of Cardinal Gantin, the former dean of the Sacred College of Cardinals in the Vatican, who retired in 2002. ... Why did such an impressive collection of personal success and talent not translate into economic prosperity? ... One year my father was asked to pay taxes amounting to 90 percent of his annual revenue, a level of taxation that was obviously impossible for anyone, but especially for him, considering his advanced age. ... Officials came to our home in the middle of the night, woke him up, arrested him and forced him to parade himself throughout Zagnanado denouncing himself.

Another problem with the concept of foreign aid is the source of funding. Easterly comments:

In any human endeavor, the people paying the bills are the ones to keep happy. The big problem with foreign aid and other Western efforts to transform the Rest is that the people paying the bills are rich people who have very little knowledge of poor people. The rich people demand big actions to solve big problems, which is understandable and compassionate. The Big Plans at the top keep the rich people happy that “something is being done” about such a tragic problem as world poverty.

Before we complain about the current crop of big plans and donors, recall earlier ones. One example is the early twentieth-century *Flexner Report* of the Rockefeller Foundation to raise the standards of U.S. medical schools. Many schools training black doctors for black communities were not of the standards set by the Rockefeller report. The consequence of the enforcement of the *Flexner Report* by the states was the closing of all black medical schools, except Fisk University and Howard University. While the reduction of the number of doctors had the effect of raising medical incomes in white communities, it drastically reduced any medical services for blacks. These communities did not need brain surgeons, only basic medical care.

Easterly provides a positive example from Bangladesh, where funding for a program for teenage medics came from the collaboration of foreign donors and governments and a local doctor. Trained in secondary school, the teenage bicycle paramedic serves 515 families in the countryside:

Dr. Zaf trained teenage girls to treat common ailments, deliver prenatal and postnatal care to pregnant women, and refer any emergencies to the hospital he built. Foreign donors and the government gave Dr. Zaf money, but he also charged his poor

The legislators and cabinet ministers in London, Paris, Rome, and Washington continue to disregard the accumulation of facts regarding the failure of foreign aid. The politicians are regeled by rock concerts while the world’s poor continue to bear the burden of government interventions.

patients modest fees to expand services further. He found that even the poor were willing to pay for good service. Charging the poor modest fees for health care – a notion that outrages Planners and anti-globalization activists – is a way to increase accountability for delivering health services. If the villagers don't get good service after they have sacrificed to pay for it, they loudly complain.

Easterly counters the “Planners”:

The world's poor do not have to wait passively for the West to save them (and they are not so waiting). The poor are their own best Searchers. While Western Planners were discussing whether to increase foreign aid by \$50 billion for all poor countries, the citizens of just two large poor countries – India and China – were generating an increase in income for themselves of \$715 billion every year. The Gang of Four – Hong Kong, Korea, Singapore, and Taiwan – went from third world to first world over the last four decades. China, India, and the Gang of Four did this through the efforts of many decentralized agents participating in markets (the ideal vehicle for feedback and accountability) without significant Western assistance as a share of their income...

Starting a half-century ago, the U.S. and the Soviet Union began competing on foreign aid projects, including building steel mills in the Third World. None of the unemployed U.S. steel workers complain now about their leaders supporting foreign aid then. Easterly comments:

Jeffrey Sacks and co-authors previously predicted that large aid increases would finance “a ‘big push’ in public investments to produce a rapid ‘step’ increase in Africa’s underlying productivity, both rural and urban.” Alas, we have already seen this movie, and it doesn’t have a happy ending. There is good data on public investment for twenty-two African countries over the 1970-1994 period. These countries’ governments spent \$342 billion in public investment. The donors gave these same countries’ governments \$187 billion in aid over that period. Unfortunately, the corresponding ‘step’ increase in productivity, measured as production per person, was zero. Perhaps part of the reason for this was such disasters as the five billion dollars spent on the publicly owned Ajaokuta steel mill in Nigeria,



Easterly's book stresses the importance of property rights to economic growth. He notes, "Property rights also determine whether markets work. 'Do I have title to the land, building, and equipment making up my taco stand?' Hernando de Soto noted in his great book The Mystery of Capital that the majority of land occupied by poor urban majorities in the developing world do not have legal title – nobody owns it." In the picture above, Trupti Mehta from the Initiative for Open Society (India) hosts a rally with tribal peoples from Rajpipla, Gujarat, who are asking for legal recognition of their ownership rights to the forests and forest lands where they live. Their signs read, "Give us the Law or Give us Jail."

begun in 1979, which has yet to produce a bar of steel.

Any classical liberal would profit from reading *The White Man's Burden*, which has citations to the work of F. A. Hayek and acknowledgments to Don Boudreaux, Peter Boettke, Mario Rizzo, Frederic Sautet, and Ian Vasquez. The concept of foreign aid needs the serious reexamination that Easterly provides. The legislators and cabinet ministers in London, Paris, Rome, and Washington continue to disregard the accumulation of facts regarding the failure of the concept of foreign aid. The politicians are regaled by rock concerts while the world's poor continue to bear the burden of government interventions. 🌐



The Law Review Project in South Africa helped organize a demonstration by informal traders supporting free trade and trade instead of foreign aid during the 2002 World Summit on Sustainable Development.

Benefacere: Who is the Real Customer of a Think Tank?

By Alejandro A. Chafuen, President & CEO



One of the ways in which Atlas fulfills its mission is by encouraging those who run think tanks and independent educational centers to think and act like entrepreneurs. We use the term intellectual entrepreneurs (IEs) to describe the type of individuals who are essential to our work. As a working definition, I regard IEs as those individuals who discover a need for a new idea or policy solution and have the talent and willingness to attract resources and allocate them to address that need. To conduct that work, IEs must have a clear notion of who the customer is.

In most for-profit companies the answer seems very clear. If you are a restaurant owner, your customers are those who eat at your restaurant; if you are a banker, your customers are those who deposit in or borrow from your bank. In think tanks and non-profits, I always encounter two attitudes. Those in the staff who work in program activities have a clear picture that their customer is the person using or receiving the resources, attending the events, or receiving the grants and the help of the organization. Nevertheless, those who work closer to the development department have a clear picture that the customer is the donor or potential donor. It is the donor, after all, who is buying into the organization. His or her goal is to help the non-profit work for a cause that he or she considers worthy and not well-addressed by the for-profit sector.

In my role as CEO I try to accommodate both camps. In order to fit both donors and donees into our structure and foundation culture I sometimes argue that we have two sets of customers or clients: the donors and those we serve with the funds entrusted to us. I have to confess that since I am responsible for raising funds, I can be more impatient with those who solely define the customer from the spending side of a non-profit. Their heart goes to the neediest causes, independent from how sustainable

and effective their work might be. But concentrating only on donors as the customers is also insufficient.

One of my first management jobs in the late 1970s was as part of a consulting firm that had to analyze the operations of a major bureaucracy, the ministry of economics of a Latin American country. To prepare for that task I read Bill Niskanen's writings on bureaucracies, in which I found many cultural similarities in the work of bureaucracies and non-profits. Bureaucracies concentrate on the "donor" as well. Their "donor" is the Congress or the authority which will disburse the funds. The customer, especially if it is a problematic customer, is sometimes treated as a problem or an excuse to get funding, rather than the person they should serve. It is true that the non-profits which, like Atlas, do not receive government funding need to be more careful with their customers; but the temptation is still there.

There are two wonderful words in the English language, both with the same Latin roots, which can give us a better perspective on think-tank customers: benefactors and beneficiaries. The words come from the simple expression "to do well" – bene ("well"), facere ("to do"). The donors of a think tank are its benefactors, but they would not be donating if the organization

were not serving other beneficiaries. Non-profits attract benefactors because they are seen as healing, protecting, helping, or educating their beneficiaries. These beneficiaries can be few or can be numerous, from the beginning of the pipeline (like the scholar or researcher who conducts a study) to the end of the pipeline (the many people whose lives might be improved by the policy solutions recommended by the think tank). Established non-profits, especially those that work in religion, have been using the term benefactor for centuries to refer to their donors.

There might be a few exceptions to the above. Some think-tank donors, especially corporations, might have their own narrow self-interest as their goal. Rather than seeking to support efforts that help maximize long-term profits by helping create a legal environment consistent with the dignity of the human person, they contribute to get favorable media, and some even contribute "hush money" to enemies of corporations, which is well-documented by the Capital Research Center and other organizations. Calling these donors "benefactors" would be a stretch. On average, corporate giving to

There are two wonderful words in the English language, both with the same Latin roots, which can give us a better perspective on think-tank customers: benefactors and beneficiaries. The words come from the simple expression "to do well" – bene ("well"), facere ("to do").



Jim Beley (right) and his wife Kay Knapton (center) have actively supported Franklin Cudjoe's efforts to found Imani: Centre for Humane Education in Ghana.



Borut Prah (center) has taken a keen interest in the development of good policy solutions in Slovenia, his home country, since its independence in the early 1990s. Prah, who has lived in the United States for over 25 years, regularly travels to Slovenia to meet with young intellectual entrepreneurs, like Miha Madjcen (far left) and Majej Steinbacher (left), who recently helped found the Free Enterprise Institute. They are pictured with Lisa Markham (second from right) and Atlas President Alex Chafuen (right).

market-oriented think tanks in the U.S. represents less than 12 percent of their income. So the “benefactor” and “beneficiary” language still applies for the bulk of the operations of our non-profit world.

Another small percentage of people might donate with the primary intention of receiving some sort of recognition by civil society. There might be some who donate to a think-tank dinner, or to a center or specific program, just to see their name listed prominently; but for most, this is an “extra recognition.” Think tanks are open to all these type of donors, and many, including Atlas, have benefited from very generous individuals who seek anonymity.

The word philanthropy comes from the Greek words philo (“loving”) and anthropos (“humankind”). So if we want to be faithful to the meaning of the word, the true philanthropists, and true “benefactors,” are those who donate to benefit other humans.

Those of us who study the science of human action (including the contributions of the late Ludwig von Mises) have sometimes added to the confusion. For example, when adult human beings act freely, they always seek to be better after the action than before, which causes some of our friends to conclude that all actions are “selfish.” Others go further and argue that our actions should be selfish. The language of service – benefacere – does not fit in that paradigm. Going into the non-profit market with that attitude is a recipe for failure for any think tank. Human action seeks improvement of the condition of the actor, which does not negate the reality of an individual’s love and duty towards others. Since self-interest helps us predict better and is a better motivator than altruism, we recognize that it is better for most of the economy to run on a for-profit rather than on a philanthropic basis. Yet some of us have worked most of our lives in the non-profit sector because we are convinced that the for-profit motive alone is not enough to benefit the world with the bounties of freedom. In order to achieve a free society, we need to attract many new benefactors, and increase the number of beneficiaries.

*“Every step forward on the way
toward an improvement of moral
conditions has been an achievement
of men who were ready to sacrifice
their own well-being, their health, and
their lives for the sake of a cause they
considered just and beneficial... These
people did not work for the sake of
reward; they served their cause unto
death.” – Ludwig von Mises*

To answer the initial question of this article, “Who is the real customer of a think tank?” I will refer to the often ignored passage of Ludwig Von Mises, in his book *Bureaucracy*. In it he describes a type of person – elite – who I believe is not only the real customer of Atlas and many think tanks, but also our **ideal** customer, who benefits us and is served by us:

Mankind would never have reached the present state of civilization without heroism and self-sacrifice on the part of the elite.

Every step forward on the way toward an improvement of moral conditions has been an achievement of men who were ready to sacrifice their own well-being, their health, and their lives for the sake of a cause that they considered just and beneficial. They did what they considered their duty without bothering whether they themselves would not be victimized. These people did not work for the sake of reward; they served their cause unto death.

Save the Date!

7th Atlas Liberty Forum

April 25–26, 2007

Loews Hotel, Philadelphia, Pennsylvania

www.atlasUSA.org

Atlas’s Liberty Forum brings together think tank leaders, policy experts, academics, and other advocates of the free markets and limited governments from around the world to share management strategies and policy ideas and to find inspiration and points of collaboration. The Liberty Forum takes place prior to SPN Leadership Development Breakfast, Heritage Foundation’s Resource Bank meeting, and Philadelphia Society meeting.

2006 Templeton Freedom Award Winners

Templeton Freedom Prizes:

Free Market Solutions to Poverty:

First Place: **E. G. West Centre**

(University of Newcastle, United Kingdom)

Second Place: **Centre for Independent Studies**

(Australia)

Social Entrepreneurship:

First Place: **Education Advancement Fund**

International (Hawaii)

Second Place: **Law Review Project** (South Africa)

Ethics & Values:

First Place: **Friedrich A. v. Hayek Institut** (Austria)

Second Place: **Asociación Cristiana de Dirigentes de Empresa** (Argentina)

Student Outreach:

First Place: **Israel Center for Social and Economic Progress** (Israel)

Second Place: **Center for Free Enterprise** (South Korea)

Templeton Freedom Award Grants:

- Albanian Liberal Institute (Albania)
- Centre for Independent Studies (Australia)
- Freedom Institute (Indonesia)
- Frontier Centre for Public Policy (Canada)
- Hellenic Leadership Institute (Greece)
- Imani: The Centre for Humane Education (Ghana)
- Institute for Market Economics (Bulgaria)
- Instituto Liberdade do Rio Grande do Sul (Brazil)
- Ludwig von Mises Institute (Romania)

Honorable Mentions:

- Beijing Siyuan Research Center (China)
- Bishkek Business Club (Kyrgyzstan)
- Center for Politisker Studier (Denmark)
- Fuping Development Institute (China)
- Instituto de Libre Empresa (Peru)
- Jerusalem Institute for Market Studies (Israel)
- Liberal Group of Kerala (India)
- Liberalni Institut (Czech Republic)
- Scientific Research Mises Center (Belarus)
- Romania Think Tank (Romania)



Atlas was pleased to have thirteen winners and four honorable mention recipients of this year's program attend the recent Atlas Liberty Forum in Colorado Springs. (Photo courtesy of McIntyre Photography)



3 Years since the program has been launched

296 Institutes applied

575 Applications received

67 Templeton Freedom Prizes & Award Grants given

59 Members of the TFA Advisory Council

Jay Ambrose - Mariano Artigas - Nigel Ashford - Howard Baetjer - Whitney Ball
Robert Barro - Mara Batlin - Calvin Beisner - Alberto G. Bochaty - Peter Boettke
Norman Bowie - Vince Breglio - James Buchanan - Cristina Burelli - John W. Cooper
Christopher Derry - Ramón P. Diaz - Jean Bethke Elstain - Leonardo Facco Treviglio
Steve Ferguson - Todd Flanders - Mary Glendon - Stephen Goldsmith - Grace Goodell
Mario Gabriel Griffa - Kenneth Grubbs - James Gwartney - Carl Helstrom III - Peter Hill
Lawrence Kudlow - Chandran Kukathas - Deepak Lal - Winston Ling - David Lips
Joseph McPherson - Liu Kin Ming - John Moore - Jennifer Roback Morse
Mohit Satyanand - Menlo Smith - Michael Novak - Herman Obermayer - Ricardo Peirano
Sam Peltzman - Daniel S. Peters - Philip Pettit - Richard Pipes - Alfred Regnery
Claudia Rosales y Rosales - Nathan Rosenberg - Jonathan Sacks - Vinay Samuel
Charles Townes - Nancy Truitt - Bernardo Villegas - Damian von Stauffenberg
Shalini Wadhwa - Muhammad Yunus Dhaka - Fareed Zakaria

74 Countries represented by the applicants

Afghanistan – Albania – Argentina – Armenia – Australia – Austria – Bahamas – Belarus – Bolivia
Brazil – Bulgaria – Cambodia – Canada – Chile – China – Colombia – Costa Rica – Croatia
Czech Republic – Denmark – Dominican Republic – Ecuador – France – Georgia – Ghana
Greece – Guatemala – Guinea – Hong Kong – Hungary – India – Indonesia – Iraq – Ireland
Israel – Italy – Japan – Kenya – Kyrgyzstan – Lebanon – Lithuania – Macedonia – Mexico
Montenegro – Nepal – Netherlands – New Zealand – Nigeria – Norway – Pakistan – Palestine
Panama – Paraguay – Peru – Philippines – Poland – Portugal – Romania – Russia – Slovakia
Slovenia – South Africa – South Korea – Spain – Sweden – Switzerland – Syria – Turkey
United Kingdom – Ukraine – United States – Uzbekistan – Venezuela – Vietnam

Ripple Effects, the True Value of an Award

When Atlas started the Templeton Freedom Awards program three years ago, we hoped to further strengthen and publicize the work of the think tanks in the Atlas network. While from a monetary perspective the \$5,000 and \$10,000 prizes and grants that the winning institutes receive provide perhaps support for only one program, one publication, or one event, the value of the award is enormous in its ripple effects, including increased media attention, more donations, and raised local and international credibility.



To promote their accomplishment in receiving a Templeton Freedom Award Grant, the Hellenic Leadership Institute produced special brochures in Greek and English.

PRESS

The Frontier Centre for Public Policy (Canada), told us: “The Templeton Freedom Award Grant brought us a burst of publicity as well as an unexpected increase in donations.... The award noticeably has changed our level of respect with the [local newspaper’s] editorial page editor, his team, as well as reporters who deal with local and provincial politics.” Hellenic Leadership Institute (Greece) received press coverage regarding the award grant not only from Greek newspapers, but also Al Jazeera TV, the largest and most influential Arabic news channel in the Middle East. Every major TV show and newspaper in Albania invited the Albanian Liberal Institute to present its work and the Templeton Freedom Award Grant.

CREDIBILITY

Another powerful result of the Templeton Freedom Awards program is the “third-party endorsement” that the prizes and awards provide. The institutes now have international recognition that substantiates their work and proves that their ideas and activities have weight and worth not only in their locale but around the world. Michel Kelly-Gagnon, the former president of the Montreal Economic Institute (Canada), which received an award grant in 2004, commented: “When you have an independent organization like Atlas, who can basically provide you

with credible third-party endorsement, this is extremely valuable.” In some cases, this credibility has an even deeper effect. Jaroslav Romanchuk, whose Scientific Mises Research Center (Belarus) received an honorable mention from the Templeton Freedom Awards program, commented:

[Having the] Atlas and Templeton names attached to any intellectual center or an endeavor adds much credibility to the activities and intellectual products of a think tank. . . .

There is one more important impact of the Templeton Freedom Award. As the political regime in Belarus is brutal and totalitarian, the fact that I got the award added much visibility to me and the people I work with. The authorities tend to be reluctant to be brutal to the people who belong to a prestigious international network. Atlas and its friendly family, by granting me the award, got me under its security umbrella too. I need this kind of support in the conditions of the totalitarian state.

DONATIONS

A number of think tanks noted not only an increase in media attention, but also an increase in donations. Margaret Tse, Vice President of the Instituto Liberdade (Brazil), told us, “Not only the productivity level increased (the institute had to hire a third person to cope with the extra paperwork and operational activities) but also helped the complex task of fundraising due to the positive and relevant feedback of donors and supporters.” Corinne Sauer of the Jerusalem Institute of Market Studies (Israel) reported to us that “Winning an Honorable Mention of the TFA had a very positive impact on JIMS’s fund raising; the TFA gave our institute an official recognition among the “free market”/libertarian community, convincing donors of the worthiness of our work. Without Atlas’s support since 2003, JIMS would not have been able to bring forward the ideas of freedom in Israel.”

At Atlas, we hope to see the ripple effects of the Templeton Freedom Awards program continue to spread and strengthen the free-market network.



One of the Instituto Liberdade activities that their Templeton Freedom Award Grant supported was the Tax Freedom Day celebration on May 26, 2006 in Brazil by providing tax-free gas at a gas station for one day. To create awareness among Brazil’s taxpayers about the tax burden, Instituto Liberdade created banners with pre- and post-tax gas prices.

Teach Freedom Initiative

Atlas's Teach Freedom Initiative (TFI) aims to help proponents of the free society get a fair hearing in today's hostile academic environment. This project is part of Atlas's efforts to identify and train intellectual entrepreneurs within universities around the globe in order to help them to create and improve academic centers. In early 2006, Atlas presented three promising



Frederic Fransen from the Philanthropy Roundtable shared his insights on how to get university approval for, and cooperation with, academic centers at the Atlas conference in March 2006.

academic centers with grants to further their efforts: the **Center for Vision & Values** (Grove City College), the **Matthew Ryan Project** (Villanova University), and the **Center for Political Economy and American Constitutionalism** (Rhodes College).

All three centers, through their programs and student outreach activities, seek to inculcate in the minds of the young a deeper understanding of the principles of the free society and a better appreciation of the duties and responsibilities of enlightened citizenship.

On March 31, 2006, Atlas held its first TFI conference, "Promoting the Free Society through University-based Centers: National and International Perspectives," at the Sheraton Society Hill Hotel in Philadelphia, to showcase how academic centers have been trying to maximize their impact in promoting the principles of the free society. Attracting some sixty professors and think tankers, Dr. Charles Harper of the John Templeton Foundation gave the keynote address. On October 13, 2006 in Pittsburgh, PA, Atlas hosted a roundtable discussion, "Preserving the Roots of American Liberty: Pursuing Excellence through Academic Centers," for representatives from thirteen universities and colleges. Dr. Henry Gailliot, who helped establish the Gailliot Center for Public Policy at Carnegie Mellon University, gave the keynote address. The discussion focused on the rationale for creating academic centers, namely to promote a better appreciation of liberty among students.

Fund for the Study of Spontaneous Orders

Atlas's Fund for the Study of Spontaneous Orders continues to identify and encourage scholars who apply F. A. Hayek's theory of spontaneous orders to their research. From January 18 to 20, 2006, the Fund hosted an academic conference at the George Mason University Law School on "A Reconsideration of the Firm." The conference began with a discussion of the history of the emergence of the corporate firm as a dominant form of economic organization. It then explored the paradox that the firm, created through individual initiative and market enterprise, is itself organized according to centralized and hierarchical plans. The apparent success of centralized industrial organization was soon mirrored in the hierarchical organization of labor unions, the university, professional societies, philanthropy, progressive theory, and the scientific management of government agencies. The conference concluded by looking at new forms of more individualistic economic organization that may be developing to replace the hierarchical firm. Participants included Richard Adelstein, Peter Boettke, David Ciepley, Pierre Derochers, Frederic J. Fransen, Kirsten Foss, Matthew S. Hull, Robert A. Jefferies, Richard N. Langlois, Robert H. Nelson, Ivan Pongracic, Jr., Frédéric Sautet, Michael Strong, John W. Sommer, Herman Schwartz, and Todd J. Zywicki. Observers included Richard Cornuelle, Lenore Ealy, Atlas Executive Vice President Leonard P. Liggio, and Atlas Senior Fellow William C. Dennis. In spring 2006, the Fund awarded its tenth \$10,000 prize for

work outside of academic economics but influenced by an Austrian economic perspective to Adam Tebble from the London School of Economics. Tebble, a recent Visiting Fellow at the Political Theory Project at Brown University, received the prize especially for his work defending Hayekian civil society against theories of communitarianism and group representation, and for his critical study of Robert Nozick's argument about the necessity of rectification for long past injustices. In the next six months, the Fund is preparing to announce the eleventh winner of a \$10,000 prize as well as a seminar and celebration to be held in March honoring Gordon Tullock's study of spontaneous orders.



David Ciepley, a previous FSSO prize winner, organized the January 2006 conference, "A Reconsideration of the Firm."

Freda Utley Prize for Advancing Liberty

Atlas launched the Freda Utley Prize for Advancing Liberty in summer 2005. Named for the late Freda Utley, an outspoken writer and commentator against totalitarian regimes like the Soviet Union and China, this \$10,000 prize rewards the efforts of think tanks in difficult parts of the world that are most effective in spreading the ideas of freedom (limited government, the rule of law, free enterprise, and the dignity of the individual).

At the Freedom Dinner on November 9, 2005, Atlas announced the winner of the inaugural Freda Utley Prize for Advancing Liberty: the **Association of Liberal Thinking (ALT)** of Ankara, Turkey. ALT, which was established in 1994, has played an influential role in spreading the ideas of freedom in Turkey and contributing to the liberalizing policies of the current ruling party. While ALT's work has primarily focused on economic and trade issues, its mission includes the promotion of values such as individual liberty, tolerance, justice, peace, human rights, and the rule of law. Its application for the Utley Prize emphasized recent projects in the area of religious liberty.

Although Turkey is primarily a Muslim country, the different branches of Islam in Turkey – Sunni, Alevi, Kurd, to name a few – are not always tolerant of one another. ALT decided to build on its role as an independent policy research and education organization to bring together these different branches of Islam, as well as other religious groups in Turkey, to promote the idea of religious liberty and tolerance. Having published three different books on religious liberty, hosted numerous workshops, and recommended policy reforms to the government, ALT hopes to transform the approach to religion in Turkey.

As one judge for the Freda Utley Prize commented, “I believe one of the greatest challenges of the new century is how to create a dialogue between Islam and liberty. It has to begin somewhere, and the Association for Liberal Thinking, through great difficulties, has begun the work. If successful, they can help build a model for the rest of Islam which would be far-reaching indeed. In my mind the reach and ultimate impact of their work goes well beyond their borders and contributes to the international promotion of liberty.”

The Freda Utley Foundation decided to establish this prize program at Atlas because, in the words of Jon Utley, “Atlas's core beliefs are very much in tune with Freda Utley's: namely, concern for human poverty and misery, and the belief that peoples of all nations

have similar aspirations and can learn the universal lessons of freedom and prosperity.”

Atlas will announce the winner of the 2006 Freda Utley Prize for Advancing Liberty at the Freedom Dinner on November 16th at the Willard Intercontinental Hotel in Washington, D.C.

This year's winner will be selected from 81 different institutes located in 40 countries by our distinguished panel of judges. The judges include: Carlos Ball, Editor - Agencia Interamericana de Prensa Economica; Alfred Regnery, Publisher, The American Spectator; Andrea Millen Rich, Atlas Trustee and President, Center for Independent Thought; and, Kris Alan Mauren, Executive Director, Acton Institute for the Study of Religion and Liberty.



Atlas's core beliefs are very much in tune with Freda Utley's: namely, concern for human poverty and misery, and the belief that peoples of all nations have similar aspirations and can learn the universal lessons of freedom and prosperity.

*– Jon Utley, son of
Freda Utley*



Association for Liberal Thinking Senior Fellow Bican Sahin (center) accepts the 2005 Freda Utley Prize for Advancing Liberty from Atlas Vice President of Institute Relations Jo Kwong (right) and Atlas Chief Operating Officer Brad Lips (left).

ATLAS WORKSHOPS and EVENTS

In late 1982, Atlas founder Antony Fisher began to formulate plans for the first Atlas international seminar, where think-tank leaders would “meet together to discuss growth, publishing programs, the setting up of seminars, the sales of publications, general promotion, fundraising and subjects for study and general cooperation.” To this day, Atlas’s workshops focus on these same core areas: finding points of collaboration, improving management skills, and devising strategies for longevity.

Over the past twelve months, Atlas has organized, sponsored and hosted over forty events. Atlas’s three major events included the 2005 Freedom Dinner in New York City, the 6th Annual Liberty Forum in Colorado Springs, Colorado, and the 25th Anniversary Celebration in San Francisco. These three events brought together over 700 Atlas supporters and think-tank leaders. In the following pages, special sections have been dedicated to each event.

At our offices in Arlington, Virginia, we have held our monthly International Thursday meetings, which attracts think-tank leaders, businesspeople, and policy experts to discuss and learn about international events and initiatives. Since this event series began in April 2005, we have had 82 different speakers from 63 organizations give their “insiders” perspective on international news, current events, and other notable programs. Atlas has also expanded its repertoire of in-house events to include Fisher International Circle Luncheons, where thought leaders from overseas share with an intimate audience their latest research and opinions.



The July 2006 Fisher International Circle Luncheon featured Pedro Dajer, president of Fundación para el Desarrollo Integral de la Sociedad in the Dominican Republic. Dajer discussed the implementation of the DR-Central American Free Trade Agreement in the Dominican Republic.

Leadership Development and Management Workshops

To help prepare think-tank leaders to meet the challenges of structuring, managing, and leading their organizations, Atlas organizes special management workshops in different parts of

the world so that think tanks can learn recommended practices for running an institute. To teach these lessons, Atlas utilizes the expertise and experience of friends from its worldwide network. In October 2005, Atlas hosted an in-house management seminar for U.S. think tanks, which included Kevin Gentry of the Koch Foundation and Fred Smith of the **Competitive Enterprise Institute** as the main speakers. In March 2006, Atlas, in collaboration with the **Mackinac Center for Public Policy** and **Latin American Policy Institute**, organized a management workshop for Latin American think-tank leaders. Atlas also organized a special training workshop for professors who are running or planning to launch academic centers that teach and promote the ideas of the free society.



At the October 2005 North American Leadership Training seminar, Kevin Gentry led an in-depth discussion about fundraising. Gentry is the Vice President for Strategic Development at the Koch Foundation.

Policy Conferences

Atlas also utilizes its position as the hub of an international think-tank network to focus attention on important policy debates. Respecting the independence of its partners, Atlas does not endorse any particular policy recommendation; it serves as a catalyst for high-level discussion of policy strategies on issues important to the future of the free society. The cross-pollination of ideas at Atlas policy conferences tends to sharpen the arguments of participants and lead to new strategies for advancing reform efforts.

Topics covered over the past twelve months at Atlas conferences include:

- Human Rights and the Progressive Challenge to Liberty & Democracy (November 10, 2005, New York – co-hosted with the Human Rights Foundation (New York))
- Economic Freedom in the Arab World: the Case of Oman (January 18, 2006, Washington, D.C. – co-hosted with the Cato Institute (Washington, D.C.) and International Research Foundation (Oman))

- Migration in the Twenty-First Century (March 7, 2006, Monterrey, Mexico – co-hosted with Tecnológico de Monterrey and Fundación Friedrich Naumann)
- Belarus after Elections: Meeting Economic Challenges (April 24, 2006, Washington, D.C. – co-hosted with the Center for International Private Enterprise (Washington, D.C.))
- Last Dictatorship in Europe: Political & Economic Repression in Belarus (April 25, 2006, Washington, D.C. – co-hosted with the Cato Institute (Washington, D.C.))
- Democracy, Freedom, and Rule of Law (May 15-16, 2006 – co-hosted with the Sao Paulo Commercial Association (Brazil))
- Taking Small Nations to Greatness (June 9, 2006, Nassau – co-hosted with the Nassau Institute (Bahamas))
- Prospects for Liberty in Asia (June 22, 2006, San Francisco, California)
- Foro Atlántico: A Dialogue for Liberty & Democracy (July 5, 2006, Madrid, Spain – co-hosted with Fundación Internacional para la Libertad (Spain))



Francisco Flores (right) gave the keynote address at the Atlas-Nassau Institute conference in June 2006 on "Taking Small Nations to Greatness." He is pictured with John Templeton, Jr. (left) and his wife Pia during the John Templeton Foundation board meeting, where Flores spoke as well.

Regional Meetings

The annual Atlas Liberty Forum and Heritage Foundation Resource Bank meetings have inspired think tanks in other regions and countries of the world to create similar meetings, where they share management strategies, present policy research and innovations, and find points of collaboration. This year, Atlas helped sponsor and organize the Third European Resource Bank from June 29 to July 2 in Vienna, Austria, and the Third Asian Liberty Forum in Kuala Lumpur, Malaysia. To learn more about the development of the Asian Liberty Forum and the network of Asian think tanks, read Jo Kwong's article on page 28.

Academic Workshops

From tackling scholarly topics like analyzing business firms,

through Hayek's theory of spontaneous orders, to the relationship of law and economics, Atlas's academic seminars have focused on bringing better clarity to, and scholarly understanding of, the ideas that underpin public policy solutions. In January 2006, Atlas's Fund for the Study of Spontaneous Orders organized the seminar, "A Reconsideration of the Firm" at the George Mason University Law School. In May 2006, Atlas collaborated with Frank Buckley of the Law and Economics Center at George Mason University to organize a special colloquium for judges in Buenos Aires, Argentina with the Latin American and Caribbean Center of Law and Economics. The success of this event, keynoted by Judge Doug Ginsburg, prompted Atlas to make this a yearly event in the region.

Atlas's First Workshop in September 1983

On September 2-3, 1983, Atlas hosted its inaugural seminar at the Westin Bayshore in Vancouver, Canada. The seminar followed the Mont Pelerin Society's annual meeting. Atlas founder Antony Fisher worked closely with Sally Pipes, who was then assistant director at the Fraser Institute, to organize the event. Here are a few figures from the meeting:

Cost: \$2,954.91

Registration Fee: US\$71 or CAD90

Attendees: 41

Think tanks represented: 15

(Social Affairs Unit, Pacific (Research) Institute, Fraser Institute, Adam Smith Institute, Israel Center for Social & Economic Studies, National Foundation for the Study of Religion and Economics, Centro de Estudios en Economia y Educacion, Centro de Estudios Publicos, Jon Thorlakkson Institute, National Center for Policy Analysis, Institute of Economic Affairs, Centre for Independent Studies, Center for Applied Economic Research, Institut Economique de Paris, Economic Education Resource Centre)

Countries represented: 14

(USA, Canada, UK, Australia, Guatemala, Venezuela, Mexico, Chile, Iceland, South Africa, Italy, Brazil, Austria)

Topics covered: Role, Objectives, and Value of an Institute; The Formula for an Institute: Fundraising, Developing a Publications Program, The Setting Up; New Developments and Complimentary Activities; Publishing and Promotion; Summing Up

Fisher concluded the meeting noting, "Thank you all for coming, for making this event possible, because you have all been participants as well as speakers, and the other way around, and if it hadn't been for the general enthusiasm, this meeting obviously would never have happened. It encourages me to believe that we can get our world straight."

Connector & Catalyst

How Atlas Is Developing Its Network of Asian Think Tank Entrepreneurs

By Jo Kwong, Vice President of Institute Relations



Atlas's founder, Antony Fisher, believed foremost in the importance of local initiative and commitment. He never expected Atlas to "parachute" into new areas and start think tanks without local partners. Instead, Atlas helps develop and support local intellectual entrepreneurs who want to spread the ideas of liberty in their home countries.

As a result, much of Atlas's work is somewhat "reactive" – when we learn of good local intellectual entrepreneurs, we launch into action, offering suggestions and recommendations to help leverage their success.

This reactive approach, however, netted few free-market contacts in the Asian regions, particularly compared to our growing networks throughout the Americas, Europe, and even parts of Africa. We realized that we needed to do more than rely on chance meetings and introductions to begin building free-market networks and partners in the Asian nations. Hence, in 2004, Atlas adopted a more pro-active approach by developing the Asian Liberty Forum.

Our strategy built on a successful chapter in Atlas's past. Long-time friends of Atlas may remember that we similarly engaged in pro-active entrepreneurship in Hong Kong. Recognizing the potential importance of having a free-market think tank in Hong Kong, Atlas sent its first "fellow," Hannes Gissurarson, to the island to hopefully discover the right person to create such an organization. Thanks to Gissurarson's efforts, several months later, Richard Wong, a familiar name to many of you, launched the **Hong Kong Centre for Economic Research** in 1987.

The perfect opportunity presented itself for more active work in Asia when our partners, the Friedrich Naumann Foundation (FNS) of Germany, offered to co-host a networking meeting in China. Remembering the success of a previously co-hosted Atlas/FNS workshops in Beijing in 1995 and in Manila in 1998, we gratefully embraced the offer. As a result, Atlas's inaugural

Asian Liberty Forum was launched in 2004 in Hong Kong, China; followed the next year in Phuket, Thailand; and this year, in Kuala Lumpur, Malaysia.

Working in parallel with partner institutes around the world, which are hosting the Resource Bank meetings in both Europe and Africa, Atlas uses this opportunity to meet new intellectual entrepreneurs from countries throughout Asia, build the Asian free-market network, gather to share ideas and strategies, and to



The participants of the 2006 Asian Liberty Forum in Kuala Lumpur, Malaysia.

otherwise advance the ideas of freedom in China, Japan, Korea, Malaysia, Mongolia, Pakistan, Philippines, Vietnam, and more than fifteen other Asian countries.

Already, after only three annual meetings, the outcomes and products are fantastic! Let me describe just a few.

The first year featured a traditional Atlas workshop, with panels on strategies and ideas for building effective think tanks. During the course of that event, many of the participants remarked about the lack of opportunity to dig deep into classical liberal ideas, given the shortage of like-minded people in their home countries.

Consequently, the program for the second year featured a roundtable discussion program. Participants read sections of F.A. Hayek's *Constitution of Liberty* prior to the meeting and then engaged in an ordered discussion about the readings.

The discussion was led by the perfect moderator – Atlas's in-house classical liberal historian, Leonard Liggio.



Atlas has organized each of the Asian Liberty Forum's in conjunction with the Friedrich Naumann Stiftung's Economic Freedom Network Asia meeting. Atlas's Colleen Dyble (far right) is pictured with FNS staff at the 2006 meeting in Kuala Lumpur. From left to right: FNS regional director Rainer Adams, FNS intern Juliana Schmucker, FNS staffer Jyoti Sachavirawong, and FNS staffer Bjoern Wyrembeck.

As a result of this exposure to both the readings and the discussion format, there were many exciting outcomes. Here are just a few:

Several months after the roundtable program, Nonoy Oplas, founder of **Minimal Government** (Philippines), started his own Hayek blog. Check it out for yourself at hayekreader.blogspot.com. As he wrote, this blog "is mainly a result of my readings and reflections of Dr. Hayek's book, *The Constitution of Liberty*, which was the main reading material during the Atlas 2nd Asian Liberty Forum meeting." His writ-



Richard Wong (right), founder of the Hong Kong Centre for Economic Research – one of the earliest think tanks in Asia, took part in the inaugural Asian Liberty Forum in 2004. He's pictured with Atlas's Jo Kwong.

ings offer clear summaries of Hayek's work, with a special emphasis on its relevance for Asia.

Liu Junning, founder of **Cathay Institute** (China), wrote that he is seeking funding to conduct a similar discussion session in China to introduce colleagues to the work of Hayek. The Friedrich Naumann Foundation in particular has encouraged Junning along these lines, finding the Atlas format (borrowed from the Liberty Fund of Indianapolis), to be an intriguing way to engage people in ideas development.

Khalil Ahmad, founder of the **Alternate Solutions Institute** (Pakistan), left the meeting with a greater understanding of the implicit aspects of the ideas of liberty, including the significant role that responsibility plays in freedom debates. As a result,

Khalil is translating F. A. Hayek's *Road to Serfdom* into his local language along with several other texts: Frederic Bastiat's *The Law*, James Gwartney's *Common Sense Economics*, Wolfgang Kasper's *Competition and Property Rights* and Johan Norberg's *In Defense of Global Capitalism*.



Cong Minh Nguyen

Cong Minh Nguyen, deputy editor-in-chief of *Vietnam Securities Magazine* at the State Securities Commission, wrote an article about Atlas's Hayek discussion program, which drew a significant amount of attention among his readers. Consequently, Minh decided to translate Hayek's *Constitution of Liberty* into Vietnamese, since books on the ideas of liberty are very rare in

Vietnam and not widely understood. He sent this terrific email just a few months ago. Let me share his message with you – it is a great illustration of the type of rewards we get at Atlas from our international partners:

From: Nguyen, Cong Minh
Sent: Friday, July 28, 2006 4:37 AM
To: Jo Kwong
Subject: Re: Translation status update
Importance: High

Dear Jo,

Thank you for your encouraging words.

As I mentioned before, the Vietnamese version of my article on the "Constitution of Liberty in Asia Colloquium" in Phuket has drawn great attention from my Review's readers. Besides, at the meeting, a Chinese guy showed me a copy of the book *The Constitution of Liberty* in Chinese and told me how the book influences the Chinese. That's why I was thinking of translating this book into Vietnamese. We consider this is one of the best ways to spread free-market ideas to countries like Vietnam since such free-market books are rare in the country. It helps not only policy makers and economic managers but intellectual and political people that influence the opinion-environment in Vietnam believe in and practice what free markets can accomplish for Vietnam. In fact, I used the Phuket meeting to kick off my book publishing project.

We have just finished the translation of *The Constitution of Liberty*. Now we are editing the translation before publishing the book. It is expected to be complete by the end of August.

- Nguyen, Cong Minh

Wow! What better way to show you the terrific ways you help us advance freedom around the world? Hayek's work is actively promoted in China, Philippines, Vietnam, and other countries throughout Asia, thanks to your help.

Due to our "behind the scenes" approach, it is often difficult to show Atlas products. It is my pleasure to share these words with you because I know you, our friends and supporters, understand Hayek's emphasis on the long-term. You know how we end up making a difference by working to change the long-term climate of opinion with regard to the ideas of liberty. Hats off to our Asian partners... and of course, hats off to you, our loyal supporters! 🌐



25th Anniversary Celebration



Charu Chadha Rizal, corporate editor of The Boss magazine in Nepal, and Tim Ferguson, Editor of Forbes Asia, trade magazines. Rizal spoke at the afternoon conference, "Prospects for Liberty in Asia." (Photo courtesy of Dave Bush Photography)



Atlas's Jo Kwong (right) speaks with Rita McPeak following the Atlas Club Briefing. (Photo courtesy of Dave Bush Photography)



Henry Gailliot speaks with John Stossel, anchor of ABC's 20/20 news magazine. (Photo courtesy of Dave Bush Photography)



(left to right) Melanie Chafuen, the Wall Street Journal's Stephen Moore, and Pacific Research Institute President Sally Pipes. (Photo courtesy of Dave Bush Photography)



Atlas Chief Operating Officer Brad Lips and Atlas Trustee Dan Grossman.



National Center for Policy Analysis's John Goodman and Atlas President Alex Chafuen. (Photo courtesy of Dave Bush Photography)

ration in San Francisco

On June 22, 2006 Atlas celebrated its 25th Anniversary at the Four Seasons Hotel in San Francisco. Atlas started the celebrations with a conference, “Prospects for Liberty in Asia,” where we heard experts and scholars from China, India, Japan, Nepal, South Korea, and Vietnam. Following the Atlas Club Briefing, where the former Mongolian Prime Minister Elbegdorj Tsakhia and Kate Zhou of the Education Advancement Fund International spoke, the evening festivities began. John Stossel, the keynote speaker, signed copies of his latest book, *Myths, Lies and Downright Stupidity: Get Out the Shovel, Why Everything You Know is Wrong*, during the reception. The dinner program included Stephen Moore from the *Wall Street Journal* as the Master of Ceremonies, special remarks from Elbegdorj Tsakhia and Father Robert Sirico of the Acton Institute and the keynote address by John Stossel.



(left to right) Acton Institute President Robert Sirico, Atlas Trustee John Blundell, and Philip Hudner during the reception. (Photo courtesy of Dave Bush Photography)



Former Mongolian Prime Minister Elbegdorj Tsakhia with Atlas Director of Coalition Relations Colleen Dyble.



Everett Berg and Atlas Director of Public Affairs Elena Ziebarth.



Jacqueline Hume Foundation President Giselle Huff speaks with Ben Rast. (Photo courtesy of Dave Bush Photography)



(left to right) NCPA President John Goodman, Robert Bee, Dolores Bee, and Denyse Browne. (Photo courtesy of Dave Bush Photography)

{ Turn to page 34 to see more photos! }

2005 Atlas Free

Celebrating the Human

N o v e m b e r

The Atlas Economic Research Foundation celebrated World Freedom Day at the Palace Hotel of New York City on November 9, 2005. Over 200 guests gathered together to celebrate the human right to freedom at Atlas's Freedom Dinner. At right are excerpts from the keynote address and toasts to freedom. The evening included the presentation of the inaugural Freda Utley Prize for Advancing Liberty and the Templeton Freedom Prize for Initiative in Public Relations. (Turn to page 35 for more photos from the Freedom Dinner.)



{ KEYNOTE ADDRESS }

MART LAAR

former prime minister of Estonia

There is no real life without freedom. I know this from my own life because I was born in 1960 at a time when Estonia was occupied by the Soviet Union and there was no freedom in my country. Through half of my life I have lived in a country where freedom was not there. And I must say it is a great joy – an absolute joy – to live the second part of my life in a country where freedom is there.... Gorbachev was perhaps the last person in the world to really believe in Communism.... He really believed that when the Soviet Union slowed down, he needed to somehow make the situation better [through] some small reforms to save the socialists and the Soviet Empire. But he forgot one important thing. Democracy is like toothpaste. It's very easy to let out, but you can't put it back.



{ TOAST TO FREEDOM }

JUNE ARUNGA

Kenyan activist and filmmaker

You know the story of people who swim across oceans to try to get to [America] just because they really desire to come and make something of their lives. It is very difficult after you come here to swim back and go and try to change things. But just like you have heard all evening, Atlas, [by] trying to introduce us to all of these people who are doing the same things, makes it possible for us to make that journey back home.



{ TOAST TO FREEDOM }

FRANKLIN CUDJOE

founder of Ghana's Imani: Centre for Humane Education

Some of us have been called Sor attacked as stooges just because we were opposing rock stars who now believe they are the best economists and the saints hoping to save Africa. Politically, Africans have to know that freedom is actually a long-term battle. Unfortunately, after winning political independence, they failed to sustain this. What many people lack on the Continent is economic freedom. There are [young people, like June and I] who are actually pointing the way to economic freedom as what should actually be sought after first. All we want is motivation and investment, because the battle for free markets is long-term.

Freedom Dinner

Human Right to Freedom

September 9, 2005



{ TOAST TO FREEDOM }

HUBER MATOS

*Cuban exile and survivor of
La Cabaña and the Isle of Pines*

After four weeks of starvation in an obscure place, overwhelmed and in a semi-conscious state, I began to hear the song of two small birds.... When their song was happy, I thought it had to be morning, and their melody made me realize that once I had been a free man, who had also loved and sung in freedom. May this toast to freedom be like the song of those sparrows that gave my life sustenance. May it fly through the seas as a message of solidarity and hope to men and women who have sacrificed their freedom, fighting for the rights of others all over the world.



{ TOAST TO FREEDOM }

ROCIO GUIJARRO

*general director of the Centro de
Divulgación Conocimiento
Económico (Cedice)*

The defense of freedom, individual choice, a transparent government, and market initiatives have been our *leit motif* at Cedice for more than twenty years. For the first time in twenty years, Cedice is suffering political persecution. Our staff members and I have received prohibition to travel abroad, and have to request special permission to attend events like this one. Our financial statements are subject to government auditing, and even the Venezuelan president is attacking our work. We are suspects of a crime: defending freedom and market mechanisms, using as weapons our ideas, our publications, and our meetings.



{ TOAST TO FREEDOM }

ANWAR IBRAHIM

*former finance minister and deputy
prime minister of Malaysia*

I believe as a Muslim that it is our inalienable right to exercise our freedom. And it is totally unjust, untenable, for any authoritarian leader to suggest that freedom is a Western construct; and that the free market is only a means, a tool for the rich countries to exploit the poor. The truth is that the free market is a sure certainty, a guarantee for the freedom of men and women in the Muslim world and throughout the world.



{ TOAST TO FREEDOM }

JOHN STOSSEL

co-anchor of ABC News's 20/20

I have to say, what are we talking about? We have to sell this idea of liberty? Can't people see? We have America and its success. We have Hong Kong, Chile, Ireland. Don't people see?... I thank Atlas for making the fight possible. For someone like me, it has to be so much easier to talk about these ideas in the United States – but it seems ugly and hard even here. It is so important to have institutions which I can turn to when all of my colleagues say, “No, you’re wrong,” to get the strength to go on.... I thank all of you for supporting liberty, and I thank Atlas for creating these institutions that make it possible.

25th Anniversary... (continued)



(left to right) Kazuhiro Miyake and Masaru Uchiyama of the Japanese for Tax Reform. Miyake spoke at Atlas's afternoon conference, "Prospects for Liberty in Asia."



Howard Rich and Atlas Trustee Andrea Rich.



Competitive Enterprise Institute's Ivan Osorio and Lisa Markham.



(left to right) Stephen Sumner, Nancy Sumner, Atlas Chairman of the Board Bill Sumner, Jeanie Ritchie, and C. Stewart Ritchie.



(left to right) Centre for Civil Society's Mana Shah, Gopal Basisht, and Centre for Civil Society's Parth Shah. Parth Shah spoke at the conference, "Prospects for Liberty in Asia."



(left to right) Atlas staff welcomes the dinner guests: Program Manager YiQiao Xu, Associate Director of Programs Christian Robey, former Donor Relations Associate Matt Warner, and Office Manager Mary Groen. (Photo courtesy of Dave Bush Photography)



Theogene Rudasingwa from Rwanda (left) with Marica Xavier de Brito (center) and Alex Catharino de Souza of the Centro Interdisciplinar de Ética e Economia Personalista from Brazil. (Photo courtesy of Dave Bush Photography)

2005 Atlas Freedom Dinner



(left to right) Gordon Marchand, Johanna Chase, and Derwood Chase. (photo courtesy of Harold Hechler Associates)



(left to right) Atlas Senior Fellow Deroy Murdock, Atlas Trustee Tim Broune, Imani Center Director Franklin Cudjoe, and Atlas Trustee Curtin Winsor. (photo courtesy of Harold Hechler Associates)



(left to right) Sandy Leong Gelfond, Kenyan filmmaker June Arunga, and Howard Gano, Jr. (photo courtesy of Harold Hechler Associates)



(left to right) former Estonian Prime Minister Mart Laar, former Malaysian Finance Minister Anwar Ibrahim, Forbes on Fox anchor David Asman, and Leo Kayser. (photo courtesy of Harold Hechler Associates)



(left to right) Institute for Humane Studies' Christopher Martin, Nikolai Wenzel, and Atlas Program Manager Romulo Lopez. (photo courtesy of Harold Hechler Associates)



Jon Utley (left) with Unirule Institute founder Mao Yusbi, and Acton Institute President Kris Mauren.



Huber Matos Garasaul, the grandson of Huber Matos, gave the English translation of his grandfather's toast. (photo courtesy of Harold Hechler Associates)



(left to right) Law Professor Reza Eslami Somea of Iran's Shahid Beheshti University, Atlas's Priscilla Tacujan, and Atlas Trustee Curtin Winsor.

2006 *Libe*

Colorado Springs
April 21-

*A*tlas's 6th Annual Liberty Forum attracted some 230 advocates of free markets and limited government from more than 50 countries around the world. The Liberty Forum gives think tank leaders an opportunity to connect with one another and to refine their management and leadership strategies, while also giving them the courage and energy to go back home and carry on with their efforts. The Colorado-based Independence Institute provided invaluable support and staff to Atlas during the Liberty Forum.



Independence Institute President Jon Caldara and Atlas's Jo Kwong during the opening reception of the Liberty Forum.



Gretel and JD von Pischke at the final reception of the Liberty Forum, which celebrated Atlas's 25th Anniversary.



(Left to right) Wall Street Journal columnist John Fund, F. A. Hayek Institut Executive Director Barbara Kolm-Lamprechter, and Universidad de Ciencias Aplicadas Professor Daniel Cordova.

erty Forum

ngs, Colorado
22, 2006



(Left to right) Rafael Avila of Fundasico (Venezuela), Viviana Morandi of Asociación Cristiana de Dirigentes de Empresa (Argentina), and Lester Echeverria of the Centro para el Análisis de las Decisiones Públicas (Guatemala) during the opening reception.



Atlas Trustee Linda Whetstone speaks with Young Howard of Open Radio for North Korea during the New Intellectual Entrepreneur breakfast.



(Left to right) Atlas's Colleen Dyble, Atlas's Gabriel Zimny, and Sheikha al Farsi of Oman during the New Intellectual Entrepreneur breakfast.



(Left to right) Susan Niederhoffer, Atlas's YiQiao Xu, and Pauline Dixon of the E.G. West Centre (United Kingdom) during the final reception. (photo courtesy of McIntyre Photography)

Financial Review

Atlas places its highest priority on earning the trust and loyalty of the donors who support its mission. We are steadfast about honoring donor intent, keeping our organization lean, and being transparent and open in our operations.

Each year, Atlas posts its tax returns and audited financial statements online as soon as they are available. Below, we present a summary of our most recent audited financial statements.

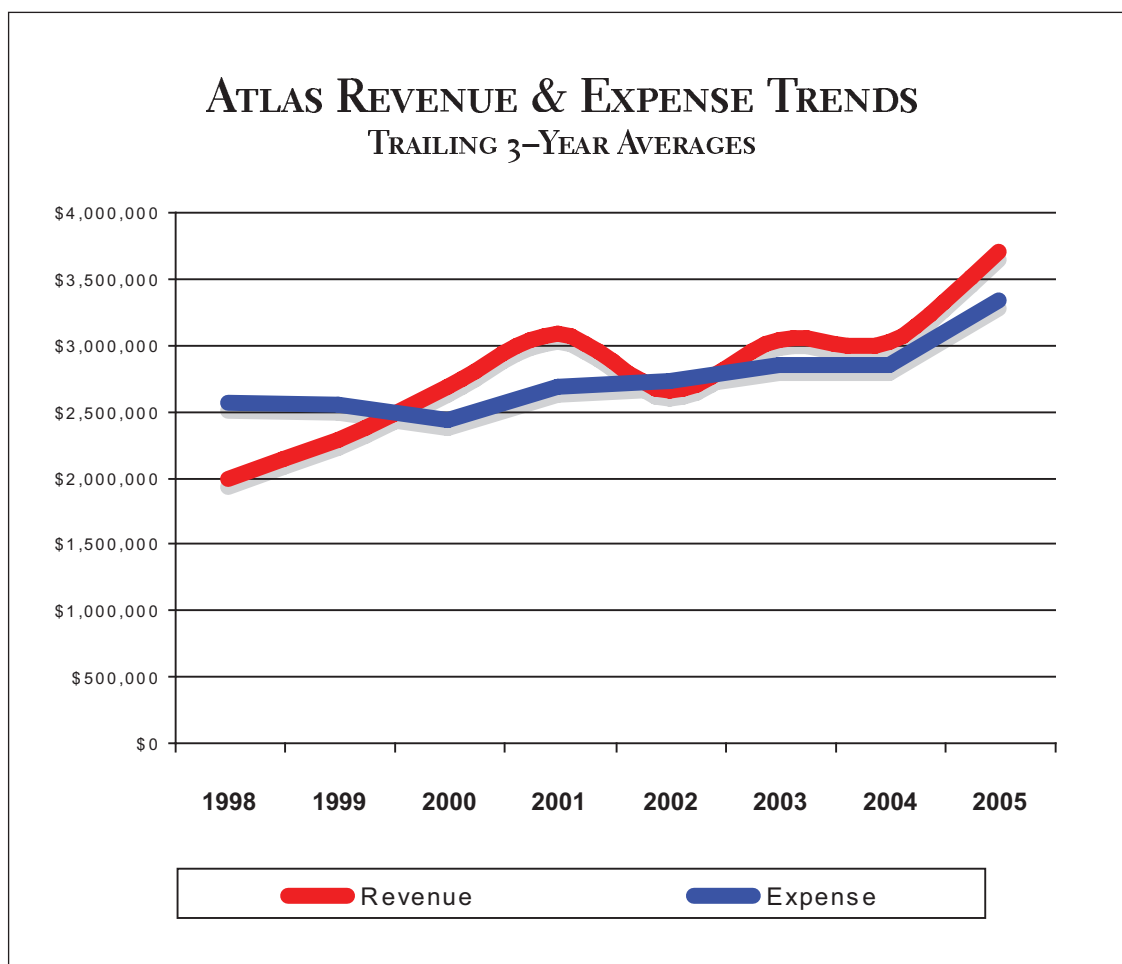
Statement of Financial Position

	December 31, 2005	December 31, 2004
Current Assets	2,458,132	2,087,007
Pledges Receivable (non-current)	436,737	436,737
Other Long-Term Assets	414,527	450,075
Total Assets	3,383,238	2,973,819
Current Liabilities	79,012	37,425
Long-Term Liabilities	50,705	4,876
Total Liabilities	129,717	42,301
Unrestricted Net Assets	563,608	579,256
Internally Designated	284,448	166,513
Restricted Net Assets	2,405,465	2,185,749
Total Net Assets	3,253,521	2,931,518

Statement of Activities

	2005	2004
Contributions	4,108,746	2,834,681
Other Income	77,568	61,443
Total Revenue	4,186,314	2,896,124
Program Services	3,417,190	2,882,764
Management	226,642	222,440
Fundraising	220,479	128,293
Total Expenses	3,864,311	3,233,497

The steady growth in Atlas's budget over recent years is reflected in the chart below, which presents three-year trailing averages in our total revenues and expenses. Because multi-year donations are booked entirely in the year that they are pledged, these trend lines tend to more accurately reflect Atlas's financial condition than the year-by-year results.



Through the first eight months of 2006, Atlas has received donations in excess of \$2.2 million, which is 22% more than was received during the same period of 2005.

We find it very encouraging to know that – as Atlas's programs are touching the lives of more beneficiaries around the world – more and more donors are joining to support our efforts.

Your continued support of Atlas is crucial to our efforts to spread the ideas of freedom worldwide. You can have confidence that we remain dedicated to our mission and the standards of professionalism that you have come to expect.



In Memoriam

By ALEJANDRO A. CHAFUEN, PRESIDENT & CEO, ATLAS

Lord Harris of High Cross

DECEMBER 10, 1924 - OCTOBER 19, 2006

Lord Harris was one of those rare individuals that from the moment you met him, you knew you wanted to be in his company. Unlike many other members of his generation who seemed to always carry with them the bitterness or the aggressiveness that comes from being in an intellectual minority, Lord Harris always left room for his wonderful, and truly British, sense of humor.

I met him first during the early 80's, after Margaret Thatcher came to power, when the ideas of liberty, that Ralph so much championed, stopped Britain's glide into the road of interventionist servitude. The work of his **Institute of Economic Affairs** became a beacon and resource for all who followed him, trying to create private solutions to private problems based on the liberty and dignity of the human person. Surprisingly from old correspondence and personal stories, it seems that Lord Harris's battle against a proud, large and sometimes overwhelming enemy, never made much of a dent in his wonderful spirit.

Although Lord Harris has left us for a better abode, his recommendations will still guide us, and I echo his 1987 words: "to academics we say keep up the liberating ideas—and to Hell with what is politically possible. To journalists and politicians we say keep reading—and taking—the tablets. To businessmen and charitable subscribers, keep sending the cheques—and don't be too stingy with the noughts."

Sir Antony Fisher, who founded both the IEA and Atlas, recognized Ralph Harris who, with Arthur Seldon and a small dedicated team, "proceeded to make history. *The Times* thought we were a bit of a joke [wrote Fisher] and a speaker at a business dinner got a laugh at my expense when he pointed to me as hiring the last two free-market economists in England!" There are many more than two free-market economists in England today, but the battle to improve economic understanding is as tough as ever. So let us continue with Ralph's work because as he said, "So far from our work being done, I would say in the words of an old comic verse by Stanley Holloway, 'It looks as 'ow we've got a job for life'."



IEA General Director John Blundell often says that the founding of the Institute of Economic Affairs can be summed up in nine words, "Hayek advises Fisher; Fisher recruits Harris; Harris meets Seldon." Pictured here are: (left to right) Harold Rose, Arthur Seldon, Ralph Harris, Friedrich von Hayek, John Wood, and Antony Fisher.



On October 18, the evening before Lord Harris passed away, he attended a meeting at the House of Lords.



Lord Harris (right) at Atlas's 10th Anniversary Celebration in 1991 with Atlas president Alex Chafuen, John Adams, and Dorian Fisher Adams, the widow of Atlas founder Antony Fisher.



Lord Harris and Baroness Margaret Thatcher during his 80th birthday party at the Institute of Economic Affairs in December 2004.



Lord Harris (right) and Manuel Ayau (left) sit before Mount Vernon during the 1998 Mont Pelerin Society Meeting. Harris and Ayau both served as president of the society.