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Growing as an Organization

In December 2004, Atlas will move into an office suite in Arlington, Virginia, just minutes from downtown Washington, DC and two blocks off the Metro line. As we expand our operations and become more accessible, we expect to host more events to showcase the work of Atlas and its many allies in the think tank network.

Atlas also has added to its board and staff in recent weeks. On September 20, 2004, Dan Grossman was elected to join Atlas’s Board of Directors. In August, Atlas hired two new employees. Ann Donaldson, Assistant to the President, joined Atlas after two years of social work in Mexico with the Center of Development for the Young Woman. Another new hire, YiQiao Xu, will be supporting Atlas’s efforts on the Templeton Freedom Awards program. Thanks to YiQiao and other multi-lingual staffers at Atlas, this year’s program announcement is being circulated in Chinese, French, Portuguese, and Spanish.

Reaching Greater Numbers and Achieving a Higher Profile

Atlas’s pipeline of new intellectual entrepreneurs is as strong as ever, and we are gratified to see institutes emerging in countries that have had little to no exposure to free-market ideas, such as Iraq and Pakistan. In other parts of the world, think tanks in the Atlas network are having major influence on government leaders and a real impact on people’s lives.

Atlas’s successful meetings of 2004 demonstrate both these trends. Attendance at our 2004 Liberty Forum meeting was 50% higher than in previous years, attracting 240 individuals from forty countries. Also, Atlas will be hosting on November 9, 2004, its first Freedom Dinner to celebrate the anniversary of the fall of the Berlin Wall with former President of Spain, José María Aznar, as our keynote speaker.

Advancing the Ideas of Freedom

Atlas works as a catalyst for think tanks: helping enhance their efforts, rather than competing with them. For this reason, Atlas does not publish its own policy studies, though members of its staff regularly publish works in collaboration with other think tanks. This year, Atlas’s Alex Chafuen and Leonard Liggio collaborated on “Cultural and Religious Foundations of Private Property,” published in the Elgar Companion to the Economics of Property Rights, edited by Enrico Colombatto. At the end of September 2004 the Goldwater Institute (Arizona) published The Reagan Vision, co-authored by Atlas’s COO Brad Lips and his brother Dan Lips. The book discusses how to build a freer society within the framework of the late President Reagan’s political philosophy.
Back in 1983, I was delighted to join the Board of Directors of the Atlas Economic Research Foundation at the invitation of its founder, the late Sir Antony Fisher. Antony’s vision for the organization was clear and compelling: Atlas helps develop independent research institutes around the world to advance market-oriented public policies. Also, I knew of Antony’s excellent track record, as the founder of the Institute of Economic Affairs in London, and a key early advisor to think tank successes such as the Fraser Institute, the Manhattan Institute, Pacific Research Institute, and the National Center for Policy Analysis.

I’m happy to say that, after more than two decades—the better part of which I have served as the Chairman of Atlas’s Board—Atlas has stayed true to its mission and is carrying it out in more parts of the world than ever before.

The network of think tanks with which Atlas has collaborated now numbers more than 250. Spread across sixty countries, these organizations operate independently but share a common vision of increasing individual liberty and constraining the arbitrary powers of the state. Each year, Atlas mentors scores of new intellectual entrepreneurs and startup institutes, so that the network will continue to grow. By sharing lessons on think tank management that it has accumulated through the years, Atlas helps these newcomers achieve better results faster.

As this Year-in-Review report demonstrates, Atlas is a global operation, hosting programs from Hong Kong to Lisbon, Salt Lake City to Bogotá. I’m confident you will be impressed, not only by the breadth of work Atlas is doing, but also the quality and the steadfast commitment to the principles of a free society.

Overall, it has been a year that has shown strong progress for our organization—and I think even greater promise for the future. In the fourth quarter of 2004, Atlas is moving its offices to Arlington, Virginia, where it will be closer to visitors who come through DC, and able to build more bridges to the donor and policy communities that are essential to the success of our work.

I hope that you will join me in donating to Atlas, and that you will take pride in your contributions to the gradual improvement of public policies worldwide. The result will be a future that is freer, more peaceful, and more prosperous.

In Liberty,

William O. Sumner
Chairman of the Board
In Atlas’s Year-in-Review Report, you are receiving an update on how our organization has been working over the past year to strengthen the international network of think tanks that improve the public’s understanding of the free society.

Along with our own institutional highlights, we offer regional profiles with exciting examples of institutes that are making a difference in the battle of ideas. Of course, these pages give only a glimpse of the vast network dedicated to promoting sound public policies. I encourage you to visit the Freedom Directory on the Atlas web site (www.atlasUSA.org) to discover the hundreds of think tanks listed there.

Atlas plays the unique role of helping young institutes get off the ground, and developing programs to bring more resources to their work. We are convinced that, by publishing credible research based on principles and not partisanship, these think tanks can influence their societies toward individual liberty, economic freedom, and the rule of law under limited government.

This was the dream of Sir Antony Fisher, the earliest think tank champion, who went on to found Atlas in 1981. He spoke often of the pivotal conversation of his life, with F.A. Hayek after the publication of The Road to Serfdom in 1945. It was then that Hayek dissuaded Fisher from entering politics, and instead to think creatively about how to change the long-term climate of ideas.

The model Fisher created—the independent think tank, led by an “intellectual entrepreneur”—has now been replicated hundreds of times in locations all over the world.

On pages 18–19 of this Year-in-Review Report, I offer some thoughts about intellectual entrepreneurship and the factors that lead to successful ventures.

Please also note, in our Atlas Archives section on the back cover, we reprint a letter from F.A. Hayek to Fisher in 1980, just prior to the founding of Atlas. It is interesting to note that Atlas’s founder thought of himself foremost as an entrepreneur—yet he was also an intellectual. I have just returned from giving a presentation in Slovenia on the ideas of Fisher, and have been revisiting his prescient book, The Case for Freedom, as well as his personal writings. He had clear views on economics, ethics, and security, and saw moral confusion and fear as the great enemies of freedom and prosperity. Fisher called on everyone...
to insist that “governments operate by the Rule of Law and the Moral Code, which translated into the economic sphere imply the Free Market.” He taught us not to fear totalitarian states—which during World War II he had fought with weapons—arguing that the best solution simply “is to surround them with free markets.”

Also, while Hayek was certainly one of the great intellectuals of the past century, we should remember that he too was an entrepreneur in the field of ideas. In 1947, he founded the Mont Pelerin Society to build common ties among freedom-oriented academics, similar to how Atlas connects and encourages freedom-oriented institutes.

Atlas’s Executive Vice President Leonard Liggio has just concluded his two-year term as serving as President of the Mont Pelerin Society. We have adapted his presidential address for inclusion in this report, presented on pages 20–21. In it, Leonard asks important questions about how to foster new scholarship that will inspire a broader understanding of the principle of a free society. This is a project that Atlas does its best to address by pursuing our unique mission. Think tanks have given new strength to the work of scholars and, by the “magic” of competition, have encouraged an increasing number of universities to be more hospitable to the principles of the free society.

I hope you too will collaborate with us—and use your intellect and your entrepreneurship—to advance this important cause.
Relative to the rest of the world, the network of market-oriented think tanks in the U.S. and Canada is very strong. While threats to liberty remain significant, it is clear that the steady work of scores of credible institutes has helped make market-oriented ideas respectable.

President Bush used his speech at the 2004 Republican National Convention to discuss the “ownership society,” built on ideas of health savings accounts and personalized Social Security accounts. These concepts have long been championed by think tanks (notably NCPA), and gradually have moved into the center of political debate. As with school choice and welfare reform, a public consensus is forming around market-oriented ideas once considered radical. The independent think tanks of North America—many of which benefited from funding and counseling from Atlas in their formative stages—deserve a great deal of the credit in creating an intellectual climate that is more favorable toward liberty. Atlas remains committed to helping increase the number and the effectiveness of these institutions.

The Acton Institute for the Study of Religion and Liberty received the Templeton Freedom Prize for Ethics & Values for the body of work of the institute, which explores the relationship between liberty and morality. Acton’s Sam Gregg spoke at the Atlas-Sutherland event, “Communicating the Ideal of Liberty,” in Salt Lake City, Utah in August 2004.

The Rio Grande Foundation (RGF) which was founded in 2000, announced both its new Executive Director Kelly Ward and new President of the Board John Dendahl at the end of the Atlas-SPN Leadership Development Conference in Santa Fe, New Mexico.
RGF helped organize the event. Atlas and SPN served as catalysts in the reorganization of RGF. Harry Messenheimer, who has been involved with RGF from its inception, commented to Atlas’s Jo Kwong that seeing the commitment of these two prestigious groups to RGF helped them to recruit John Dendahl to serve as president.

AMERICA’S FUTURE FOUNDATION
(Washington, DC)
The America’s Future Foundation (AFF) which focuses on identifying and developing young talent in the freedom movement in the U.S., has had a successful year. AFF publications and staff have been recognized by the media as the sources of cutting-edge, and often previously undiscovered, conservatives and libertarians. The New York Daily News excerpted portions of AFF’s Doublethink interview with Christopher Buckley and the New York Times’ David Kirkpatrick mentioned AFF in his piece, “Young Right Tries to Define Post-Buckley Future” (July 17, 2004). Atlas has provided support in the form of small donations, networking and advice to AFF since its start in 1999. AFF President Tom Ivancie mentioned in a report to Atlas, “The profile that [Atlas] did of us in the Atlas Investor Report generated a dozen emails and phone calls from important free-market leaders across the country who had never taken notice of us before. You can’t buy this kind of PR.”

FRASER INSTITUTE
(Vancouver, Canada)
The Fraser Institute, which Antony Fisher served as its first executive director in 1975–76, continues to impact public policy in Canada. Fraser’s Children First: School Choice Trust was the runner-up for the 2004 Templeton Freedom Prize for Social Entrepreneurship. With this program, Fraser moved from being just a policy creator to a policy actor by providing scholarships through a lottery system to low income families for their children to attend private schools.

PROPERTY AND ENVIRONMENTAL RESEARCH CENTER
(Bozeman, Montana)
Property and Environmental Research Center (PERC) won the 2004 Sir Antony Fisher Memorial Award for ECO-nomics: What Everyone Should Know About Economics and the Environment by Richard Stroup. In Eco-nomics, free-market environmentalist Rick Stroup explains why many of our environmental laws have failed us and how we might do a better job of protecting nature. PERC, founded in 1980, is the nation’s oldest and largest institute dedicated to original research that applies market principles to resolving environmental problems.

July 16, 2004 piece, “Here in Quebec’s largest city, the Montreal Economic Institute is making waves. It researches and sparks debate on a wide range of issues including the quality of public education, health care and regulation, doing so in a province otherwise dominated by the single issue of separatism. Washington’s like-minded Atlas Economic Research Foundation says of MEI, ‘We consider it to be one of the beautiful success stories of recent years in the world of think tanks.’ MEI is only five years in the making but in March it won the 2004 Templeton Freedom Award for Institute Excellence.” MEI President Michel Kelly-Gagnon spoke at the 2004 Atlas Liberty Forum in Chicago on communication strategies to reach out to donors.
Latin America

In the 1990s, economic freedom improved greatly in Latin America. The progress, however, suffered a major blow with the weakening of the world economy and the rise of turbulence throughout the world during these first years of the twenty-first century. Some of the worst reversals have taken place in Argentina and Venezuela. So far the revival of left-wing rhetoric has not caused a reversion to the rampant inflation, extreme protectionism and across-the-board price controls that plagued these nations in the past. Nevertheless, trends here and in other Latin American countries are troubling, especially in areas such as the judiciary, which can have very negative long-term effects.

Also, in Central America, despite advances in the economic arena, the situation remains fragile due to the huge cultural divide that affects the continent as a whole. Fortunately, the elite in Central America have been able to form better coalitions and prevail over radical left-wing candidates, but it is certainly possible that some of today’s star reformers, such as El Salvador, could suffer reversals in the coming decade.

Atlas will continue supporting the courageous think tanks that create a stronger civil society and that challenge attempts to “Cubanize” countries in the region. Atlas also is encouraging changes among Latin American think tanks, so that they build more connections with all levels of society, and promote a better understanding of overlooked advantages of free enterprise—namely, how it benefits the poor and teaches moral virtues.

In 2004, Atlas Economic Research Foundation presented the second special Fisher Award for Original Publication in Spanish. The Guatemalan think tank Centro de Investigaciones Económico Nacionales was recognized for its book, Lineamientos de Política Económica y Social 2004–2007. This guide to current public policy and economic issues in Guatemala was distributed to newly-elected governments in Guatemala, so they are exposed to possible market-oriented solutions.

First published in 1990—with updated versions created in 1995, 1999, and now 2004—Lineamientos is based firmly on the ideas of individual liberty, private property, and a market economy operating under the rule of law.

INSTITUTO CULTURAL LUDWIG von MISES (Queretaro, Mexico)

The Instituto Cultural Ludwig von Mises (ICUMI) received second place for the Templeton Freedom Prize for Ethics & Values for their Ethics & Character Formation Course, which has been taught to thousands of government officials, police officers, military personnel, and school teachers either through workshops or by a CD-ROM. Atlas was pleased to have ICUMI President Carolina de Bolivar and the ICUMI’s President of the Council of Advisors Rosa Rivas join us in Chicago for the Liberty Forum and in Washington, DC for subsequent events. Carolina de Bolivar’s opinion editorial on corruption in Mexico and President Vicente Fox’s attempts to eradicate this problem was picked up by a
number of U.S. newspapers. In it, Bolivar commented, “Though many Mexicans seemed deadened to the relentless culture of corruption that has gripped the country for so many years, they have also grown weary of the corruption.”

**FUNDACIÓN LIBERTAD (Rosario, Argentina)**

Fundación Libertad received one of the 2004 Templeton Freedom Award Grants for Institute Excellence this year from Atlas. Atlas’s Alex Chaufuen traveled to Argentina in April 2004 to present Fundación Libertad with this prize. Fundación Libertad actively promotes its work and policy research through its weekly TV program, A Fondo (In Depth) TV, and its radio programs, A Fondo Radio, Con Sentido Común (With Common Sense), and Proponiendo Buena Información (Proposing Good Information), which are broadcast throughout Rosario and the Santa Fe region of Argentina. Fundación Libertad also works with a large network of Argentine think tanks, Red Libertad, which it helped found.

**INSTITUTO ECUATORIANO de ECONOMÍA POLÍTICA (Guayaquil, Ecuador)**

The Instituto Ecuatoriano de Economía Política (IEEP) received an Atlas Templeton Freedom Award Grant for Institute Excellence this year. To increase their success in explaining and disseminating free market ideas, IEEP launched a weekly TV show, Tribuna Liberal, which is broadcast throughout Ecuador. IEEP Executive Director Dora de Ampuero and IEEP Program Director Enrique Ampuero both joined Atlas in Chicago for the Liberty Forum and the Heritage Resource Bank.

**CENTRO de DIVULGACIÓN del CONOCIMIENTO ECONÓMICO (Caracas, Venezuela)**

The Centro de Divulgación del Conocimiento Económico (CEDICE), which celebrates its 20th anniversary this year, won a Templeton Freedom Award Grant for Institute Excellence from Atlas. CEDICE, which believes in the importance of the free market as a source of growth, well-being, and progress, copes with the tense environment in Venezuela, where the populist president, Hugo Chavez, accuses them of defending “wild neo-liberalism.” The focuses of CEDICE’s research and programs this year included globalization and corporate social responsibility. In the Washington Times article, “Fighting the War of Ideas” by David Sands (June 7, 2004), CEDICE President Aurelio Concheso noted, “In the beginning we were a voice crying in the wilderness…We made a lot of progress in the battle of ideas, but, unfortunately, many of the protectionist policies we fought are coming back under Chavez.”

**FUNDACIÓN INTERNACIONAL PARA LA LIBERTAD (Madrid, Spain)**

Founded in 2002 and headed by Peruvian novelist/activist Mario Vargas Llosa, Fundación Internacional para la Libertad (FIL) promotes the ideas of liberty in all Latin American countries and strengthens ties with free-market organizations in the U.S. and Spain. Atlas’s Alex Chaufuen, a co-founder of FIL, serves on its Board of Directors and Executive Committee. Atlas has helped sponsor a number of FIL’s meetings since its inception in 2002, and participated in the farewell conference for José María Aznar, the former president of the government of Spain, in Cartagena, Colombia in February 2004 and the first Atlantic Forum in Madrid on June 30, 2004. The Atlantic Forum brought together think tanks from the Americas, Spain, and Portugal, as well as a distinguished roster of speakers, including Mario Vargas Llosa, Jean François Revel, Giovanni Sartori, José María Aznar, Miguel Angel Rodriguez, Carlos Alberto Montaner, and Plinio Apuleyo Mendoza among others.

**INSTITUTO LIBERDADE (Porto Alegre, Brazil)**

Instituto Liberdade has had an active year, re-focusing its mission to advocate rule of law, decentralization of government, the free market economy, and cultural freedom. Instituto Liberdade Executive Vice President Margaret Tse spoke at Atlas’s Liberty Forum in Chicago on Brazil’s role in undermining the advance of trade agreements in the Americas. Tse along with other Brazilian think tankers joined Atlas in Lisbon, Portugal for a special event with Portuguese institute leaders. Instituto Liberdade continues to work to strengthen the transatlantic ties between Brazil and Portugal.
ASSOCIATION FOR LIBERAL THINKING
(Ankara, Turkey)
The Association for Liberal Thinking (ALT) has had a very strong year. Receiving a Templeton Freedom Awards Grant from Atlas and organizing a major conference for the ruling party in Turkey, “The Justice and Development Party”, in January 2004 are only two highlights of the past year. Atlas has worked very hard to showcase this talented institute. At Atlas’s Liberty Forum in Chicago, ALT’s Ozlem Caglar Yilmaz spoke on nurturing the next generation of policy leaders in the freedom movement. ALT has successfully turned a number of the interns, many of whom are students of ALT’s president Atilla Yayla, into staffers or fellows. Jay Ambrose, director of editorial policy at the Scripps Howard Newspapers, wrote in his column, “Nothing to Lose but Poverty” (May 4, 2004), “If Yilmaz and the growing number of people like her can succeed in conveying the truth about market-place economics, we will have change in the world’s poorest countries. They will get much richer. They will get freer.” One of ALT’s senior fellows, Zühtü Arslan spoke at Atlas’s workshop, communicating the Idea of Liberty,” on how a free market think tank in a Muslim country expresses the ideas of liberty.

IRAQI INSTITUTE FOR LAW, LIBERTY and PROSPERITY (Baghdad, Iraq)
In 2004, Omar Altalib founded the Iraqi Institute for Law, Liberty & Prosperity (ILLP) which seeks to attain individual freedom and the rule of law for the Iraqi people. Tom Palmer, senior fellow at the Cato Institute, and Atlas’s Jo Kwong both advised Altalib while he formed IILLP and now serve on IILLP’s Board. Atlas shipped fourteen boxes of books, related to liberty and the free market, to IILLP in Baghdad. Altalib commented that this ship-
ment is important, “because there is a huge absence of books in Iraq about liberty and the free market, at a time when there is a great need for such books, as well as high demand for such books. The socialists and big government supporters are distributing their own books, while the Wahhabis (Muslim fundamentalists who support a dictatorship of the religious elite) have been flooding Iraqi mosques and religious organizations with their free literature for many years.” IIILP will share these books with Iraqi intellectuals, Iraqi student organizations, and the American, British, and Australian embassies and armed forces.

**INSTITUTE of ECONOMIC AFFAIRS - GHANA**

Institute of Economic Affairs (IEA-Ghana) received in 2004 one of the Templeton Freedom Award Grants. Atlas has worked with IEA-Ghana since it started in the early 1990s. Charles Mensa, the founder and president of IEA-Ghana, noted during his visit last fall with Atlas’s Alex Chafuen that, “When I come to Washington, my first port of call is Atlas…I get new information; I get my batteries recharged and then I go back [to Ghana] with a lot of hope and strength…In Ghana sometimes we feel we are lost—that we are way in the jungle somewhere where people have forgotten us.” Mensa hopes to share the successes of IEA-Ghana with other new think tanks in Africa.

**FREE MARKET FOUNDATION of SOUTHERN AFRICA**

(Johannesburg, South Africa)

The Free Market Foundation (FMF) of Southern Africa received a Templeton Freedom Award grant for Institute Excellence this year. FMF President, Leon Louw, spoke at the Atlas Liberty Forum in Chicago on building alliances to expand the freedom movement. David Sands in his *Washington Times* article, “Fighting the War of Ideas,” (June 7, 2004) quoted Louw: “Even in Washington, a lot of people don’t seem to get it. Our work for greater economic freedom in South Africa puts us on the side of the poor, the peasant farmer, the unlicensed taxi drivers.”

**JERUSALEM INSTITUTE for MARKET STUDIES**

The Jerusalem Institute for Market Studies (JIMS), which was founded in 2003, continues to develop its projects. Through a grant from Atlas’s Health & Welfare program, JIMS is conducting a survey on the potential for a large-scale private welfare program in Israel. Sauer also made note of Israeli Tax Freedom Day—July 26, 2004—the day on which Israeli citizens start earning money for themselves and not for the government. Tax Freedom Day in the U.S. took place on April 11, 2004. In a *Jerusalem Post* article, Sauer suggests that for Israel to celebrate Tax Freedom Day earlier in the year “Israeli taxpayers need to more clearly communicate to the government that they are not willing to work the majority of the year in order to finance excessive public spending habits. Second, taxes need to be reduced.”

**AFRICA RESOURCE BANK**

(Mombasa, Kenya)

From November 20-22, 2003, the first Africa Resource Bank took place in Mombasa, Kenya. James Shikwati, who also serves as the director of the Inter Region Economic Network in Kenya, decided to organize this event after he and Thompson Ayodele of the Institute for Public Policy Analysis in Nigeria attended the Atlas Liberty Forum and Heritage Resource Bank in Philadelphia, PA in April 2002. The meeting highlighted Africa’s scandalous levels of corruption, the effects of conflicts, the abuse of political power, the dangers of centralized government, the problems associated with reliance on donor aid, and the need to encourage and support private participation in the economy. Prof. George Arittey of the Free Africa Foundation and American University in Washington, DC noted, “There are many talented individuals in Africa who share our ideas on freedom…Such individuals need not be university professors alone but could also be students, nurses, street traders, and farmers.”

**INTER REGION ECONOMIC NETWORK**

(Nairobi, Kenya)

Inter Region Economic Network (IRED) headed by James Shikwati, has had a very active year, starting with the first ever Africa Resource Bank in November 2003. Other highlights of the past twelve months included IRED Student Coordinator June Arunga’s documentary, *The Devil’s Footpath*, for the BBC and IRED’s presentation to the President of Kenya, to showcase IRED’s student network to promote entrepreneurship and market economic ideas in Kenya. Shikwati commented to Atlas, “I am glad that IRED Kenya featured somewhere on the radar. I know that our competition is with giants. For me, my award is right here, one person, one village at a time. Every time somebody points out the impact of our activities I receive my award!”

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*Leon Louw (right) is pictured with Atlas’s Jo Kwong during his interview for Atlas’s Entrepreneurs in Liberty video series.*

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*Kenyan June Arunga, an Atlas fellow, spoke about her BBC documentary at the Liberty Forum.*
Europe

INSTITUTE for TRANSITIONAL DEMOCRACY AND INTERNATIONAL SECURITY
(Budapest, Hungary)
The Institute for Transitional Democracy and International Security (ITDIS) which is barely one year old, has continued to build its presence in Central and Eastern Europe as well as maintaining and deepening its contacts in the United States. Last October, ITDIS hosted its first major conference “New Challenges to Democracy in Central and Eastern Europe” with support from the Centre for Research into Post Communist Economies and Atlas. Atlas’s Leonard Liggio and Alex Chafuen both attended, as well as experts from Slovakia, Bulgaria, Hungary, Romania, Serbia, Poland, Slovenia, and Macedonia. The staff of ITDIS are committed to the core values of democracy, rule of law, and free markets.

LITHUANIAN FREE MARKET INSTITUTE
(Vilnius Lithuania)
The Lithuanian Free Market Institute (LFMI), which was founded in 1990, received many of accolades this year including one of Atlas’s Templeton Freedom Award for Institute Excellence. As part of the promotion of LFMI in the United States, LFMI president Ugnius Trumpa spoke at Atlas’s Liberty Forum in Chicago on “Positioning Your Institute to Achieve Real Policy Impact.” Trumpa commented, “Think-tanks should be as lighthouses for reforms in societies. They are essential for navigation of reforms; they do not navigate themselves but lead navigation, firmly standing on the foundations of ideas and principles.” Trumpa along with Krassen Stanchev of the Institute for Market Economics in Bulgaria exemplified this thinking on their trip to Iraq in September 2003 as part of a group of 1990s reformers from eleven post-communist countries. Trumpa also joined Atlas in Hong Kong on September 15, 2004 for the Asia Resource Bank, where he spoke on “Creating a Strategy for Effective Action.”

ISTITUTO BRUNO LEONI
(Turin, Italy)
Templeton Freedom Award recipient Istituto Bruno Leoni (IBL) continues to shape the policy battles in Italy and Europe, promoting freedom, private property, and free enterprise. In the year since its official founding, IBL has created a strong portfolio of seminars, publications, and staff. IBL’s Director for Globalization and Competition Issues and former Atlas fellow Alberto Mingardi spoke at Atlas’s Liberty Forum on “How to Make Radicalism Attractive.” IBL has hosted major conferences on the Kyoto Protocol and climate change and most recently in June 2004 on pension reform featuring Chilean reformer, José Piñera. Atlas’s Leonard Liggio also spoke at an IBL seminar on Richard Cobden’s work in June 2004, and Alex Chafuen presented a paper on Locke and Religion at IBL’s October 2003 seminar on the Christian Roots of the Market Order.

F.A. HAYEK FOUNDATION
(Bratislava, Slovakia)
The F.A. Hayek Foundation of Bratislava continues to impact the policy choices in Slovakia. As a recipient of a Templeton Freedom Award Grant, the Hayek Foundation was able to organize a number of important events, including a lecture featuring American Enterprise Institute Fellow and Templeton Prize for Progress and Religion Laureate Michael Novak in June 2004. Hayek
Foundation Director Martin Chren spoke at Atlas’s Liberty Forum in Chicago about “taking the message on the road.” Chren remarked to Atlas, “Thanks to several meetings, conferences, and not forgetting the effort of Jo Kwong from the Atlas Foundation, and also the Templeton Award, our Hayek Foundation became well known as an institute directly involved in several successful reforms undertaken in Slovakia (pension reform, adoption of the flat tax; decreasing tax burden, reform of education). In the past months we have noticed an unusually high interest in participation of our institute’s representatives at many events…”

CIVIC INSTITUTE (Prague, Czech Republic)
The Civic Institute continues to build on its activities that disseminate and develop the ideas of the free society among university students and politicians in the Czech Republic. The Civic Institute was one of the fifteen recipients of a Templeton Freedom Award Grant from Atlas. Dr. Roman Joch, the executive director of the Civic Institute, noted that this award grant is a sign of “appreciation of our integrity, perseverance and relevance.”

PORTUGAL
Atlas was very pleased to host its first event in Lisbon, Portugal on June 28, 2004. Although Atlas has been familiar with some of the free market groups in Portugal, Atlas had yet to build strong ties with any of them. Through the generous assistance of the Portuguese institute Causa Liberal, and Colombian Ambassador and noted writer Plinio Apuleyo Mendoza and his staff, the meeting helped Atlas build connections among pro-freedom institutions and scholars from the various countries represented (Portugal, Brazil and the U.S.). Atlas looks forward to strengthening the network of the Portuguese groups with its European, Brazilian and American counterparts.

ROMANIA
Atlas was pleased to host Horia Terpe of Romania as our Koch Summer Fellow through the Institute for Humane Studies Koch Fellowship program. Terpe, a Ph.D. student in Political Science at the National School of Political Studies and Public Administration Bucharest, works as a parliamentary advisor and legislative assistant in the Romanian Parliament and the personal advisor to the Romanian National Liberal Party’s Vice President. While at Atlas, Terpe analyzed the current think tank climate in Romania, and studied think tanks in the DC area. He later told Atlas, “The most important aspect [of the fellowship] was a sound feeling of integration in the activities of the foundation and in the broader free-market movement…the best conclusion…is strongly described by the informal motto of this team: ‘Nobody ever really leaves Atlas!’”

The Center for Liberal-Democratic Studies (CLDS) continues to fight corruption and promote the core principles of individualism, liberty, the rule of law, the value of free markets, and the importance of individual choice and responsibility. CLDS, a 2002 winner of the Fisher Award, received a Templeton Freedom Award Grant for Institute Excellence this year. CLDS Vice President Boris Begovic came to the U.S. in April 2004 to take part in Atlas’s Liberty Forum in Chicago and also to speak at a conference on “Corruption in the Serbian Judiciary” on May 5, 2004, which was co-hosted by the Center for International Private Enterprise and Atlas.

LIBERALES INSTITUT
(Zurich, Switzerland)
The Liberales Institut, the oldest classical liberal think tank in Switzerland, celebrated its twenty-fifth anniversary this year. For the past two years, Atlas has sponsored the Liberales Institut’s Bernhard Ruetz’s trip to the Atlas Liberty Forum and the Heritage Resource Bank. The trips have fueled a number of new projects at the Liberales Institut, including the Swiss Resource Bank and a new quarterly newsletter, Spontane Reflexe, which was modeled partly after Atlas’s Highlights. Bernhard told Atlas, “[The Atlas Liberty Forum and Heritage Resource Bank] demonstrated to me that good networking can reap benefits for all of the parties involved. I was fascinated how these meetings bring together personalities and organizations from all over the world and offer an ideal opportunity for intellectual exchange, discussion, and practical cooperation among market-oriented individuals and groups.”
Asia & the Pacific

Atlas historically has had few strong collaborative partners in Asia, but changes are afoot—changes that demonstrate that the ideas of liberty are inspiring people in Asia, as in every other part of the world.

A network of intellectual entrepreneurs in China, India, Korea, Malaysia, Mongolia, Nepal, Pakistan, the Philippines, and many other countries, are working to build the institutions of liberty.

The emerging Asian free market public policy institutes are translating publications that have inspired friends of liberty elsewhere: Hayek’s The Road to Serfdom, Bastiat’s The Law, and De Soto’s The Mystery of Capital are among the most popular titles. By creating libraries, conducting student programs, sponsoring and policy conferences, or publishing policy studies and reprinting classic texts, they are taking the freedom philosophy to the grassroots. These are the seeds that could bring a positive, long-term change in the climate of opinion.

As one partner from India remarked, “Of course, we started out like everyone else—believing that the government would take care of us. But in our work in public health, we pondered why some regions prospered and why the poor only grew in other areas. Eventually we came to see that the free market offered the best hope for the poor.” Slowly but surely, Atlas’s partners are reaching a wider number of opinion leaders committed to liberty.

ASIA RESOURCE BANK (Hong Kong, China)
To support and energize the think tanks in the Asia and Pacific region of the world, Atlas organized the first ever Asia Resource Bank in Hong Kong, China on September 15, 2004. The genesis of the Asia Resource Bank occurred at the Atlas Liberty Forum in Chicago where institute leaders and intellectual entrepreneurs from Hong Kong, India, the Philippines, Mongolia, and Vietnam met. Atlas brought speakers from the U.S., Germany, Canada, Lithuania, China, Russia, Australia, Korea, Nepal, Chile, and India to discuss managerial and organizational strategies such as fund raising and marketing as well as how think tanks impact local reforms. The day-long program provided participants from Vietnam, Uzbekistan, Nepal, Mongolia, Pakistan, Turkey, Thailand, Sri Lanka, South Korea, the Republic of Georgia, the Philippines, Indonesia, India, Bangladesh, Canada, Australia, Chile, China, and the U.S. the chance to network and share ideas. James A. Dorn, the Cato Institute’s Vice President for Academic Affairs, gave the luncheon keynote on “Why Freedom Matters.”

LION ROCK INSTITUTE (Hong Kong, China)
Andrew Work recently launched the Lion Rock Institute in Hong Kong to imbue public policy and civil society with free market ideas. Lion Rock is the name of the geographical center of Hong Kong, where hundreds of thousands of refugees from Communist China settled in the 1950s to find a better life. As often occurs, Atlas came into contact with Work through another member of the Atlas network—Michael Walker, president and founder the Fraser Institute in Canada. In April 2004, Atlas helped sponsor Work’s trip to the U.S. to attend the Mackinac Center’s Leadership Development program before attending Atlas’s Liberty Forum in Chicago. Work continues to build and grow his network of contacts in Hong Kong, mainland China, and throughout Asia by attending the Asia Resource Bank along with Lion Rock’s Research Director Andrew Pak Man Shuen.

THE PHILIPPINES
In Spring 2004, Atlas hosted two Filipinos as part of our fellowship program—Ellen Sandig Cain of the Foundation for Economic Freedom (Quezon City) and Bienvenido ‘Nonoy’ Oplas of Minimal Government (Makati City). Atlas’s Priscilla Tacujan, a native Filipino, met both Cain and Oplas in 2003, when she traveled to the Philippines as an Atlas International Freedom Corps fellow. Both individuals met with numerous groups in Washington, DC and traveled to Chicago for the Atlas Liberty Forum. Their fellowships helped strengthen the ties between these two groups, who now actively collaborate with one another on different issues. As Oplas of Minimal Government remarked, “To launch a ‘minimal government movement,’ our organization does not need to be at the center of the movement, just one of the many organizations and institutions which unite and coalesce around this purpose.” They both attended the Asia Resource Bank in Hong Kong as well.
MONGOLIA

Over the past year and a half, Atlas has created strong ties with many different business and political leaders in Mongolia who are trying to open their country to the ideas of personal liberty and a free market. One such leader is Elbegdorj “EB” Tsakhia. When Atlas first came into contact with Tsakhia in 2003, he had finished his term as Prime Minister of Mongolia and was seeking other ways to influence policy and the climate of ideas in Mongolia. Atlas encouraged Tsakhia to organize a think tank and to translate a great free market work as a first project. Tsakhia established the Liberty Center and had Hernando de Soto’s The Mystery of Capital translated into Mongolian. In August 2004, Atlas learned that Tsakhia was again elected Prime Minister of Mongolia. Soon after hearing this news he wrote to Atlas, “With my colleagues and friends I will try my best to develop Mongolia and give more opportunities to the people as well as making Mongolia nearer to everybody on earth…You guys at Atlas do great job for economic development.” In addition to Tsakhia, Atlas also had the opportunity to meet with Orogdol ‘Orly’ Sanjaasuren and Jargal Dambadarjaa during the first half of 2004. Orly attended Mackinac’s Leadership Development Seminar, visited Atlas, and received an Atlas travel grant to attend Cato’s Moscow meeting of April 2004. Both Orly and Jargal attended the Asia Resource Bank in Hong Kong in September 2004.

LIBERTY INSTITUTE (Delhi, India)

The Liberty Institute was one of two institutes to receive both a Templeton Freedom Prize and a Templeton Freedom Awards Grant for Institute Excellence. The Liberty Institute won the Templeton Freedom Prize for Social Entrepreneurship for its Language of Liberty camp in a rural village in the Himalayas, where the Liberty Institute taught rural school children English and computer skills using the principles of liberty. As Liberty Institute Director Barun Mitra noted, “The idea that rural youth would be interested and willing to pay for added educational skills in English and computers, was quite novel…The overwhelming response from the grassroots gave a vivid demonstration of the fact that poor are the natural allies of freedom. After all, they have nothing to lose but their poverty, and [are] so extremely eager to grab any opportunity that comes their way.” Mitra attended the Atlas Liberty Forum in Chicago as well as the Asia Resource Bank in Hong Kong.

CENTRE for CIVIL SOCIETY (Delhi, India)

The Liberty & Society Seminar created by the Centre for Civil Society (CCS) for college students has won first prize in the Templeton Freedom Prize for Student Outreach. A driving force behind the program according to CCS Founder Parth Shah is, “the need to awaken the next generation, so it does not repeat the socialist mistakes of the past, but builds up the liberal foundations of a civil society.” CCS was also one of the fifteen institutes to win the Templeton Freedom Award for Institute Excellence which are given to outstanding, promising young think tanks. Parth Shah traveled to Chicago to speak at the Atlas Liberty Forum on developing successful student programs and to the Asia Resource Bank in Hong Kong to speak on marketing strategies.

NATIONAL ECONOMIC RESEARCH INSTITUTE (Beijing, China)

The National Economic Research Institute (NERI) won second place in the competition for the Templeton Freedom Prize for Free Market Solutions to Poverty for their Marketization Index for China’s Provinces, which compares the economic freedom and policies in China’s provinces. As NERI’s Director of International Programs Zhu Saini noted in “In China, All Reform Is Local” (Christian Science Monitor, July 20, 2004), “hopefully the Marketization Index will eventually help show the strong correlation between economic and political freedom in China’s provinces, thus prompting the Chinese government to increasingly move toward a free and open society.” Research fellow Xialou Wang represented NERI at the recent inaugural Asia Resource Bank in Hong Kong, China.

ALTERNATE SOLUTIONS INSTITUTE (Lahore, Pakistan)

Atlas was fortunate to have the opportunity to meet Alternate Solutions Institute Founder Khalil Ahmad at the Asia Resource Bank in Hong Kong. During the past year, Atlas staffers have frequently e-mailed with Ahmad as he worked to organize and solidify his institute. Ahmad wrote to Atlas’s Jo Kwong, “[Atlas’s web] Toolkit helped me organize our efforts in Pakistan. Before reading your Guidelines and Recommendations for Starting an Institute I knew what I wanted to do but I was not clear how to do it. The Guidelines helped me organize our efforts and set up an institute to promote freedom philosophy in Pakistan. Now we are on the [right] track.”
How You Can Make a Difference

Because of you and other friends of Atlas, the ideas of liberty are being championed by more institutions in more countries than ever before.

In the battle to preserve and expand liberty, we must be tireless in nurturing the idea centers that keep our values in the center of public debates.

Please help Atlas and its partners in this important work of creating an international network devoted to the free society. Your tax-deductible gift to Atlas truly advances the cause of liberty.

Honoring our Supporters through The Atlas Club

Those who contribute to The Atlas Club with general donations of $1000 or greater are the backbone of Atlas’s efforts. Their annual pledges 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 our quarterly Investor Reports, which highlight Atlas’s recent investments in liberty. 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 that 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.

If we receive your donation before December 31, your name will added to a plaque in our new headquarters honoring the members of the 2004 Atlas Club, so each day our staff and visitors will be reminded of how your generosity enables Atlas’s important work!

Contributions That Add Up

If you are not able to join the Atlas Club this year, you should know that your smaller contributions still add up to make a big difference!

$50 Allows Atlas to send a box of publications to institutes in parts of the world that are hungry for books and need the ideas of liberty. In recent years, Atlas has sent such donations to Iraq, India, China, Nigeria, Kenya, Colombia….

$100 Sponsors the attendance of a promising student or new intellectual entrepreneur to Atlas’s Liberty Forum or another conference.

$250 Helps Atlas provide approximately 10 hours of consultation time to a new institute. Atlas helps aspiring think tank entrepreneurs climb the learning curve of think tank management by exposing them to the lessons of other think tanks and vetting their business plans to focus on the most cost-effective early projects.

$500 Can cover a good portion of the printing costs of new translations of books, such as Bastiat’s The Law or De Soto’s The Mystery of Capital. Atlas has a long history of helping think tanks with such translations, which in turn can attract hundreds of new freedom champions in countries where they are desperately needed.

Atlas Club members Bill and Minnie Caruth with Alex Chauffeu.
To Live, To Love, To Learn, To Leave a Legacy

In his book, *First Things First*, Stephen Covey lists these items as man’s greatest aspirations. If you are thinking of leaving a legacy so future generations will live in, learn about, and love freedom, contact Brad Lips at Atlas at 703-934-6969.

Spread the Word!

Do you know someone who ought to be on Atlas’s mailing lists? Let us know! Whether it is a student who should know about the work of think tanks, a donor who might be interested in our international programs, or a scholar who should be attending our programs—we appreciate your suggestions for expanding the Atlas family! Contact Elena Ziebarth at Atlas at 703-934-6969.

2005 Liberty Forum, April 27th–28th

Atlas is planning its major annual U.S.-based conference for April 27–28, 2005, in Miami, Florida. This past April, the Liberty Forum meeting attracted 240 attendees from forty different countries, making it one of the premiere networking events for the international freedom movement.

For 2005, Atlas is seeking sponsors to underwrite the meeting and help us bring more new intellectual entrepreneurs to participate. Please contact Brad Lips (brad.lips@atlasUSA.org) to learn about how you can sponsor the keynote address, become part of the host committee, or reserve a table at which you will be seated with some of the foreign participants from the Atlas network.

Other donors might be interested in partnering with Atlas to arrange more “regional meetings” that focus on a sub-set of the think tank network. Keshab Poudel, a journalist from Nepal, wrote to us in the days after our Asian Resource Bank: “After attending your program, I am now in a position to argue why freedom is important to uplift the life of people. This was a great time to be together with all the people who have genuine faith and commitments on liberalism.” With your help, we will help even more people receive exposure to the ideas of liberty!

A Think Tank Mutual Fund?

Just as many investors buy mutual funds instead of picking individual stocks, donors can give to Atlas as a means of diversifying their support of the think tank movement.

After all, one key aspect of Atlas’s work involves raising funds for think tanks, especially startups and non-U.S. efforts that face more obstacles in fundraising.

You can specify that Atlas add your donation to one of the funds below, or you can indicate general preferences (e.g., “the region of East Europe, preference for startup or younger think tanks”), and we will use the proceeds to give grants to the most promising institutes in that category. (Atlas will reserve 5% of funds to cover operational costs of administering this donation.)

North American Start-Up Fund—Atlas has a long history of helping institutes from the U.S. and Canada during their early stages (less than five years old). NCPA, Pacific, AIMS, Cascade, and scores of other successful national and state-based think tanks were past recipients of Atlas grants.

Latin American Support Fund—Atlas provides seed grants to Latin American think tanks. About half of Atlas’s contribution to this fund goes to general support of younger institutes. The other half goes to special projects grants to raise the profile and effectiveness of established Latin American think tanks.

Developing World Fund (a matching grant opportunity)—Investing in think tanks in countries where the freedom philosophy has few current advocates—while risky—can bring very high returns. That’s the thinking of famed investor and philanthropist, Sir John Templeton, who has set up a matching gift opportunity, for new donations to support Atlas’ efforts in “difficult parts of the world.” With your contributions to this fund, Atlas aims to support think tanks and new intellectual entrepreneurs in Africa, the Middle East, developing parts of Asia and the Pacific rim, Russia and Eastern European countries recovering from communist tyrannies, and the poorest countries of Latin America.

Your contributions to these funds allow us to give grants to a larger number of think tanks, including younger institutes who benefit greatly from Atlas’s endorsement.

“In addition to the funds, this grant represents a seal of approval from a renowned institute. We have already mentioned your endorsement to a key corporate donor, and they indicated it will be a major factor in our favor in their final decision. We’re convinced that support from Atlas will also open many doors for us in the future. Once again, many thanks for Atlas’s commitment to helping launch intellectual entrepreneurs.”

Christian Michel, President of Project Empowerment (UK)
Atlas works with think tanks that share our general vision of working for “a society of free and responsible individuals, based upon private property rights, limited government under the rule of law, and the market order.” But each is distinguished by how it works in accordance with its vision—that is, by its mission.

While each institute has a specialized mission, they must achieve success in a few common areas. One of the most successful institute directors, Gerardo Bongiovanni, of Fundación Libertad, in Argentina, sees institutes as producers of services, ideas, and community prestige. I would like to review each of these categories briefly.

- **Services:** Think tanks residing in nations with highly developed philanthropic sectors often find donors to support pure academic research and policy advocacy efforts. In other nations, institutes provide more direct services, which sometimes compete against those offered by for-profit companies, such as economic forecasts and surveys. Institutes also provide a benefit to their audience members by attracting high-profile personalities and experts; this is especially true for organizations geographically remote from the centers of power. Think tanks also affect change when their studies help open up markets for private entrepreneurs who can become allies of the institutes.

- **Ideas and Principles:** For think tanks—created to defend a principled, philosophical vision—it is essential to carry out additional programs independently of “what the market may say.” For instance, projects like the translation of classical works of economics and political theory seldom attract enough sponsors to cover all the production costs, but they can be very useful for solidifying the think tank’s brand and credentials as an educational organization. At Atlas, we use the word “apostolate” to describe these programs, such as our work in Africa where we have spent perhaps twenty dollars for each dollar raised. It is obvious that only a small percentage of our programs can be this kind of apostolate; otherwise, as praiseworthy as our intention may be, our Foundation, which is not endowed, would disappear in no time.

- **Community Prestige:** Once an institute has proved to be legitimate (i.e., it is not a front for a politician or a business group, nor does it exist to seek personal glory for its director) and in some way effective, it may begin to produce community prestige. That is, it will attract new constituencies that, while not sharing the precise principles of the think tank, regard the institute as an integral part of civil society and worth joining so they are not “left on the sidelines.” Gerardo Bongiovanni refers to this as the “American Express effect,” when individuals realize that “membership has its privileges.” Very few institutions are born big; most emerge from home offices, gradually growing in size and prestige. The “American Express effect” happens in different cultures and different times, but the most successful think tanks in the U.S. appear to reach this point after ten years and once they have reached an annual budget of $1 million.

So what type of characteristics do intellectual entrepreneurs need in order to be helpful in the elaboration of these products? In Atlas’s Year-in-Review of 2002, our Chief Operating Officer, Brad Lips, suggested that we study the concepts in Malcolm Gladwell’s book, The Tipping Point. Gladwell examines how different things turn into mass phenomena, and some of his ideas can be used to understand how and when an organization becomes successful.

Gladwell analyses three kinds of personalities: the maven (or expert), the connector (who is helpful in connecting people to different parts of civil society), and the born salesman. All three play a decisive role in the success of an organization, and each is ideally suited for one of the categories of think tank products described above.

Mavens are devoted to the **Ideas and Principles** that establish the credibility and identity of the think tank. Salesmen are essential for finding customers and attracting resources for specific **Services** provided by the think tank. Connectors are essential for broadening the influence of the institute among different sectors of society, and creating the **Community Prestige** that catalyzes the “American Express effect.”

In the early stages of an institute, the founding intellectual entrepreneur often has to carry out all these roles. Successful development of an institute typically depends upon distributing tasks among several staffers. Very few individuals can excel in all three roles. The principle of comparative advantage suggests to us that mavens or experts, who uphold very well their principles and ideas, are unlikely to also be best suited to be the salesman (that is, the fundraiser) for the organization. Mavens are also rarely sociable enough to be effective connectors.

Perhaps because the entire think tank sector is somewhat young, very few think tanks are led by individuals with business degrees or management experience. The typical intellectual entrepreneur is a very self-assured person with a desire to champion an idea, no matter the pressures against them or the lack of willing allies. They learn the art of managing an organization, slowly but surely, by trial and error.
This is particularly true outside the U.S. where most intellectual entrepreneurs operate as “lone rangers,” avoiding opportunities for collegial work. We observe that these types of efforts are much more likely to perish with the enthusiasm of the intellectual entrepreneurs, with many resources also being lost on the way. On a similar note, many intellectual entrepreneurs outside the U.S. wear several “hats” in addition to their role in the think tank. They often have one foot in the organization and the other in politics; one hand in something academic or a business endeavor, and what is left over goes to some non-governmental organization (NGO). Also, think tanks outside the U.S. seem more likely to depend on a handful of sponsors—sometimes, only one. This gives the intellectual entrepreneur from other countries a very different characteristic than those in the U.S., who get used to dealing with many different types of clients.

So how should intellectual entrepreneurs conceive of their role? Just like the traditional private-sector entrepreneur, they need to have talents in three areas:

- Discovering opportunities (i.e., unsatisfied needs)
- Turning ideas into actions
- Attracting and combining material and human resources

These talents can be applied directly to the field of ideas and public policies. For example, when the intellectual entrepreneur finds that a certain public policy is doing some harm to the population, he will hire someone to study the extent of the problem and suggest possible solutions. He then helps to spread the study itself and its results among the population. But before that, as a true entrepreneur, he has to anticipate the costs of the study and its dissemination, and find funds to cover these activities.

In order for institutions to last beyond the tenure of the initial intellectual entrepreneur, a great deal of attention must be paid to the subject of governance—that is, the relationship between the think tank’s CEO and its owners. How should we define the “owners” of a think tank?

For a non-profit organization, I propose that it is appropriate to consider ownership to reside among those who contribute or attract resources and have a certain degree of responsibility in their allocation.

One of the dangers that exist in think tanks is that, while the founding intellectual entrepreneur is still alive, very few dare to contradict him. After all, the founder is the visionary. He helped to define the organization and sell it to its initial constituents.

Whether an institute graduates to a level of stability, separate from its founder, depends in large part upon the generosity of the intellectual entrepreneur himself. He has to be open to planning an effective transition and empower the Board of Directors to be strict on this matter.

The flip side of this equation is that when a new intellectual entrepreneur is hired to provide leadership to an organization, the main challenge is for the Board of Directors to approve and back up the leadership of the new executive. This is why I usually suggest that when a director of a NGO is to be replaced, the outgoing director should be neither in the Board of Directors nor assume any supervising role. The scheme where the outgoing CEO forms part of the Board of Directors may work well in lucrative organizations because there are better empirical measures to determine the success of the performance of the organization.

In spite of the growth of the state over the last century, the wonderful creative power of the human being has proven that, when it is allowed the slightest opportunity and placed in a setting of mutual respect for others, it can develop unimaginable new products, services, and solutions.

The work of the think tanks kindred to a free society can expand and improve the environment for the exercise of personal freedom—to the benefit of all mankind. To be able to meet this objective, we need to continue to improve our understanding of our market, our organizations, and the subject I have addressed in this essay—the role and characteristics of intellectual entrepreneurs.

This article is adapted from Chafuen’s presentation to the Graduate Program on Organizational Management at the University of Navarra (Spain), which was published in Nuevas Tendencias.
Fighting the Deluge: the Future of Classical Liberalism


My first reaction is to ask: “What planet are they living on?”

I imagine that if one believes that the state should take 100% of income (which was the case for investment income for sometime in Great Britain and welfare state countries) then it could be said that the state is shrinking. Compared to the collectivist ideal of complete state control, the current situation is insufficiently perfect.

From the perspective of the collectivist, there has been a decline of the state in the sense that there has been the growth of the private economies in Great Britain and the U.S. With the reforms of taxation away from confiscation of property in Great Britain and the U.S. during the administrations of Margaret Thatcher and Ronald Reagan, productivity and wealth have increased in the past two decades ahead of the tax-collector. The personal incentives to increase productivity and provide customers with a better product at a better price have multiplied. The consumers have benefited and those serving the consumers have benefited in return. It is a progression very much to be valued.

Continued desire to immigrate to Great Britain and the U.S. is another tribute to the benefits workers find in the previous capital accumulation in these countries. This situation reflects other countries’ failures to reduce levels of taxation. Before 1989 no one was crossing the Iron Curtain to enter socialism, the desperate and life-threatening movement was all away from socialism and toward the free society of the West.

Will the trend toward tax reduction in Great Britain and the U.S. continue? Will there be a reversal and a movement toward increasing rates of taxation?

In his Times article, Lord Skidelsky was reviewing Decline of the Public by political philosopher David Marquand who argues that the state is all but disappearing. Skidelsky sees the original conception of the non-state or “social” domain in 19th century English liberalism. Deriving from the Commonwealthmen of the 17th century and the Whigs of the 18th century, William Gladstone’s liberalism reduced taxes and government, and insisted on probity in public as well as private relations. Skidelsky sees the “Gladstonian conscience” and private philanthropy as conspicuous features of liberalism.

The “social domain” of Gladstonian liberalism was enlarged by the explosion of the market and the consequent expansion of the middle class. That 19th century liberal society was based in private associations has been demonstrated by the research of David Green for England and Australia and David Beito for America. Of particular significance were private insurance programs for unemployment and for health crises. These were rooted in popular fraternities and friendly societies which, by the early 20th century, covered most families in England, Australia, and America. They were eventually destroyed by state-imposed schemes. In England, the new liberals of David Lloyd George focused on the 10% of the population not covered by private health insurance and created a state system to include them, which caused the disappearance of the non-tax supported private societies. Similarly, in the U.S., the Social Security Act of 1935 was the death knell for the fraternal and friendly societies which had included insurance in their services.

Unnecessary as the welfare state and the public domain have been shown to be, the welfare state and its budget have continued to grow both in Great Britain and the U.S. Today, the welfare state has placed the state experts in charge of decisions, in place of the consumer. The consumer is replaced by the voter who uses his vote to gain more state resources or to confront the state experts controlling his life. In practice, voters have ended up with more intervention in their lives, more dissatisfaction, and more apparently unsolvable burdens.

In criticizing Marquand, Lord Skidelsky notes: “The era of great issues, whether economic or social, is, for the time being, over.” Lord Skidelsky’s attitude may give us a calming sense that there is a gradual evolution away from state programs toward market solutions while the free economy produces more affluence.

But are not the state’s devices for solutions more like those of the Wizard of Oz? A medal instead of courage, a false heart, and a bogus college diploma instead of brains. The Wizard of Oz is the true forerunner of any Prime Minister of England or any President of the United States in giving bogus health care and bogus education.

The left talks as though the welfare state has been repealed. But in the U.S., each year has seen not only the growth in government spending, but enormous new public entitlements. The future costs of government pensions and health care for the retired will increase dramatically in coming years while the number of tax payers will decline. The crisis is derided by politicians in all countries.

Each politician plays the role of King Louis XV’s principal mistress, Madame de Pompadour, who declared about royal spending: “After us, the deluge.”

Indeed, the consequence of 18th century France’s government spending was the debt crisis which culminated in the French Revolution. And as Lady Bracknell said a century ago in Oscar Wilde’s The Importance of Being Earnest: “I need not remind you of the unfortunate results of that event.”

Well, maybe I should remind you. The consequences of the accumulation of government debt which resulted in the French Revolution are always with us. It is time to have a look at the consequence of the accumulation of government debt which resulted in the Shrink State.
Revolution was the economic terror in which many were executed for violations of the Law of the Maximum (price controls). The French National Assembly confiscated the church’s property to support a paper currency. More and more assignats were printed causing run-away inflation, fought against haplessly by price controls and executions. Napoleon Bonaparte received his popular mandate to end the oppression of Christianity and to restore the gold standard.

All educated Europeans and Americans of the 19th century had the history of the French Revolution engrained in their thinking about public policy. Their commitment to private property, the gold standard, and free markets permitted the greatest industrialization in history.

But, during the 20th century that memory of the consequences of the debt crisis and the French Revolution dissipated. As George Santayana at Harvard declared: “Those who do not know history are condemned to repeat it.”

What is the history which our governments’ spending is writing? Like Madame de Pompadour, they are spending money at an escalating rate for future decades. Like her, the politicians proclaim: “After us, the deluge.”

There are numerous public policy research institutes producing analyses of these developments from a classical liberal perspective. The Institute of Economic Affairs (UK), Centre for Independent Studies (Australia), and the North American institutes have provided detailed studies of the growth of government spending. Institutes in other parts of the world have made valuable contributions in their own countries. These are the studies which make the left declare that the free-market arguments seem dominant in public policy debates.

Yet, the torrent of current and future entitlements and government spending continues.

Despite the impressive analyses by institutes, there have not been the over-arching books stating the values of a free society. Hayek in The Intellectuals and Socialism described the successful strategy of the socialists. Their scholarly works set forth the values of a command society. They became the framework for the essayists and journalists to write about current events. The widespread acceptance of the assumptions of government intervention permitted left-leaning journalists to write unchallenged on various issues.

From Hayek’s The Road to Serfdom on, there was a period of active challenge to the growth of the welfare state. The many tens of millions who died in the Soviet Gulags and Mao’s labor camps were reminders of the growth of the state.

But today, are we so comfortable that we need not concern ourselves with long-term prospects? Where are today’s products of classical liberal scholarship? Do classical liberals lack incentives in that there is not an immediate threat to “our lives, our fortunes and our sacred honor?” Can we feel confident that the intellectual power that existed in our movement in the past is continuing?

I fear that classical liberals are shrinking as a scholarly force before the intellectual public—perhaps this is due to specialization. In order to achieve tenure and promotion, scholars must cater to the narrow demands of their departments. Their focus, therefore, aims below the horizon. Lots of small pieces do not add up to widely read contributions. Similarly, such work must be non-controversial. Safety in the ordinary can mean work that stays below a higher radar screen.

Many persons are doing fine work which I appreciate. But few, I fear, are making an impact.

I can think of very important work in economics by Robert Barro, Deepak Lal, Roland Vaubel, and Bruno Frey; in law, by Richard Epstein and Randy Barnett; in American social history, by David Beito; in political philosophy, by Anthony de Jasay and Chandran Kukathas; on private education and the poor, by James Tooley. Their work properly has received wide attention. The Harvard historian Richard Pipes’ Property and Freedom and Fareed Zakaria’s The Future of Freedom have been valuable contributions. The books and the hands-on institute work of Hernando de Soto has been spectacular. The work of few others now has received the wide attention which the work of George Gilder and Charles Murray received two decades ago.

I think that it is valuable for us to look around us and consider the present and the future. Where will the future classical liberal scholars come from if we see fewer of them making a mark today?

Do we know whether the new technology will have an impact? If academic specialization has detached scholars from the educated public, is there emerging a new public humanity? What were the sources of classical liberal scholarship in the 1950s and 1960s which produced so many stars? Who were the personalities and the institutions which attracted young scholars to become classical liberal leaders?

It is our duty to address these questions. Classical liberalism cannot calmly fade into the sunset. ☺

This article is adapted from Liggio’s Presidential Address at the 2004 General Meeting of the Mont Pelerin Society.
The distinguished judges and advisory board of the Templeton Freedom Awards Program along with the Atlas staff are incredibly impressed with the results of the inaugural year of the program. The Templeton Freedom Awards Program celebrates the role that think tanks play in their local communities. Supported by and named for Sir John Templeton, a pioneer of international investing and philanthropy, the program rewards innovative work of think tanks in countries throughout the world.

More than 140 institutes from over fifty countries competed for prizes and award grants within the program.

One section of the program, the Templeton Freedom Award Grants for Institute Excellence, provides $10,000 grants to institutes that show great promise in impacting public policy and civil society. The recipients of the fifteen Templeton Freedom Award Grants came from all corners of the world and were chosen based on their achievements, future potential, commitment to the free society and the Atlas mission. Atlas also focused the competition on institutes that are young or working in particularly difficult environments. This year’s recipients were: Association for Liberal Thinking (Turkey), Centro de Divulgación del Conocimiento Económico (Venezuela), Center for Liberal-Democratic Studies (Serbia & Montenegro), Centre for Civil Society (India), Civic Institute (Czech Republic), Free Market Foundation (South Africa), Fundación Libertad (Argentina), F.A. Hayek Foundation (Slovakia), Institut Économique de Montréal (Canada), Institute of Economic Affairs (Ghana), Istituto Bruno Leoni (Italy), Instituto Ecuatoriano de Economía Política (Ecuador), Instituto Libertad y Desarrollo (Chile), Liberty Institute (India), and the Lithuanian Free Market Institute (Lithuania).

Innovative work of think tanks in countries throughout the world.

The other section of the program, the Templeton Freedom Prizes for Excellence in Promoting Liberty, honored outstanding work, by institutes in four different categories: Social Entrepreneurship, Free Market Solutions to Poverty, Ethics & Values, and Student Outreach. In each category, there were first place ($10,000) and second place winners ($5,000). For Social Entrepreneurship the winners were Liberty Institute (India) and Fraser Institute (Canada); for Free-Market Solutions to Poverty, Instituto Libertad y Democracia (Peru) and National Economic Research Institute (China); for Ethics and Values, Acton Institute for the Study of Religion and Liberty (Michigan) and Instituto Cultural Ludwig von Mises (Mexico); and for Student Outreach, the winners at the National Press Club in Washington, DC.

From the moment Atlas announced the 2004 winners of the Templeton Freedom Awards Program, we worked to utilize the promise and expertise of these institutes. During April and May 2004, Atlas helped organize interviews, travel and speaking opportunities for representatives from the Atlas’s Leonard Liggio, Ozlem Caglar Yilmaz (Association for Liberal Thinking, Turkey), and Baris Demirhan (Turkey) during the Atlas reception for the Templeton Freedom Award winners at the National Press Club in Washington, DC.
many of the winning institutes. Instead of organizing a single large prize ceremony dedicated to the winners of the Templeton Freedom Awards, Atlas focused on featuring the winners in multiple conferences and receptions. For example, in early April 2004, Atlas’s Alex Chafuen traveled to Rosario, Argentina to make a special presentation of their Templeton Freedom Award Grant to Fundación Libertad. The Atlas Liberty Forum featured eight of the fifteen award grant recipients as speakers. In early May in Washington, DC, Atlas hosted a reception in honor the Templeton winners which helped raise the U.S. profile of many of these institutes, generating newspaper headlines such as: “Fighting the War of Ideas: Fairfax group lends firepower to think tanks” (David R. Sands, Washington Times, June 7, 2004), “Spreading the Message Abroad: Free Ideas, Free Economies” (Edwin J. Feulner, May 4, 2004), “Nothing to Lose but Poverty” (Jay Ambrose, Scripps Howard News Service, May 4, 2004), and “Templeton Freedom Awards Honor Fight Against Marxism and Terrorism” (NewsMax.com, May 4, 2004).

Throughout the summer, these winning institutes continued to build on their successes. Many of the Templeton Freedom Prizes winners had opinion editorials published in the U.S., where their activities are less known. The award grant institutes, as part of the grant requirements, focused more on promoting their public image. The Lithuanian Free Market Institute with the help of TDI Gallup polled Lithuanians to see how well LFMI is known and how the organization is perceived. The F.A. Hayek Foundation Bratislava sponsored three Olympians from Slovakia at the recent games in Athens. Fundación Libertad in Argentina created a new brochure to emphasize the prestige gained from receiving the Templeton Freedom Award Grant.

In August at the workshop “Communicating the Ideal of Liberty,” John Templeton Foundation Trustee and nephew of Sir John Templeton, Handly Templeton, spoke to the audience of think tank leaders, policy experts and donors about his uncle’s philanthropic vision. Templeton described this vision as, “future-oriented and bold in its commitment to eliminating poverty through enterprise-based solutions.” Templeton pointed out that free enterprise is good for the poor and encourages ethical behavior, including honesty, hard work, reliability, optimism, innovation and thrift. He noted that Sir John and the John Templeton Foundation see the emerging free market think tanks “as an industry ripe for considerable philanthropic return on investment.”

Atlas hopes that the successive years of the Templeton Freedom Awards Program will produce more innovation and excellence in the think tank industry, greater integration of think tanks and civil society, and stronger commitment to and appreciation of the free society.
The events that Atlas organizes and co-sponsors each year reflect the breadth of our international work, our focus on timely issues, and our dedication to strengthening the institutes in the Atlas network.

Atlas’s banner annual event, the Liberty Forum, took place this year in Chicago from April 28–29, 2004. The Liberty Forum, designed to bring together institute leaders and representatives from the Atlas network, attracted 240 participants from forty countries and introduced more than three dozen new intellectual entrepreneurs to the free-market think tank network. Brian Crowley, President of the Atlantic Institute for Market Studies in Nova Scotia, perfectly described the purpose of the Liberty Forum when he wrote: “Congratulations for an excellent event in Chicago. The value of these meetings really is enormous, offering an unparalleled opportunity for us to keep up our network and keep abreast of what our colleagues are doing.”

Bridgett Wagner, Director of Coalition Relations at The Heritage Foundation, noted, “What an exhilarating gathering—the best ever! Most impressive were the number of young leaders from the far corners of the world. Congratulations to the entire Atlas team. The Atlas Liberty Forum continues to grow in size and importance.”

In addition to the Liberty Forum, Atlas collaborates with institutes from all over the world to co-host conferences and workshops on particular issues. Atlas’s involvement can often raise the profile of such an event and attract international participants.

**Ethical Foundations of the Economy**
(Krakow, Poland)

Atlas helped sponsor the first international conference of the Polish-American Foundation for Economic Research and Education (PAFERE), “Ethical Foundations of the Economy,” on October 13–14, 2003 in Krakow, Poland. Both Atlas President Alex Chaufien and Executive Vice President Leonard Liggio traveled to Poland to speak at the conference. Chaufien addressed the ethics and moral concerns of countries as they transition away from communism. In particular, he noted, “The major concern is that the transition will maintain the worse on the top. Such a result might bring internal discontent, create new negative moral incentives, and build the conditions for instability.” Liggio’s speech focused on the democratic heritage and history of Poland.

**Terrorism, Neo-Populism, and the Rule of Law**
(Bogotá, Colombia)

From November 6–7, 2003, Atlas co-sponsored the conference “Terrorism, Neo-Populism and the Rule of Law” with Fundación Internacional para la Libertad (FIL), a group dedicated to defending the free society and its institutions especially in the Americas and Spain. Speakers included Peruvian novelist and FIL President Mario Vargas Llosa, Wall Street Journal editor Mary Anastasia O’Grady, Colombia’s former Minister of Justice Fernando Londoño Hoyos, and former Peruvian Prime Minister Beatriz Merino. Discussions addressed the threats of terrorism and neo-populism to democracy and the free society, as well as, the new political coalitions that are encouraging current indigenous discontent and might lead to a new wave of political violence in Latin America.

During the conference, a few of the speakers had the opportunity to meet with Colombian President Alvaro Uribe Vélez. From left to right: Colombian Minister of Justice, Fernando Londoño, who announced his resignation at the conference, Peruvian novelist Mario Vargas Llosa, Cuban author Carlos Alberto Montaner, former Colombian Minister of Defense Martha Lucía Ramírez de Rincón, Harold Klein, the Latin American regional director of the Friedrich Naumann Stiftung, Atlas President Alex Chaufien, President Uribe, Ambassador of Colombia to Portugal Plinio Apayelo Mendoza, President of Fundación para la Libertad (Spain)Edurne Uriarte, and Executive Director of Fundación Libertad (Argentina) Gerardo Bondianni.
Competitive Liberalization: An Appropriate Incentive for the FTAA?
(Miami, Florida)
During the formal meetings on the Free Trade Area of the Americas (FTAA) in Miami during November 2003, Atlas sponsored a parallel conference, “Competitive Liberalization: An Appropriate Incentive for the FTAA?” A variety of speakers from public policy institutes, governments, and businesses from throughout the Americas, remarked on the benefits that flow from fewer trade barriers and increased respect for property rights. Alex Chafuen and other workshop speakers later participated in interviews about the FTAA on Telemundo, a Spanish language television network that reaches a viewing audience of more than 20 million people in the United States and Latin America.

The Global Challenge and the Need for Reform
(Nassau, The Bahamas)
Atlas and The Bahamas’ local think tank, the Nassau Institute co-hosted “The Global Challenge and the Need for Reform,” on Saturday, April 4, 2004. Speakers from the U.S., Canada, Panama, New Zealand, El Salvador, and The Bahamas all shared their experiences in using free market reforms to help diversify industries and expand economic growth. In his opening remarks, Atlas CEO Alex Chafuen suggested that “Small nations can play a wonderful leadership role. The Bahamas can look to the experiences of Hong Kong, Estonia, and Ireland among others who have prospered tremendously, despite fewer natural resources and more difficult pasts.”

Employment and Federalism Conference
(Miami, Florida)
From April 21–23, Atlas and the Friedrich Naumann Stiftung’s Transatlantic Dialogue Office co-hosted a conference on “Employment and Federalism” in Miami, Florida. Experts from Germany, Argentina, the United States, Spain and New Zealand compared labor regulations and laws and their effects on economic growth.

Free Trade, Free Markets, and the Market of Ideas in the Portuguese-speaking World
(Lisbon, Portugal)
Atlas was very pleased to hold its first event ever in Portugal on June 28, 2004, with the assistance of Colombian Ambassador Plinio Apuleyo Mendoza and Causa Liberal, a Portuguese think tank, and the participation of João Carlos Espada, director of the Institute of Political Economy at the Catholic University. The event helped build connections among pro-freedom institutions and scholars from the various countries represented. Previously, Atlas had little interaction with any institutes within Portugal, so we were very excited to have this small, but important, group of representatives together in one place. Participants came from several areas of Portugal, Brazil, and the U.S. to explore current efforts within Portugal to promote the free society.

Beyond Plan Colombia
(Washington, DC)
Following up on the November conference in Bogotá, Colombia on neo-populism, terrorism, and the rule of law, Atlas along with Verdad Colombia, Instituto de Ciencia Politica, and The Heritage Foundation organized “Beyond Plan Colombia” to discuss the United States’s challenges in the fight against narco-terrorism in Colombia. Other topics included international humanitarian rights, national security, and the demobilization of illegal combatants.

Communicating the Ideal of Liberty
(Salt Lake City, Utah)
On August 13–14, 2004, Atlas co-hosted a dinner and workshop on “Communicating the Ideal of Liberty,” along with the Sutherland Institute (Utah) and the International Freedom Educational Foundation. The premise of the workshop was that free market think tanks need to improve their methods of communicating with different religious and philosophical backgrounds to explain the foundations of liberty in their traditions. To explain how to turn substance into action, Atlas and its co-hosts enlisted two successful businessmen—Foster Friess, chairman and founder of the Brandywine Fund, and Vince Breglio, co-founder of Wirthlin Worldwide, a polling and media group. Friess discussed “Putting a Human Face on Economic Liberalism,” using his own experience in building his successful company, as well as, his entrepreneurial approach to philanthropy. Breglio taught a seminar on communication strategies—emphasizing that, if thank thanks are to reach new audiences, they must learn to “persuade by reason, motivate by emotion.”

Maurice McTigue and Donald Devine

Keynote speaker Foster Friess (Brandywine Fund) in conversation with Atlas’s Alex Chafuen and Radwan Masmoudi (Center for the Study of Islam and Democracy).
Atlas's efforts to reach the world of academia have prospered under ten years of leadership by Leonard Liggio.

We now see strong opportunities to build new bridges with leading universities, several of which are incubating their own centers for advancing the free society, such as Robert George’s James Madison Program in American Ideals and Institutions at Princeton and the Ash Institute for Democratic Governance and Innovation which Stephen Goldsmith directs at Harvard.

This development is particularly exciting since the Atlas network of think tanks emerged largely because conservative or classical liberal perspectives were being shut out of academia. Atlas’s founder Sir Antony Fisher always hoped that the success of think tanks could pave the way for rekindled interest in these ideas within university life. In 1983, he was delighted to see the University of Buckingham emerge in his native Britain as the country’s first completely private university.

In the intervening years, some think tanks in Atlas’s network have developed accredited universities (Universidad del Desarrollo in Chile and Universidad del Congreso in Argentina) while other think tank leaders complement their public policy work by teaching college-level courses and running economics departments (ALT in Turkey, LUISS in Italy, and Liberalni Institute in the Czech Republic). These efforts have grown since 1999, when the John Templeton Foundation sponsored The Freedom Project at Atlas. During Atlas’s supervision of the program, more than 1500 students were reached through sixty-eight courses in the U.S. and twenty-five other countries. Many more students were exposed to concepts of liberty through public lectures, newspaper columns, radio programs, and television interviews, related to these courses.

Atlas’s Executive Vice President Leonard Liggio is recognized internationally as one of the freedom movement’s greatest teachers. In 2004, he completed his term as president of the prestigious Mont Pelerin Society, founded by F.A. Hayek in 1947. Leonard was honored by the Italian Società Libera with its International Award of Liberty for his contributions to classical liberal culture, and he received the Will Herberg Award for Outstanding Faculty Service from the Intercollegiate Studies Institute. Each year, Leonard travels far and wide to introduce new generations to the ideas of liberty. This year was no exception, as Leonard lectured at programs in France, Italy, Poland, Sri Lanka, Chicago, Miami, New York City, Salt Lake City, and Washington, DC.

Atlas’s contacts in academia provide a platform where think tank experts can share their ideas with young minds. This press clipping, from the front page of the St. Charles County Business Record (Missouri), shows Atlas’s Jo Kwong as a guest speaker on globalization at Lindenwood University’s Institute for the Study of Economics and the Environment. One of the attendees, St. Charles UMB Bank Vice President David Cosby, noted, “Dr. Kwong’s comments made me think about all the things going on and realize it’s really about people, not exports. Globalization can mean lots of things, but it boils down to people interacting with one another.”

The Fund for the Study of Spontaneous Orders was established at Atlas to reward innovative scholarship that applies the insights of F.A. Hayek, among others, to fields outside of traditional economics. In the past year, the fund has sponsored academic events and given out $80,000 in prize money. Dr. Augustus (Gus) DiZerega, a visiting professor at St. Lawrence University, received a $10,000 prize in August 2004 for his research into the spontaneous creation of democratic political orders. In essence, DiZerega argues that democracy arises from a consensus among participants in a freely associating group, rather than being mandated by a central power. DiZerega believes, “Science, the
market, and liberal (representative) democracy are therefore all expressions of fundamental liberal values, and their strong association with liberal civilization is more than fortuitous.” Earlier winners of prizes from the fund have been Pierre Desrochers of the Department of Geography at the University of Toronto and Daniel B. Klein of the Department of Economics, Santa Clara University. Last year, the fund honored Vincent and Elinor Ostrom with a Lifetime Achievement Award of $50,000 in recognition of their pioneering applications of methodological individualism to the study of social organization outside the realm of market exchange.

In 2004, Atlas sent fourteen boxes of classical liberal texts and think tank publications to help the new Iraqi Institute for Law, Liberty, and Prosperity establish a library in Baghdad. Atlas’s Jo Kwong also spoke in July at the Independent Women’s Forum (IWF) summit on democracy, economic liberty, free markets and women for a delegation of Iraqi women visiting the U.S. After the conference, IWF President Nancy Pfotenhauer told Atlas, “Jo Kwong’s speech emphasizing the importance of free markets and private property was important to the delegation of Iraqi women who are working to create a stable democratic Iraq. The Iraqi women appreciated her willingness to take questions and the clear logic of her arguments. Jo’s sense of excitement was memorable, and I think really got across to our guests.”

Help Atlas Expand Its Teach Freedom Initiative

Donors interested in the academic efforts described on this page are encouraged to contact Brad Lips (brad.lips@atlasUSA.org) to discuss new programs that Atlas would like to launch in 2005, including: Atlas Prizes for Essays on Liberty, New Freedom Project Courses, and Liggio Fellowships.
International Freedom Corps

Atlas’s International Freedom Corps (IFC) seeks to spread the values of the free society worldwide through cross-cultural exchanges of talent. The program includes two main components: hosting visiting fellows so they are exposed to the work of think tanks, and working with trusted allies to undertake “scouting trips” in foreign countries to identify and assess new intellectual entrepreneurs.

In February 2004, Lawrence Reed, President of the Mackinac Center for Public Policy in Michigan, visited Asia on behalf of the International Freedom Corps.

Reed spoke at the Center For Free Enterprise in South Korea, revitalizing Atlas’s relationship with this strong think tank. In China, he met with several courageous allies of Atlas who work at institutes and universities there, and he lectured at the People’s University in Beijing, finding an audience very receptive to market-oriented ideas.

Finally, Reed spent several days in Vietnam, advising two individuals who are considering the development of a public policy institute in this country. One of these budding Vietnamese intellectual entrepreneurs later visited the U.S. to attend the Liberty Forum and Heritage Resource Bank. The idea for this meeting was born at the Liberty Forum as these young institute leaders from Asia discovered the benefits of networking and sharing their success stories and other experiences.

In the second half of 2004, Atlas sponsored another IFC scouting trip, undertaken by Nick Slepko, formerly the Project Manager of the Global Prosperity Initiative at the Mercatus Center.

Using Rwanda as his initial home base, Slepko is traveling to different countries of Africa where Atlas has new contacts interested in spreading free-market ideas. Slepko’s trip aims to build this network, assess the potential of various intellectual entrepreneurs, and determine cost-effective ways for Atlas to help more think tanks develop in Africa.

Besides the scouting trips undertaken by trusted Atlas allies, the IFC also brings promising intellectual entrepreneurs to the Atlas offices to introduce them to think tank culture in the United States and in particular in Washington, DC. In April and May, Atlas hosted two guests from the Philippines—Ellen Sandig Cain, who is playing a key role in the revamping of the Foundation for Economic Freedom and Bienvenido Oplas, who this year started a pro-liberty grassroots organization called Minimal Government, Inc.

During their fellowships in Spring 2004, Cain and Oplas had meetings with ten different U.S. think tanks, learning from these organizations and exploring opportunities for collaboration. In participating in the Liberty Forum and Heritage Resource Bank, they were further exposed to scores of other organizations that share their ideals from all over the world.

“I learned a lot from the Atlas fellowship. I bring home with me a network of friends, funding and internship prospects, fresh perspectives on think tank management, and a rekindled optimism towards free-market advocacy. This wouldn’t have been possible without your support.”

—Ellen Sandig Cain, The Philippines
Atlas also hosted two IFC visiting fellows from Latin America this year. Gabriel Sanchez-Zinny came to Atlas in January 2004 with experience in starting two different institutes—one in Argentina and one in the Dominican Republic. Atlas was also pleased to host Eduardo Telles from El Salvador, who returned to his country to work toward the establishment of a new market-oriented think tank. Alejandro Alle, who heads the oil company, Puma El Salvador SA de CV, attended Atlas’s Liberty Forum and is helping Telles build his board of directors.

“Atlas plays such a crucial role among organizations that strive to promote freedom in the world, I was honored to participate in its work as a visiting IFC fellow. I learned about different facets of think tank management, and was exposed to many new opportunities within the network that Atlas has helped build.”
—Gabriel Sanchez-Zinny, Argentina

Interest in Atlas’s International Freedom Corps continues to grow. Atlas sees great potential to grow this project into a free-market alternative to the Peace Corps, that develops the human capital and non-governmental organizations that will promote and protect the core values of the free society.
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

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<tr>
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<th>December 31, 2003</th>
<th>December 31, 2002</th>
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<tbody>
<tr>
<td>Current Assets</td>
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<td>Pledges Receivable (non-current)</td>
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<td>Other Long-Term Assets</td>
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<td><strong>Total Assets</strong></td>
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<td>Current Liabilities</td>
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<td>Long-Term Liabilities</td>
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<td><strong>Total Liabilities</strong></td>
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<td>Unrestricted Net Assets</td>
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<td>Restricted Net Assets</td>
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<td><strong>Total Net Assets</strong></td>
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### Statement of Activities

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<th>2003</th>
<th>2002</th>
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<tr>
<td>Contributions</td>
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<td>Other Income</td>
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<td><strong>Total Revenue</strong></td>
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<td>Program Services</td>
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<td>Management</td>
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<td>209,763</td>
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<td>Fundraising</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>2,871,857</strong></td>
<td><strong>2,398,896</strong></td>
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We note that generally accepted accounting practices require Atlas to book multi-year pledges in the year they are made. Atlas's 2003 revenue numbers therefore include the entire value of the discounted cash flows pledged for the Templeton Freedom Awards program, which Atlas will continue to receive quarterly through 2007.

Because multi-year pledges can cause significant volatility from year-to-year, we recommend that donors look to this chart of four-year trailing averages to discern the general trends of Atlas's growth.

Through the first half of 2004, Atlas received new donations of $1,047,583. This level is more than 33% ahead of Atlas's results during the same period of 2003. Historically, the majority of Atlas's income is received between October and December. For that reason we hesitate to extrapolate from first-half trends any projections about whether 2004 will finish with strong financial results for Atlas.

Nevertheless, we are encouraged that more donors than ever before are recognizing Atlas's work. We remain sincerely committed to our organization's mission and the high standards of quality that you have come to expect in our work. With your continued support, we can maintain the positive growth trends of recent years and bring the work of Atlas to more parts of the globe.
URACHSTRASSE 27
D-7800 FREIBURG (BREISGAU)
77216

1 January 1980

Mr. Antony Fisher
1750 Taylor St., Apt 1101
San Francisco, California 94133

Dear Antony:

I entirely agree with you that the time has come when it has become desirable and almost a duty to extend the network of institutes of the kind of the London Institute of Economic Affairs (IEA). Though it took some time for its influence to become noticeable, it has by far exceeded my most optimistic hopes. And at least some of the institutes that you have more recently created, especially the Canadian one, prove that this was not mere special luck in finding unusually able people to run it, but that when repeated, the experiment promises equal success.

What I argued thirty years ago, that we can beat the Socialist trend only if we can persuade the intellectuals, the makers of opinion, seems to me more than amply confirmed. Whether we can still win the race against the expanding Socialist tide depends on whether we can spread the insights, which prove much more acceptable to the young if rightly expounded than I had hoped, fast and wide enough. As I keep saying, I am optimistic in the sense that if the politicians do not destroy the world in the next twenty years, I am sure that a new and less misguided generation will be able to take charge. But I am no longer sure that we have twenty years: while the growing understanding of the young makes me hopeful, what I see happen in politics makes me most apprehensive about the next ten years or so.

The future of civilization may really depend on whether we can catch the ear of a large enough part of the upcoming generation of intellectuals all over the world fast enough. And I am more convinced than ever that the method practiced by the IEA is the only one which promises any real results.

Sometimes I feel that what is really missing most is an understanding on the part of the capitalists themselves of the merit of what they are doing and the danger which they and with them we are all facing. They seem to share with the socialists the belief that it is a battle of interests and not a battle of intellectual arguments which guide social evolution. The attempts to appeal to the mass by propaganda in which they can sometimes be interested are futile. No system or systematic propaganda can undo the effects of the preaching of three to four generations of journalists, teachers and literary people who have honestly believed in socialism. It is only through that class we can hope to influence majority opinion.

I have sometimes despaired that this can be done at all. But the influence which the thirty years of the Institute of Economic Affairs' work has achieved has made me again more optimistic. In building up that institute and trying the technique elsewhere, you have developed a technique by which more has been achieved in the right direction than in any other manner. This ought to be used to create similar institutes all over the world and you have now acquired the special skill of doing it. It would be money well spent if large sums could be made available for such a concerted effort. If this letter can help you in any way in such endeavors, you are of course free to use it in any manner you think desirable. Your efforts will certainly have my blessings.

With kind regards and best greetings of the season,

Cordially yours,

[Signature]

F. A. Hayek