Rethinking Haiti's Reconstruction by Emily C. Schaeffer*



earthquakes that ravaged the homes and cities of Haiti earlier this year have elicited interventions by numerous foreign governments. Government efforts in the post-disaster context aim to administer

aid to the suffering and restore or create stability of core political institutions. When considering the efficacy of gov-

ernment emergency aid efforts, it is wise to remember the recent experience of Hurricane Katrina. The dismal response of the Federal Emergency Management Agency was only the most visible failure of government emergency management. Even before the

storm, special interests and political favoritism were largely to blame for the poor government infrastructure of levees and canals that exacerbated the effects of the disaster.

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The lessons of Hurricane Katrina are important because the administration of relief and aid took place under relatively favorable conditions for government management. New Orleans is a port

> city accessible from land, sea, and air, in a country with stable property rights institutions, relatively high levels of wealth, free immigration between the states. and the technological capacity to anticipate such disasters and make them public knowledge. In this

context, the failures of government relief efforts suggest serious skepticism about the ability of the federal government to accomplish similar efforts in Haiti, a

country with severe disadvantages due to distance, failed and corrupt political institutions prior to the quake, and with the majority of the population living in abject poverty.

If we learned anything from Katrina, it was that firms like Wal-Mart and Home Depot delivered life saving goods with speed and effectiveness, often in spite of government mandates and regulations. As was the case after Katrina, the overwhelming successes of all relief and aid efforts in Haiti are coming from the private sector. Shipping giants DHL and FedEx have been responsible for moving in the bulk of supplies to Haitians and coping with serious security concerns. Similarly, the Salvation Army and Red Cross have proved more effective at humanitarian relief efforts. With over 50 years of experience in Haiti, the Salvation Army has successfully utilized knowledge of Haitian culture and institutions to handle the array of post-disaster complications in aid management.

In terms of state-building efforts, the United States government has conducted such missions in Haiti for the past 100 years with no evidence of

(continued on page 7)

President's Letter

Government Cost Calculator

.S. government spending and debt are ballooning to unprecedented levels with no end in sight. According to recent figures from the Congressional Budget Office, the current national debt of \$12.4 tril-



lion will reach \$17.2 trillion by the year 2019, with total federal spending of \$3.5 trillion and a deficit of \$1.4 trillion for fiscal year 2010.

The American public is growing increasingly aware of how misguided and dangerous such irresponsible and wasteful spending is, but what do these numbers actually mean for each of us now and in the future?

What if we had a simple calculator that anyone could use to find out what government bailouts, wars, entitlements, and other runaway government programs actually cost him or her? The Government Cost Calculator, the Independent Institute's new interactive website does just that!



The Government Cost Calculator (MyGovCost. org) allows anyone to input his or her current age and income and see their exact share of the cost of any major federal government program per month, per year, and per one's lifetime. Unlike "per capita" government debt calculators, the Government Cost Calculator truly personalizes government spending by enabling anyone to see just how much he or she, and future generations, stand to lose in their future standard of living unless federal spending is brought under control.

This innovative tool reflects our commitment to boldly redefine and redirect public debate, and we invite you to join as an Independent Associate Member. With your tax-deductible membership, you can receive a FREE copy of Securing Civil Rights and other publications, including our quarterly journal, The Independent Review (p. 3), plus other benefits (see attached envelope).

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David Theroux

The Independent Review

Central Banks • Ecological Science as Religion

ere we highlight two articles from the Spring 2010 issue of *The Independent Review*, the Independent Institute's peer-reviewed journal.

Central Banks Impair Financial Stability

The recent financial crisis shows how the Federal Reserve and other central banks can fuel the financial booms that make severe busts possible. Unfortunately, theoretical discussions of central banking badly neglect its role in fostering financial instability, in part because they ignore its history and political origins.

Economist **George Selgin** (University of Georgia) addresses this deficiency in "Central Banks as Sources of Financial Instability."

The earliest central banks, Selgin explains, were established to meet the fiscal needs of their sponsoring governments, especially by extending them short-term credit. Ironically, the idea that central banks might provide stability during a financial crisis, as "lenders of last resort," came many years later from a critic of central banking, Walter Bagehot, an early editor of *The Economist*.

The pressure central banks face from their governments to expand credit excessively, combined with the fact that they possess a legal monopoly in the provision of money, creates the perfect storm for financial instability.

The situation was starkly different prior to central banking, when private banks were free to issue notes that circulated as money, explains Selgin. Banks that issued too many notes would lose reserves, as customers and other banks redeemed them. That prospect gave note-issuing banks strong incentives to not over-issue.

Unfortunately, most economists fail to understand that market mechanism, which Selgin calls the "principle of adverse clearings." As a result, they overlook the benefits of free banking and accept central banks and their damaging monopolies in the provision of money.

See www.independent.org/publications/tir/article.asp?a=774.

Ecological Science as a Creation Story

Secular environmentalists often report a sense of religious reverence and awe when in the presence of nature "untouched by human hand"—a modern equivalent of devout Christians in previous centuries encountering "the Book of Nature" as written by God at the creation.

This paradox is nothing new. Leading ecologists have long drawn from theology without acknowledging its influence. Consequently, their conclusions often resemble Bible stories with an environmentalist twist, according to **Robert H. Nelson** in "Ecological Science as a Creation Story."



The Independent Review, Spring 2010

Pioneering ecologist Frederic Clements, for example, theorized that ecosystems evolve toward an Eden-like "climax state" and revert to that state when human impacts (and other disturbances) are removed. Mainstream ecological scientists have since disavowed Clements's theory, but its influence endures through the writings of Aldo Leopold and others who proclaim an ethic based on the ideal of self-regulating ecosystems.

Many environmentalists also offer a secular version of the fall of man, but instead of placing it 6,000 years ago in the Garden of Eden, they place it 10,000 years ago with the rise of agriculture and civilization.

"Surprising as it may seem," Nelson concludes, "the key to improved government performance in dealing with issues of the human relationship to the natural world may lie in an improved theological understanding."

See www.independent.org/publications/tir/article.asp?a=776.•

The Independent Institute in the News

Center on Entrepreneurial Innovation

"What presidents and the members of Congress do in practice is to transfer wealth to the special interests that are critical to their re-election prospects. . . . And so the tax burden falls most heavily on anyone, anywhere who is politically impotent, especially if they can be portrayed as the consumers of products that, on the flimsiest of scientific evidence, harm themselves or impose costs on others. That mindset unleashes the nanny state to run amok."—Senior Fellow William F. Shughart II in *The Buffalo News*



Senior Fellow Robert Higgs discusses the lack of economic growth and destructive government policies on FoxNews.com "Freedom Watch."

"The modern Tea Party now appears to understand what Samuel Adams and John Hancock took for granted: Government power often tramples fundamental rights no matter who is in power—Whigs or Tories, Republicans or Democrats. Accordingly, what we should take from the Tea Party's recent convention is that principles of individual liberty and limited government must remain inviolable no matter what party is in the White House."—Research Fellow William J. Watkins, Jr. in The San Francisco Examiner

Center on Law and Justice

"[W]hen the Civil War ended slavery, the Southern states passed the Black Codes, which deprived African Americans of basic rights—including gun ownership. . . . Today, Chicago has its own equivalent of the Black Codes, which it argues is constitutional because everyone is equally deprived of rights."—Research Fellow Stephen P. Halbrook in *The Washington Examiner*

Center on Culture and Civil Society

"Many environmentalists may in fact believe their own words. The price for the rest of us, however, is too large. America can no longer afford the enormous public expenses required to sustain the cherished illusions of the environmental faithful."—Senior Fellow Robert H. Nelson in *The Baltimore Sun*

Center on Global Prosperity

"At a time when the remnants of the authoritarian left are cannibalizing liberal democracy in certain countries, [Chilean President Sebastian Piñera's] vision of the region as a dictator-free zone of enterprise and rule of law is salutary it has been a long time since anything coming out of Latin American politics has been so encouraging."—Senior Fellow Alvaro Vargas Llosa in Diario Las Americas

Center on Peace and Liberty

"President Barack Obama took on his Republican critics over national security by . . . vowing to strike at those behind the Christmas Day airplane bomb attempt. . . . Indeed reforms brought in by Bush, such as creating the Department of Homeland Security, may have made the problem worse. 'We are still having the coordinating problems that we had before 9/II. There is too much bureaucracy,' said **Ivan Eland**, director of the Center on Peace & Liberty at The Independent Institute think-tank."—*The Guardian*



Senior Fellow Charles Peña advocates closing overseas U.S. military bases on PBS "Two-Way Street."

"[E]nhanced government spending . . . undercuts, penalizes and distorts everything that private parties attempt to do to create wealth. Hamfisted government regulations and additional taxes are known killers of economic growth. The investors' famine and the government's feast therefore are not merely coincidental, but causally connected."—Senior Fellow Robert Higgs in Investor's Business Daily •

New Books

Rediscovering America's Antimilitarist Tradition

o anyone who believes the false notion that Americans always love conscription, war, blood, and "guts and glory," The Civilian and the

Military, by the distinguished historian Arthur A. Ekirch, Jr. (1915-2000), presents an entirely new perspective. "Though involved in numerous wars, the United States has avoided becoming a militaristic nation, and the American people, though hardly pacifists, have been staunch opponents of militarism," he writes. Favoring civil authority rather than military rule, Ekirch argues, is a tradition that is essential to American freedom and democracy.

With the Independent Institute's reissue of this book—a companion to Ekirch's classic, *The* Decline of American Liberalism—a new generation of readers can discover how the rise and decline of the antimilitarist tradition, rooted in a fear of dictatorship, has been an important part of American heritage from colonial times until the 1950s and even today.

James Madison, the father of the U.S. Consti-

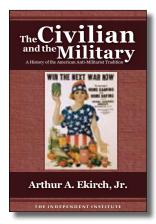
tution, said he was unsure whether Congress even had the authority to create a standing army. In 1783 retiring president George Washington, who came closer to advocating one than most of his contemporaries, recommended only a small regular army to protect the frontier from Indian attacks, and a well-regulated militia.

A careful scholar in full command of his craft, Ekirch displays a knack for uncovering anti-militarist movements that history has all but

forgotten. One fascinating episode followed World War I, when civic and church groups waged a campaign against the militarization of education.

With help from the Federal Council of Churches and the Methodist Episcopal Church,

(continued on page 7)



Why States Must Recognize the Right to Bear Arms

Stephen P. Halbrook

SECURING

fter the Supreme Court affirmed an individual's right to keep and bear arms in District of Columbia v. Heller, gun rights lawsuits erupted

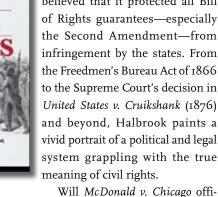
around the country. Sure, individuals retain the right, but the inevitable question became: from what is that right protected? By June, the Court will determine in McDonald v. Chicago whether the Second Amendment limits only the reach of the federal government or if it applies to state and local governments as well.

In the updated edition of Securing Civil Rights: Freedmen, the Fourteenth Amendment, and the Right to Bear Arms, noted legal scholar and

Research Fellow Stephen P. Halbrook argues for the latter. "The Fourteenth Amendment to the U.S. Constitution was intended and understood to protect basic rights—above all, the right to have arms to protect life itself—from infringement by the states and localities."

By quoting legislative debates, Congressional hearings on Ku Klux Klan violence, and newspapers and law books of the time, Halbrook shows

> that both supporters and opponents of the Fourteenth Amendment believed that it protected all Bill the Freedmen's Bureau Act of 1866 meaning of civil rights.



cially relegate the Second Amendment to "secondclass" status? Or will the Court emphasize—as the Reconstruction Congress did-that the right to own firearms is a sign of freedom and an essential aid in the defense of life and liberty?

(continued on page 7)

Independent Policy Report

FDA's Power Plays Produced No Health Benefits

Prompted by the Food and Drug Administration (FDA)'s vast reach and alarming request

for a \$4.03 billion budget, a new report delves into the agency's history, finding that a series of drug-related crises provided it with the political leverage to amass control over the nation's food and drug industries, while showing the FDA's repeated failures to protect the public.

Medical Disasters and the Growth of the FDA (February 2010) by Independent Institute Research Fellow Ronald Hamowy investigates the three major

health crises that fostered the expansion of the FDA.

The diphtheria antitoxin disaster of 1901 led to the U.S. Public Health Service, a forerunner of the FDA, but no provision in the enabling legislation would have prevented the deaths. Similarly,

reforms proposed in 1937 (after 164 deaths from a flavor additive in sulfanilamide, an anti-infective)

would not have thwarted that disaster had they been adopted earlier.

Hamowy shows how through each of these crises, the FDA was able to strengthen its hold on pharmaceutical companies and other medical innovators, "even though it meant that fewer new drugs would likely be developed." By tracing the FDA's history of happenstance successes and subsequent power grabs, Hamowy demonstrates that

the FDA is not solely interested in serving the public, and that it may be too mired in bureaucratic inefficiency to reliably ensure the safety and quality of the products it claims to monitor.

To view the report, go to www.independent.org/publications/policy_reports/.•



The Challenge of Liberty Summer Seminars for Students

The Challenge of Liberty Summer Seminars provide students with the unique opportunity to learn about the ethical and economic principles of free markets and open societies. Guest lecturers offer an introductory, interdisciplinary, and comprehensive overview of the workings of a free society, and how that relates to pivotal current events.

Held at the Independent Institute's Conference Center in Oakland, Calif., these five-day seminars use lectures, readings, videos, and class discussions to teach students about issues such as inflation and recession, the environment, disaster







recovery, civil liberties, and much more.

"This Seminar was so much fun," writes an attendee from 2009. "Each speaker was passionate and enthusiastic about economics and wanted to help students understand and appreciate economics, so that they can make better choices and impact the future."

For details, please visit: www.independent.org/ students/seminars.•

The Challenge of Liberty Summer Seminars Session I: June 14–18 • Session II: August 9–13



Emily Schaeffer: Rethinking Haiti's Reconstruction (continued from page 1)

sustained positive results. In 1915, the U.S began a military occupation of Haiti intended to establish order after the lynching of President Jean Vilburn Guillaume Sam. Despite these efforts, a dictatorship emerged and remained in power until the U.S withdrawal nearly 30 years later. With the most recent military occupation of Haiti in 1996, the country's democracy shows no improvement or progress after U.S. intervention. Repeated failures in both state building and aid operations suggest a limit to feasible and effective policy.

Aiding Haiti best requires a withdrawal of

U.S. military and aid and a push for unilateral open borders and free trade. Allowing Haitians to migrate freely to the United States is a direct and non-interventionist method of humanitarian relief. César Chávez once said that "history will judge societies and governments—and their institutions—not by how big they are or how well they serve the rich and the powerful, but by how effectively they respond to the needs of the poor and the helpless." If this is true, the U.S. government's efforts to build institutions and effectively administer aid to Haiti will prove to be a failure.•

New Book: The Civilian and the Military (continued from page 5)

the Committee on Military Education fought to end compulsory R.O.T.C. classes at many of the nation's colleges. Although they failed on that front, their public-relations crusade helped to keep Junior R.O.T.C. out of public high schools. Their efforts also helped spur President Calvin Coolidge to tell the *New York Times* that he too opposed compulsory military training.

This compelling book will excite controversy among pacifists, militarists, and anyone interested in history, U.S. military policy, and political and cultural trends in current events.

To order, please visit: http://www.independent.org/store/book_detail.asp?bookID=88.•

Praise for The Civilian and the Military

"[Ekirch's] book is an excellent, thorough chronological account of American opinion.... regarding the place of military organization and military ideas. He describes a constant struggle to avoid militarism...from colonial times to the present."

—The Public Opinion Quarterly

"This is a well-written history of the antimilitary tradition in the United States and is a significant addition to the growing literature on American military affairs."

—The American Political Science Review

New Book: Securing Civil Rights (continued from page 5)

Cited by the Supreme Court in *Heller* as the leading account of the relationship between the Second Amendment and the states during Reconstruction, *Securing Civil Rights* shows what it meant to take civil rights seriously.

"It remains to be seen," writes Halbrook, "whether contemporary society will accommodate the same rights of the freedmen that the Framers of the Fourteenth Amendment sought to guarantee."

To order, please visit: http://www.independent.org/store/book_detail.asp?bookID=85.•

Praise for Securing Civil Rights

"Halbrook is a meticulous scholar, and this book definitely answers the question of whether the Fourteenth Amendment was intended to make the Second Amendment into a limit on state and local government..."—National Review

"Halbrook makes quite clear the point that the framers of the Fourteenth Amendment saw Second Amendment guarantees as essential to the political liberty of the individual American citizen."—American Journal of Legal History

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Help Us Win the Battle of Ideas

"The greatest calamity which could

befall us would be submission to a gov-

ernment of unlimited powers."

—Thomas Jefferson

n June 30th, the Independent Institute's fiscal year comes to a close and, *unlike* the government, we don't believe in taking money that's not given freely. Instead, we rely solely on the generosity of our friends and allies to help us

in our fight to reclaim our civil and economic liberties and see freedom restored!

While it seems that all we hear and read about in the media today

are more bailouts, nationalized health care, cap and tax, trillion dollar "stimulus" plans, and the expansion of our interventionist foreign policy, there is no doubt that larger threats—and even greater opportunity—lie ahead.

As Thomas Jefferson stated, "The greatest calamity which could befall us would be submission to a government of unlimited powers." Now faced with the atrocity that is touted to be healthcare "reform," our commitment to reclaiming our liberties has never been more energized.

As we approach the end of our fiscal year, we

volunteering your time, sharing the ideas of liberty with your friends and colleagues, and with your financial support. Also, *unlike* the government, we work to make certain we leverage every penny of support, putting your

ask that you continue to be involved with us by

support, putting your money to work in the most efficient and effective way possible by providing the intellectual ammunition to fight this unprec-

edented attack on our economy and our entire way of life. Amid the turmoil, we are more optimistic than ever before. We hope you'll join with us in the battle to restore freedom!

There has never been a more critical time to give. Please consider making a gift of \$100, \$250, \$500 or whatever you find possible so that we might take back 2010 in the months that remain!

For further information on giving to or volunteering with the Independent Institute, please visit www.independent.org/membership.•

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