Ideas Defining A Free Society HOOVER INSTITUTION

ANNUAL REPORT | 2018

STANFORD UNIVERSITY

HOOVER INSTITUTION

2018 Annual Report

"This Institution supports the **Constitution of the United States**, its **Bill of Rights** and its method of **representative government**. Both our social and economic systems are based on **private enterprise** from which springs **initiative** and **ingenuity**....Ours is a system where the Federal Government should undertake no governmental, social or economic action, except where local government, or the people, cannot undertake it for themselves....The overall mission of this Institution is, from its records, to recall the **voice of experience against the making of war**, and by the study of these records and their publication, to recall man's endeavors

to **make and preserve peace**, and to sustain for America the safeguards

of the American way of life. This Institution is not, and must not be, a mere library. But with these purposes as its goal, the Institution itself must **constantly and dynamically point the road** to **peace**, to **personal freedom**, and to the **safeguards of the**

American system."

Herbert Home

In 1959, forty years after founding the Hoover Institution, Herbert Hoover affirmed its purpose in a statement to Stanford University's Board of Trustees. An early milestone in the institution's evolution, these values continue to guide our work today.

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Herbert Hoover.

LETTER FROM THE DIRECTOR & THE CHAIRMAN

NEARLY ONE HUNDRED YEARS AGO, Herbert Hoover, stationed in Paris as director of the American Relief Administration and a delegate to the postwar Paris Peace Conference, telegraphed home to California. His message—dated April 22, 1919—was brief, yet it reflected Hoover's tireless years of humanitarian leadership across war-torn Europe and a vision for ensuring that the lessons of the Great War were not lost among the ashes of the conflict. The telegram included an offer of \$50,000 for Stanford University to build a collection of materials documenting the war—planting the seeds of a remarkable enterprise that stands today as the nation's preeminent center for public policy and archival research: the Hoover Institution.

In 2019, we will celebrate the one-hundred-year anniversary of the Hoover Institution's founding and the century-long story of impact written by our generous supporters and world-renowned scholars. More than just a time to reflect upon the past, our centennial year also calls us to invest in the



Thomas W. Gilligan Tad and Dianne Taube Director



Joel C. Peterson Chairman, Board of Overseers

institution's future. As we cross this historic milestone, we are committed to carrying forward the dedication of generations before us to achieve even greater victories for freedom, private enterprise, and limited, effective government in the years—and century—ahead.

To this end, we have developed a new strategic plan that identifies our core institutional strengths—our fellowship and Library & Archives—and a three-part framework for revitalizing and deploying them in our next century.

INVESTING IN HOOVER'S CORE: The Hoover Institution's impact depends crucially on our ability to host the brightest and most experienced scholars as fellows and expand the archival resources that support their research. Part one of our *Annual Report* reviews our work to build the ranks of the Hoover fellowship, including the appointment of Senior Fellow Joshua Rauh as director of research and the return of former national security adviser H. R. McMaster as the Fouad and Michelle Ajami Senior Fellow. It also shares plans to expand the most valuable collections and digital capabilities of the Library & Archives and highlights research and archival accomplishments during our 2018 fiscal year.

LEVERAGING HOOVER'S CORE: Achieving our mission requires us not only to generate ideas but also to communicate them to those with the power to change policy in our representative democracy: government leaders and the broader American electorate. Part two of this report reviews our efforts to effect policy change from the "top down" via outreach in the nation's capital, from the "bottom up" via public education, and through



media programs that cross both fronts. Accomplishments highlighted in this section include landmark tax reform legislation implemented under the guidance of Hoover fellows, new relationships with major media outlets including *Fox News* and the *Washington Examiner*, and a new interactive map of state and local pension shortfalls released through our online education platform PolicyEd.org.

SUSTAINING HOOVER'S CORE: Part three reports on our efforts to ensure that future generations inherit a robust Hoover Institution equipped to safeguard their freedoms as it has ours. In this section we recognize the supporters and scholars who made possible the many accomplishments of our 2018 fiscal year. We also preview a new capital project to enhance the capabilities of our fellows and Library & Archives—the George P. Shultz Building—and share highlights from events we hosted for friends and supporters throughout the country. Finally, we review the excellent financial health of the institution, made possible by the remarkable generosity of our supporters and first-rate stewardship of their investments.

As you review this 2018 Annual Report, we hope you share our sense of pride in being part of an extraordinary institution conceived in freedom and still grounded in that principle as it meets the constantly unfolding policy challenges of a tumultuous world. We invite you to join us in celebrating the one-hundred-year anniversary of the Hoover Institution's founding and thank you for helping continue its incredible story. Together, much remains to be written.

Sincerely,

-the Sihiga

THOMAS W. GILLIGAN

Joel C. Peterson



INVESTING IN HOOVER'S CORE

PART ONE

Revitalizing the core elements of the Hoover Institution—its fellowship and Library & Archives—for a new century.

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FELLOWSHIP & RESEARCH Hoover's Intellectual Core

WHILE HOOVER'S FUNDAMENTAL VALUES of freedom, national security, and representative government are fixed in the lessons of history and one hundred years of scholarship, the policy challenges that face our nation and world are constantly in flux.

Tasked with translating the institution's founding principles into applied policy solutions that address issues from the unsustainable growth of federal entitlements to health care policy to transnational terrorism and cyber threats, our fellows are the human capital at the core of the Hoover Institution.

Comprising top academics from a wide range of disciplines and leaders from the highest levels of government and industry, the caliber of Hoover's fellowship is a reflection of the generosity of our supporters and the key to our success in generating breakthrough research, interacting with policy makers, and educating the informed public. The following outlines Hoover's strategy for strengthening our fellowship as we enter a new century of policy leadership and highlights scholarly accomplishments from the 2018 fiscal year.

STRENGTHENING HOOVER'S CORE HUMAN CAPITAL

This year Joshua Rauh, a senior fellow at Hoover and professor of finance at Stanford's Graduate School of Business, was appointed director of research at the Hoover Institution. Charged with developing the Hoover fellowship and expanding the impact of its research in both national policy and the academy, Rauh is strategically recruiting



Senior Fellow and Director of Research Joshua Rauh briefs overseers on the strategic recruitment of new Hoover fellows. PHOTO: ERIC DRAPER

new fellows with significant potential to support the mission of the Hoover Institution.

A senior fellow since 2012, Rauh is the author of landmark works on unfunded public pension liabilities and the dangers they pose to today's taxpayers and future generations. His work at Hoover includes the widely cited *Hidden Debt, Hidden Deficits* report series, which provides a comprehensive alternative accounting of public pension guarantees.

"The Hoover fellowship, and its ability to produce world-class, cutting-edge research that is applicable in the world of policy making, is critical to our impact as an institution," Rauh explains, discussing his work to recruit new fellows who can meet Hoover's standards for rigorous scholarship and successful engagement in the policy arena. "With our current group of luminary fellows, that's a lofty goal," he continues. Yet just one year into his work as director of research, Rauh has overseen outstanding new additions to the fellowship and helped develop a pipeline of other promising scholars with potential for the future. New appointments include six new senior fellows—a title afforded to our most accomplished scholars and policy leaders—and an exceptional group of visiting fellows who will contribute to Hoover research and explore opportunities for greater engagement. "The Hoover fellowship, and its ability to produce world-class, cutting-edge research that is applicable in the world of policy making, is critical to our impact as an institution."

JOSHUA RAUH, SENIOR FELLOW AND DIRECTOR OF RESEARCH

NEW APPOINTMENT HIGHLIGHTS



Fouad and Michelle Ajami Senior Fellow H. R. McMaster Following his service in the Trump administration as the twenty-sixth national security adviser, H. R. McMaster, an alumnus of the Robert and Marion Oster National Security

Affairs Fellows Program and former Hoover visiting fellow, has rejoined the institution as an in-residence scholar. McMaster, who served for thirty-four years in the US Army before retiring as a lieutenant general, brings a wealth of national security expertise to Hoover, where he now serves as the Fouad and Michelle Ajami Senior Fellow. This new appointment was made possible by the generosity of Overstock.com CEO Dr. Patrick M. Byrne and is named in honor of Fouad Ajami, an influential Middle East scholar and Hoover fellow who passed away in 2014. "Hoover's mission to advance the policy ideas that promote peace, prosperity, and freedom is vital," McMaster explained in a statement about his return, "and I will do all I can to contribute to that mission."



Roger and Martha Mertz Visiting Fellow Andrew Roberts This year award-winning author and historian Andrew Roberts, a longtime member of Hoover's Working Group on the Role of Military History in Contemporary

Conflict, will join the institution in a newly created visiting fellowship made possible by Overseer Roger Mertz and his wife, Martha. A biographer of Winston Churchill and Napoleon Bonaparte, Roberts is the author or editor of nineteen books whose work has been translated into twenty-two languages. His latest, *Churchill: Walking with Destiny*, is available from Viking Books. A recipient of a 2016 Bradley Prize, Roberts is an honorary senior scholar at Gonville and Caius College at the University of Cambridge, a visiting professor in the War Studies Department of King's College London, the Lehrman Institute Lecturer at the New-York Historical Society, and a fellow of the Royal Society of Literature.

2018 Research Highlights

HOOVER CONFERENCES

Strengthening Monetary Research

In the wake of the 2008 financial crisis, macroeconomic models have taken on new importance for researchers and policy makers trying to understand the unprecedented economic events of the Great Recession and keep today's economy on track. Home to several of the United States' most influential authorities on economic policy, the Hoover Institution has earned an important voice in broader fiscal, monetary, and macro-prudential discussions-exemplified by its closely watched annual monetary policy conference. Recently, through a generous grant from the Alfred P. Sloan Foundation and in cooperation with the Institute for Monetary and Financial Stability at Goethe University in Frankfurt, Germany, Hoover launched a new initiative focused specifically on models-the Macroeconomic Model Comparison Initiative (MMCI)-that aims to improve economic policy by strengthening the analytic tools used by policy makers.

"Economics models, in the broadest sense, embody the ideas that economists bring to improve policy and thereby increase economic growth, avoid crises, and improve living standards," explains John B. Taylor, the George P. Shultz Senior Fellow in Economics at Hoover and the institution's lead scholar on the MMCI. Such models guide important decisions by central banks and other economic policy makers, but because in recent years they have become significantly more numerous and complex,



Left to right: Former deputy governor of the Bank of England Paul Tucker, vice chairman for supervision of the Federal Reserve Board of Governors Randal Quarles, and George P. Shultz Senior Fellow in Economics John Taylor. PHOTO: MARTINO MINGIONE

Taylor explains, researchers have not subjected them to sufficient scrutiny.

Building on the Macroeconomic Model Data Base-a digital archive of economic models and common computational platform for comparing them-the MMCI has created a network of more than one hundred models and a forum for researchers to share insights and improve results. In June 2018 Hoover hosted the second conference of the MMCI, bringing eighty-seven academic economists from Hoover, Stanford, and other top research institutions together with officials from the Federal Reserve, European Central Bank, and other global economic policy bodies. "Economic researchers presented an amazing number of ideas on fiscal policy, macro-prudential policy, regulatory policy, and international monetary policy," reports Taylor. As a result, he explains, "a range of fresh ideas on models has begun to find its way into policy decisions."

Governing in a Time of Technological Change

When Thomas W. and Susan B. Ford Distinguished Fellow George P. Shultz draws on his lifetime of experience in government and academia to evaluate the world today, he warns that these are unprecedented times. We live, in Shultz's words, in "a world awash in change," and nowhere is change more rapid or revolutionary than on the frontiers of technology, where developments such as artificial intelligence, automation, 3-D printing, and genetic editing are emerging with profound disruptive potential for society and economic life. Whether such technologies prove helpful or harmful, their emergence has far outpaced work by scholars and government leaders to evaluate their possible effects and craft policies in response. To help advance this crucial discussion, the Hoover Institution hosted the conference Governing in a Time of Technological Change.

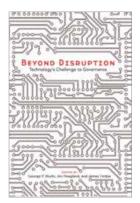
Chaired by Shultz and dedicated to the memory of Sidney Drell, a senior fellow at Hoover and leading theoretical physicist who served as one of Shultz's closest collaborators on nuclear arms reduction issues, the conference explored the potential effects of new technologies on private industry and the economy, weapons systems and national security, and US politics and world governance. Presenters included Niall Ferguson, the Milbank Family Senior Fellow at Hoover, who drew from new research to explain how online networks are destabilizing the hierarchical, nationstate-based international order. Admiral James O. Ellis Jr., an Annenberg Distinguished Visiting Fellow at Hoover and former commander of the United States Strategic Command, discussed the challenge national security strategists and policy makers face in staying ahead of rapid technological change, but also warned against overreactions that stymie progress.

A new initiative led by Shultz and Annenberg Distinguished Visiting Fellow James Timbie, the Governance in an Emerging New World project, is further surveying how technology and other challenges such as demographic change and nuclear proliferation will affect key global stakeholders and, through a series of conferences and publications, showing how the United States can strategically respond.

BEYOND DISRUPTION

A new volume published by the Hoover Institution Press, Beyond Disruption: Technology's Challenge to

Governance, features essays by conference participants that further explore the costs and benefits of key technological advances and their implications for economic, political, and social institutions.



HOOVER RESEARCH ON THE WEB

Digital Journals

One of the primary outlets for Hoover scholarship, the institution's catalog of online journals connects fellows directly with key audiences in government, academia, and the media, massively expanding the impact of their research compared with print distribution. Online Hoover Institution journals include Strategika, published by the Working Group on the Role of Military History in Contemporary Conflict and edited by working group chair Victor Davis Hanson. The eleven issues published this year include The Practice of "Principled Realism," US Military Policy in Afghanistan, and Pakistan's Partnership with the United States, with each issue exploring how the lessons of past military operations can guide our responses to present-day conflicts.

The Herbert and Jane Dwight Working Group on Islamism and the International Order released several issues of their online journal *The Caravan* this year, analyzing Islamic movements in Iran, "All nations benefit from an open system that respects national sovereignty, upholds international law, peacefully resolves disputes, and seeks cooperation rather than confrontation."

WILLIAMS-GRIFFIS FELLOW IN CONTEMPORARY ASIA MICHAEL AUSLIN IN THE US STRATEGIC VISION IN A CHANGING WORLD ORDER ESSAY SERIES

Syria, and Southeast Asia and what they imply for US interests and the larger world order. The group also released two new online essay series: *Middle East Strategy Challenges*, which focuses on recalibrating US policy in the region in response to destabilization and the growing influence of Russia and Iran; and *A US Strategic Vision in a Changing World Order*, which works toward a grand strategic framework to protect allies and preserve stability in vital Middle Eastern and Asian regions.

Explore more research at Hoover.org/publications.

"A question mark is hanging over American grand strategy. The triumphal optimism that marked the end of the Cold War has given way to profound anxiety about the future of the international order."

SENIOR FELLOW RUSSELL A. BERMAN IN THE CARAVAN

Reasonable Disagreements



Hoover's new *Reasonable Disagreements* podcast is a joint project of two of the institution's most influential legal minds: Richard A. Epstein,

the Peter and Kirsten Bedford Senior Fellow at Hoover and a professor of law at New York University; and Adam J. White, a Hoover research fellow and director of the Center for the Study of the Administrative State at George Mason University's Antonin Scalia Law School. In each episode, Epstein and White discuss a current economic or political issue with a focus on the constitution, law and economics, and points of disagreement from their respective libertarian and conservative perspectives. To date, the two have addressed issues including the inherent problems with the Dodd-Frank Act and proposals for reform, the constitutionality of Special Counsel Robert Mueller's investigation into the 2016 election, presidential pardoning power, environmental law and infrastructure, and trade policy.

Other Podcasts from Hoover

Reasonable Disagreements is part of a growing portfolio of podcasts that includes Virginia Hobbs Carpenter Fellow in Journalism Bill Whalen's *Area 45*, John and Jean De Nault Research Fellow Russ Roberts's *EconTalk*, Martin and Illie Anderson Senior Fellow Victor Davis Hanson's *The Classicist*, Richard Epstein's *The Libertarian*, Senior Fellow



Secretary of Defense James Mattis (right), a former Hoover fellow, joined Murdoch Research Fellow Peter Robinson (left) this year for a live taping of our Uncommon Knowledge video series and podcast in Washington, DC.

John Villasenor's *Cyberspectives*, and the Jean Perkins Foundation Working Group on National Security, Technology, and Law's *Security by the Book*. With an established presence in this rapidly growing online format, fellows are increasing their visibility in a key market for policy information and connecting new online audiences to the principles and insights of Hoover research.

Listen at Hoover.org/podcasts.

"I think of this in a way as our constitutional moment.... A lot of big constitutional questions are converging at once and being debated day in and day out by the American people."

RESEARCH FELLOW ADAM J. WHITE ON REASONABLE DISAGREEMENTS



SELECTED RECENT BOOKS BY HOOVER FELLOWS

The Second World Wars: How the First Global Conflict Was Fought and Won VICTOR DAVIS HANSON

Examining how combat unfolded in the air, at sea, and on land, Victor Davis Hanson, the Martin and Illie Anderson Senior Fellow at Hoover, shows how distinct conflicts among disparate combatants coalesced into one interconnected global war. (Basic Books, 2017)

Unstable Majorities: Polarization, Party Sorting, and Political Stalemate MORRIS P. FIORINA

Senior Fellow Morris P. Fiorina corrects misconceptions about electoral division, voter behavior, and political parties, arguing that party sorting—not polarization—is the key to understanding our current political turbulence. (Hoover Institution Press, 2017)

The Square and the Tower: Networks and Power, from the Freemasons to Facebook

NIALL FERGUSON

Throughout history, hierarchies housed in high towers have claimed to rule, yet Niall Ferguson, the Milbank Family Senior Fellow at Hoover, argues that real power has often resided in the networks in the town square below. (Penguin Press, 2018)

Discrimination and Disparities THOMAS SOWELL

The latest from Thomas Sowell, the Rose and Milton Friedman Senior Fellow on Public Policy at Hoover, this book challenges the idea that different economic outcomes can be explained by any one factor, be it discrimination, exploitation, or genetics. (Basic Books, 2018)

Political Risk: How Businesses and Organizations Can Anticipate Global Insecurity

CONDOLEEZZA RICE, AMY B. ZEGART

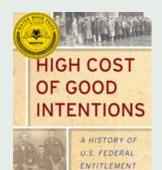
Coauthored by Senior Fellows Condoleezza Rice and Amy B. Zegart, *Political Risk* investigates and analyzes an evolving landscape of uncertainty and rapidly changing global political dynamics and offers businesses a framework in which to respond. (Twelve Books, 2018)

From Cold War to Hot Peace: An American Ambassador in Putin's Russia MICHAEL MCFAUL

This revelatory inside account of US-Russia relations from 1989 to the present comes from Peter and Helen Bing Senior Fellow Michael McFaul, one of America's leading Russia scholars and former US ambassador to the country. (Houghton Mifflin Harcourt, 2018)

The High Cost of Good Intentions: A History of US Federal Entitlement Programs

JOHN F. COGAN



JOHN F. COGAN

PROGRAMS.

"If you're looking for the source of the federal government's chronic budget deficits and its rising national debt," explains John F. Cogan, the Leonard and Shirley Ely Senior Fellow at Hoover, "you need look no further than entitlement programs." Designed as a safety net for the poor, elderly, and

disabled, federal entitlement programs now pay benefits to six out of ten families and nearly half of the entire US population at a cost of \$2.4 trillion annually—including \$700 billion in annual payments to individuals in the top half of the income distribution. The costs of funding this system are staggering, leading the United States toward what Cogan warns will be a "fiscal problem of unprecedented magnitude."

In *The High Cost of Good Intentions* (Stanford University Press, 2017), Cogan provides the first comprehensive history of the federal entitlement state, documenting the growth of aid programs from Revolutionary War pensions to the New Deal to the Affordable Care Act. Cogan also proposes a unifying explanation for why such programs—whether in the eighteenth and nineteenth centuries or the present day expand with striking consistency as a result of what he has coined the "Equally Worthy Claim." The government first implements a well-intentioned program with sensible limits on eligibility. Soon after, individuals just outside the original scope of coverage insist that they are no less deserving of benefits. When sufficient pressure mounts, the government grants coverage to the new group, initiating a cycle of expansion that repeats until benefits are extended well beyond the original intentions of the program. This landmark study has earned the attention of lawmakers, popular media, and others in the think tank world—including the Manhattan Institute, which awarded the book its 2018 Hayek Prize.



Leonard and Shirley Ely Senior Fellow John F. Cogan accepting the Manhattan Institute's 2018 Hayek Prize. PHOTO: JOSEPH SPITERI

"The cost of this system is enormous. The system's incentives undermine the natural human instinct for self-reliance and create dependency. The staggering fiscal cost represents a very grave threat to continued economic prosperity." JOHN F. COGAN, ACCEPTING THE MANHATTAN INSTITUTE'S 2018 HAYEK PRIZE

LIBRARY & ARCHIVES

Informing the Study of Peace and Human Freedom

FOR ONE HUNDRED YEARS the Hoover Institution Library & Archives has acquired, preserved, and made available the most important material documenting war, revolution, and peace across the globe—continuing the crucial founding mission of the Hoover Institution that remains a core component of its programs today.

The Library & Archives now holds nearly one million library volumes and over 6,000 archival collections, which are brought to life through a rich array of academic programs, exhibitions, and digital media. Fulfilling Herbert Hoover's vision for a scholarly research center that far surpasses the reach of a "mere library," the Hoover Library & Archives enters its second century as one of the most significant collections of its kind, continuing to "point the road to peace, to personal freedom, and to the safeguards of the American system."

"Yesterday's records can keep us from repeating yesterday's mistakes. And from the pieces of mosaic assembled by historians come the great murals which represent the progress of mankind." HERBERT HOOVER

CARRYING A VITAL MISSION INTO A NEW CENTURY

When Herbert Hoover founded the Hoover War Library in 1919 as a repository of materials documenting World War I, he planted the seeds of a dynamic institution that would capture the vital experiences of an entire century. First conceived to aid in the study and prevention of war, collections at the Library & Archives grew to encompass the broader concepts of "war, revolution, and peace," including records of military and diplomatic history, foreign policy and relief operations, and social movements. Collections expanded further to reflect Herbert Hoover's vision of freedom, with the papers of Milton Friedman and Friedrich Hayek held alongside major works on free market thought, economic and intellectual history, and the literature of dissent. Publications, exhibitions, and fellowships evolved in parallel to support the study of these collections.

One hundred years after the institution's founding, the end of conflict is not at hand and liberty remains an elusive goal for much of the world's population, reinforcing the Library & Archives' continuing mission to inform the study of peace and human freedom. Accordingly, recent acquisitions have aimed at strategically developing our most significant collections and subject areas, such as the history of the Cold War and the struggle against communism in Europe and Asia. Other new acquisitions document contemporary conflicts, such as those in Iraq and Afghanistan, and fill gaps in the archival record in subject areas such as the Vietnam War and Korean War.

In recent years the Library & Archives has also embraced digitization as a new frontier for supporting the international community of scholars who study our materials and for opening our collections to the broad global audience interested in social, political, and economic change. With major digital initiatives such as the Collected Works of Milton Friedman and Hoji Shinbun Japanese American newspapers collection, the Library & Archives has set strategic goals that include scaling up to be able to digitize all incoming materials and building online partnerships that not only increase the reach of our collections but transform the way people interact with archival knowledge. In-person programs, including supporting scholars through the Library & Archives reading rooms and hosting workshops and exhibitions, also remain crucial to our mission.

The following pages highlight the Library & Archives' strategic pursuit of the institution's hundred-year-old mission—safeguarding peace and freedom—during the 2018 fiscal year.

LIBRARY & ARCHIVES 2018 BY THE NUMBERS



2018 Library & Archives Highlights

NEW ACQUISITIONS

Throughout the past year, the Library & Archives has continued its robust collecting efforts, strategically adding materials to its holdings in physical, born-digital, and audiovisual formats.



NATALE BELLANTONI COLLECTION

Adding to its extensive documentation of the Pacific theater of World War II, the Hoover Library & Archives recently acquired the collection of watercolor artist and US Navy Seabee Natale Bellantoni, who served in the South Pacific from 1943 to 1945. The art, sketchbooks, letters, ephemera, and more than 900 photographs that comprise the collection paint a vivid portrait of young American sailors serving in New Caledonia, New Guinea, the Admiralty Islands, and Okinawa in the wake of Pearl Harbor.





HAROLD AGNEW COLLECTION

The Library & Archives added new items to the Harold Agnew Collection, documenting the work of physicist and Manhattan Project participant Harold Agnew. Donated by Agnew in 1980, the original materials include the only known footage of the Hiroshima and Nagasaki bombings, the former recorded firsthand by Agnew while flying alongside the *Enola Gay*. The newly acquired, never-before-seen additions to the collection include a scrapbook belonging to Agnew, which features personal items such as his travel orders to Tinian Island and photographs of the crew and other project personnel at the base.



HIROZUMI ASHIZAWA COLLECTION

Hoover recently acquired and made available the papers of Hirozumi Ashizawa, which highlight the activities of Hokubei Butokukai (the North American Military Virtue Society) in California in the 1920s and 1930s. Founded to provide military training to second-generation Japanese Americans (Nisei) through martial arts and to promote emperor worship, the branch also organized study tours for Nisei to visit Japan, Korea, and Manchukuo. The collection includes numerous photographs of Hokubei Butokukai activities in the United States and abroad, family gatherings, and materials documenting Ashizawa's life.

NORMAN COUSINS COLLECTION

This year Hoover acquired the collection of political journalist, author, and peace activist Norman Cousins, who was editor in chief of the *Saturday Review* from 1942 to 1972 and president of the World Federalist Association, a grassroots peace organization whose records are held at Hoover. Cousins also served as chairman of the National Committee for Sane Nuclear Policy and as the unofficial ambassador between the United States, the Soviet Union, and the Holy See during the Kennedy administration. The collection documents Cousins's work on behalf of peace and includes rare items such as a copy of the papal encyclical of Pope John XXIII entitled *Pacem in Terris*, signed by Nikita Khrushchev.





BAI CHONGXI PAPERS

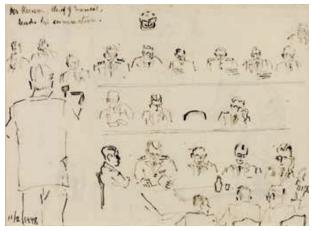
Documenting the life and activities of one of the greatest military strategists in Chinese history, Hoover acquired the papers of Bai Chongxi, who in 1946 was appointed minister of national defense and assisted Chiang Kai-shek in waging war against the Chinese Communists. Chongxi's papers include official files from different stages of his military and political careers, correspondence with important Nationalist Chinese government officials, family letters, and personal diaries. The collection also includes more than a thousand rare photographs that document the general's life as both a military leader and political official.

DIGITAL INITIATIVES

Digital access to Hoover Library & Archives materials allows thousands of users who are not able to visit our reading rooms in person to explore and learn from our collections. In 2018 we made many new materials available on our digital portal, while also pursuing collaborative digital projects with partner institutions.

The Shigemitsu Sketchbooks

This year Hoover digitized and made available the never before published war-crime trial sketchbooks of Shigemitsu Mamoru, minister of foreign affairs for Japan during World War II who, along with General Yoshijiro Umezu, signed the Japanese Instrument of Surrender aboard the USS *Missouri* on September 2, 1945. Tried and sentenced to seven years in prison at the International Military Tribunal for the Far East (a.k.a. the Tokyo Trial),



"Mr. Keenan, Chief of Council, reads his summation," explains Shigemitsu Mamoru's caption of these February 11, 1948, sketches. The smiling face of Sir William F. Webb, the president of the Tokyo Trial, is overlooking the court. SHIGEMITSU MAMORU SKETCHBOOKS, HOOVER ARCHIVES

Shigemitsu offers an intimate eyewitness account of the proceedings through his sketchbooks. The Library & Archives has partnered with the Shigemitsu family to digitize and make available 145 pages of the sketchbooks, which can now be viewed on our digital portal. The sketchbooks have already been the focus of significant scholarly interest; in May 2018, Yuma Totani, professor of history at the University of Hawaii and a Hoover visiting fellow, discussed her work on the recently acquired sketchbooks in a talk titled, "Accountability for War Crimes: The Tokyo Trial (1946–1948) through the Lens of the 'Shigemitsu Sketchbooks' at Hoover."

Global Press Archive

Hoover has teamed with Stanford University Libraries and East View Information Services for a ten-year project to digitize and index more than thirty million pages of rare and valuable newspapers from 125 countries and printed in more than thirty languages. The initiative will result in the world's largest online collection of international newspapers under the name Global Press Archive. The fully searchable database will make Hoover's significant newspaper collections-which range from unique Russian holdings to Japanese American WWII-era newspapers to publications from Castro's Cubaavailable online to readers around the globe. A landmark collaboration between libraries and the information service industry, the Global Press Archive will be an invaluable resource to scholars and to the general public.

Hoover's United Nations Recordings Become Part of the National Recording Registry



Every year, the Library of Congress adds to its National Recording Registry twentyfive audio recordings that showcase "the range and diversity

Phonographic disc containing audio from the 1945 signing of the UN Charter.

of American recorded sound heritage." The 2018 additions include a series of radio broadcasts from the Hoover Library & Archives' United Nations Conference on International Organization Proceedings Collection. Composed of 146 lacquer discs recorded at the 1945 conference, the complete collection includes audio from plenary sessions, committee meetings, the arrival of President Truman, and the signing of the UN Charter. Hoover has digitized the entire collection-the only known copy of what is understood to be the de facto official audiovisual record of the conference—and made it available online. To preserve the valuable lacquer discs, Hoover archivists designed a new and innovative housing method that has been adopted by several institutions with large audiovisual holdings, including Stanford and Syracuse Universities.

LIBRARY & ARCHIVES WORKSHOP SERIES

Led by Curator for Japanese Diaspora Collections Kay Ueda, this year the Library & Archives hosted the inaugural Japanese Diaspora Workshop, which brought together many scholars who have worked with Hoover's new *Hoji Shinbun* digital collection of Japanese American newspapers. Senior fellow and Princeton historian Stephen Kotkin led this year's Workshop on Authoritarianism and Democratic Breakdown, including discussions of his recent publication *Stalin: Waiting for Hitler, 1929–1941* (Penguin Press, 2017), the second of a three-volume biography, the first of which was nominated for a Pulitzer Prize.

In June Hoover research fellow and Stanford historian Jennifer Burns led the Workshop on Political Economy, which convened with a keynote address by Johns Hopkins University political science professor Steven Teles titled "A Classic Reconsidered: The Rise of the Conservative Legal Movement Ten Years On." Participants in the Latin America Workshop, led by Research Fellow and Curator for Latin America Herbert S. Klein, focused on the legacy of Leon Trotsky's exile in Mexico. The Modern China Workshop, led by Research Fellow and Curator for the Modern China Collection Hsiao-ting Lin, focused on history and policy issues relevant to US-China relations.

EXHIBITIONS

We Shot the War: Overseas Weekly in Vietnam

May 24, 2018–December 8, 2018

Rarely seen photographs took center stage this year for the Hoover Library & Archives exhibition *We Shot the War: Overseas Weekly in Vietnam.* Exploring the interrelationships between art, journalism, and politics, the exhibition featured photographs submitted to the *Overseas Weekly* Pacific edition—a military tabloid at once beloved by troops and reviled by the Pentagon for its controversial content. The photographs reveal the gritty realism of combat alongside sanguine moments of hope and humanity in fresh and unfamiliar ways, strengthening our understanding of the realities of wartime. These rare photographs—spanning from 1966 to 1972—emerged from a vast collection of 20,000 film negatives acquired by the Library & Archives in 2014.

COMPANION VOLUME

A new art book from the Hoover Institution Press pairs striking photographs from the *We Shot the War: Overseas Weekly in Vietnam* exhibition with essays by reporters who covered the Vietnam War for the popular and eccentric military tabloid.

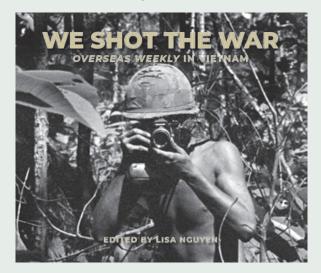




PHOTO: PATRICK BEAUDOUIN

"Humanity demands collections like the archives at Hoover so researchers everywhere can see the unfiltered evidence of both war and its consequences."

OVERSEAS WEEKLY PHOTOGRAPHER ART GREENSPON





Clockwise from top: A contact sheet of images taken for an Overseas Weekly feature story. Soldiers tend to injured Vietnamese peasants while awaiting medics. A photograph by Overseas Weekly journalist Art Greenspon documenting refugees fleeing from the northern side of the Perfume River in Hue, Vietnam. OVERSEAS WEEKLY PHOTOGRAPHS, HOOVER ARCHIVES

NEW PUBLICATIONS DRAWING ON HOOVER COLLECTIONS

- Senior Fellow Victor Davis Hanson's The Second World Wars: How the First Global Conflict Was Fought and Won features photographs from Hoover's World War II pictorial collection.
- The second volume of Senior Fellow Stephen Kotkin's Stalin trilogy draws heavily from Hoover's Russian collections, including the records of the KGB.
- Former visiting fellow Piotr Kosicki's Catholics on the Barricades: Poland, France, and "Revolution," 1891–1956, the latest publication in the Yale-Hoover Series on Authoritarian Regimes, features documents from Hoover's collections on Poland.



The Crown under the Hammer: Russia, Romanovs, Revolution

October 18, 2017–April 27, 2018

Marking the centenary of the Russian Revolution of 1917, *The Crown under the Hammer: Russia, Romanovs, Revolution* examined the political, social, and cultural upheavals that transformed Russia in the final decades of the Romanov dynasty and the first years of Soviet Communism. Jointly organized by the Hoover Institution Library & Archives and the Cantor Arts Center, this dual-site exhibition highlighted Hoover's world-renowned Russia collections—known to be the best in the world outside of Russia itself. Paintings and posters, photographs and films, rare books, and decorative art objects alternately evoked the lost world of Russia's old regime and hinted at the utopian future imagined by the nation's revolutionaries.



PHOTOS: PATRICK BEAUDOUIN

"The exhibition evokes the lost world of Russia's royalty and elites and contrasts it with the 'brave new world' forged on the ruins of the old regime by Russia's new Soviet masters acting in the name of workers and peasants."

CROWN UNDER THE HAMMER CURATORS BERTRAND M. PATENAUDE-A HOOVER RESEARCH FELLOW-AND JODI ROBERTS OF THE CANTOR ARTS CENTER IN THE HOOVER DIGEST





Contrasting the world of Russia's old regime with the utopian future imagined by Russian revolutionaries, portraits of nobility such as this colorful painting of Catherine II (top left) were displayed alongside revolutionary artwork such as this 1920 poster praising women workers (top right). Materials such as this photo-postcard of Tsar Nicholas II and his family (bottom left) and this street scene from the 1917 Russian uprising that uprooted the monarchy (bottom right) further illustrate the profound social and political changes of the revolution. CLOCKWISE FROM TOP LEFT: NIKOLAI ALEKSANDROVICH BAZILI PAPERS, POSTER COLLECTION, ALEXANDRE GEORGIEVICH TARSAIDZE PAPERS; HOOVER ARCHIVES



ЧТО ДАЛА ОКТЯБРЬСКАЯ РЕВОЛЮЦИЯ РАБОТНИЦЕ «КРЕСТЬЯНКЕ





PART TWO

LEVERAGING HOOVER'S CORE

Capitalizing on our core strengths to engage policy makers, lead discussions in national media, and educate the broader public.



ENGAGING WITH GOVERNMENT LEADERS Shaping Public Policy from the Top Down

THE HOOVER INSTITUTION'S distance from the Beltway is not only measured in miles but also in the reputation of our fellows as policy innovators that challenge the prevailing wisdom in Washington. As a result of their intellectual leadership, Hoover fellows are regularly called to Capitol Hill and the White House to advise on legislative and policy issues as well as big-picture questions affecting the future of our nation.

Connecting Hoover fellows with policy makers is the focus of our "top down" strategy to promote freedom, national security, and economic prosperity, and through initiatives such as the Hoover Institution in Washington and the Leadership Forum program, our supporters are creating unprecedented impact in our nation's capital. This section highlights the interactions with government leaders and influential members of the policy community that Hoover supporters have made possible in the 2018 fiscal year, including highprofile discussion forums, outreach initiatives such as the Stuart Family Congressional Fellowship Program, and testimonies and briefings delivered on Capitol Hill.

Second Annual Fouad Ajami Memorial Lecture

Speakers at Hoover's Johnson Center offices in Washington, DC, this year included then national security adviser H. R. McMaster, who delivered the second annual Fouad Ajami Memorial Lecture. The lecture series honors influential Middle Eastern studies scholar Fouad Ajami, who was the Herbert and Jane Dwight Senior Fellow at Hoover before passing away in 2014. A prelude to McMaster's 2018 return to Hoover as the Fouad and Michelle Ajami Senior Fellow, the lecture was moderated by *Wall Street Journal* editorial board member Mary Kissel and drew more than 120 guests.

HOOVER INSTITUTION POLICY FORUMS

While Hoover fellows regularly brief policy makers in the White House and on Capitol Hill, members of Congress and presidential administrations also frequently visit Hoover's California headquarters and Washington, DC, offices to participate in both public events and off-the-record meetings.



Then national security adviser H. R. McMaster spoke at the Second Annual Fouad Ajami Memorial Lecture, moderated by Mary Kissel. PHOTO: JAY MALLIN



Senator Chuck Grassley (right) during an interview with Research Fellow Adam J. White (left). PHOTO: RICK REINHARD

Senators Chuck Grassley and Mike Lee Speak at Opening Arguments

The Hoover Institution in Washington hosts several ongoing discussion series, including Research Fellow Adam J. White's popular Opening Arguments: Conversations on American Constitutionalism. The series, in White's words, encourages guests to "think about American constitutionalism beyond the courts" by applying constitutional perspectives to issues involving Congress, state governments, and the American people. White's guests this year included Iowa senator Chuck Grassley, who discussed the proper role and responsibilities of the Senate with special attention to judicial confirmations and presidential oversight. White also hosted Utah senator Mike Lee for a panel discussion with Meir Soloveichik, Rabbi of Congregation Shearith Israel in New York City and director of the Straus Center for Torah and Western Thought at Yeshiva



Then secretary of state Rex Tillerson in conversation with Thomas and Barbara Stephenson Senior Fellow and former secretary of state Condoleezza Rice. PHOTO: ROD SEARCEY

University, that focused on the proper relationship between religion and government and the contribution that Judeo-Christian ideas have made to American political thought.

Leadership Forum

Hoover's Leadership Forum, an off-the-record conference series that allows government and private sector leaders to consult Hoover fellows on domestic and international policy issues, brought a number of high-profile members of Congress and the Trump administration to Hoover's California headquarters this year. One of 2018's first Leadership Forums featured then secretary of state Rex Tillerson, who visited the Hoover Institution to deliver a major speech announcing the future of US policy in Syria and the Trump administration's vision for stability, the return of refugees, and the defeat of ISIS in the country. Following the speech—which drew

"Those of us who believe in religious liberty and liberty of every other kind, whether enumerated in the Bill of Rights or not, would be well advised to protect and defend federalism and separation of powers."

SENATOR MIKE LEE IN CONVERSATION WITH RESEARCH FELLOW ADAM J. WHITE

more than 400 guests to Hoover's David and Joan Traitel Building, including top national reporters— Tillerson participated in a roundtable discussion with fellows including former secretaries of state Condoleezza Rice and George P. Shultz and other Hoover foreign policy experts. This year Arkansas senator Tom Cotton and White House Council of Economic Advisers chairman Kevin Hassett also visited Hoover to participate in Leadership Forums.

STUART FAMILY CONGRESSIONAL FELLOWSHIP PROGRAM

With responsibilities such as selecting experts for testimony and advising members of Congress on legislative issues, Capitol Hill staff play an important role in our nation's policy-making process. In 2016 the Hoover Institution launched the Stuart Family Congressional Fellowship Program to introduce Hoover ideas to senior congressional staff and build new connections for Hoover fellows on Capitol Hill. Just two years later, alumni of the program number more than a hundred. Representing both chambers, both major parties, and a range of leadership positions such as policy advisers and communications directors, these alumni form an important network for Hoover that reaches throughout our nation's legislative system.

After completing the program, Congressional Fellows return to Capitol Hill with new insights about policy debates playing out in Washington and valuable open lines to Hoover fellows. Recent activities on Capitol Hill facilitated by those connections include briefings by Senior Fellows Michael J. Boskin and Joshua Rauh and Morris Arnold and Nona Jean Cox Senior Fellow Edward P. Lazear on draft tax reform legislation, as well as Milbank Family Senior Fellow Niall Ferguson's assistance in preparing Congressman Greg Walden to question Facebook CEO Mark Zuckerberg during April 2018 data privacy hearings.

Hoover again hosted two delegations of Stuart Family Congressional Fellows this year, totaling fifty Capitol Hill staffers. An April session spanned a range of issues driving legislative activity in Washington, including political unrest in Iran, electoral polarization, the North Korean nuclear program, US-Russia tensions, cyber security, and artificial intelligence. In August Hoover hosted an economic prosperity-focused session that included briefings on spurring innovation, improving labor markets, and reforming our nation's tax, regulatory, education, and entitlement systems.



Senior Fellow Caroline M. Hoxby speaks to the August 2018 class of Stuart Family Congressional Fellows. photo: patrick beaudouin

SENIOR FELLOWS BRIEF CONGRESSIONAL AND WHITE HOUSE LEADERSHIP ON TAX REFORM

Among the many briefings Hoover scholars delivered to Capitol Hill and White House leadership this year, the most comprehensive came in October 2017 as legislation developed around one of President Trump's top policy priorities: tax reform. On September 27, 2017, Republican leadership released a long-awaited framework for simplifying the tax code and lowering rates, encouraging job creation, and repatriating offshore capital. Just one week later, with significant work remaining to build legislation around the proposal and pass it into law, House, Senate, and White House officials called on the Hoover Institution to help analyze the potential economic effects of the plan and advise lawmakers about its implementation.

Representing Hoover were Morris Arnold and Nona Jean Cox Senior Fellow Edward P. Lazear and Senior Fellow Michael J. Boskin, both former chairmen of the White House Council of Economic Advisers under Presidents George W. Bush and George H. W. Bush, respectively, who had written extensively about opportunities for the Trump administration to increase economic growth through tax reform. Also participating was Senior Fellow and Director of Research Joshua Rauh, one of Hoover's top experts on public finance.



Senior Fellow and Director of Research Joshua Rauh testifying on unfunded public pension obligations. PHOTO: JAY MALLIN

The first of a marathon series of meetings included Treasury secretary Steve Mnuchin and then director of the National Economic Council Gary Cohn-both members of the "Big Six" group of Republican tax negotiators who developed the reform plan-along with White House Council of Economic Advisers chairman Kevin Hassett. Lazear, Boskin, and Rauh then briefed congressional leaders including Senators Ron Johnson, Mike Lee, and Ted Cruz, as well as Senate majority leader Mitch McConnell's top tax counsel and other policy staff. The three also met with more than seventy members of the House in a private dinner with senior Ways and Means Committee members hosted by Representative Devin Nunes; in a briefing for Democratic Ways and Means Committee staff; and in a meeting with members of the House Freedom Caucus. Aided by expert input from Lazear, Boskin, and Rauh, the resulting legislation—the Tax Cuts and Jobs Act of 2017 passed in a form that many Hoover scholars believe will significantly boost economic growth in the United States.

SELECTED CONGRESSIONAL TESTIMONY AND BRIEFINGS

NOVEMBER 1, 2017 Leonard and Shirley Ely Senior Fellow John F. Cogan briefed members of the Senate Budget Committee, House Budget Committee, and House Freedom Caucus on lessons from his book *The High Cost* of Good Intentions.

NOVEMBER 15, 2017 Senior Fellow **Robert Service** spoke with members of Congress about his Hoover Institution Press book *Russia and Its Islamic World*.

JANUARY 24, 2018 J.P. Conte Fellow in Immigration Studies **Tim Kane** testified on defense personnel management issues before the Senate Armed Services Committee.

JANUARY 25, 2018 Thomas W. and Susan B. Ford Distinguished Fellow George P. Shultz and Distinguished Visiting Fellow Henry Kissinger testified on national security and defense issues before the Senate Armed Services Committee.

FEBRUARY 28, 2018 Morris Arnold and Nona Jean Cox Senior Fellow **Edward P. Lazear** presented research to Joint Economic Committee chairman Erik Paulsen and congressional staffers based on his contributions to the Hoover Press volume *American Exceptionalism in a New Era.*

FEBRUARY 28, 2018 David and Joan Traitel Senior Fellow **Scott W. Atlas** briefed House Freedom Caucus members and analysts from the Department of Health and Human Services about health care policy reforms.

MARCH 13-15, 2018 Milbank Family Senior Fellow Niall Ferguson briefed the House Freedom Caucus; Senators Ron Johnson, Ben Sasse, and Tom Cotton; and State Department staff about his research on networks.

APRIL 26, 2018 Martin and Illie Anderson Senior Fellow Victor Davis Hanson testified on mass migration in Europe before the House Foreign Affairs Committee's Europe, Eurasia, and Emerging Threats Subcommittee.

MAY 24, 2018 Research Fellow Ayaan Hirsi Ali briefed Senators Tom Cotton and Ron Johnson and Representative Joe Wilson about political Islam. JUNE 7, 2018David and Joan Traitel Senior FellowScott W. Atlas testified before Congress's Joint EconomicCommittee on increasing access to health savings accounts.

JUNE 18, 2018 Hank J. Holland Fellow in Cyber Policy and Security Herbert Lin presented a new vision for US Cyber Command as part of Hoover's ongoing National Security and Technology Congressional Briefing Series.

JUNE 25, 2018 Annenberg Distinguished Visiting Fellows Admiral James O. Ellis Jr., Jim Hoagland, and James Timbie shared research on technology's challenges to governance as part of the National Security and Technology Congressional Briefing Series.

JULY 14, 2018 Distinguished Visiting Fellow in Middle Eastern Studies **Samuel Tadros** testified on security and human rights in Egypt before the House Committee on Foreign Affairs Subcommittee on the Middle East and North Africa.

JULY 25, 2018 Senior Fellow and Director of Research Joshua Rauh testified before Congress's Joint Select Committee on Solvency of Multiemployer Pension Plans on unfunded public pension obligations.



David and Joan Traitel Senior Fellow Scott W. Atlas. PHOTO: JAY MALLIN

"Reducing the cost of medical care itself is the most effective pathway to broader access to quality care, lower insurance premiums, and ultimately better health. Instead, most post-ACA ideas continue to stress making insurance more affordable."

DAVID AND JOAN TRAITEL SENIOR FELLOW SCOTT W. ATLAS, TESTIFYING BEFORE CONGRESS'S JOINT ECONOMIC COMMITTEE

HOOVER FELLOWS IN THE MEDIA Leading the Market for Ideas

FOR BOTH GOVERNMENT LEADERS in Washington, DC, and the attentive public, news media remains the principal forum where policy debates are fought and won—setting the tone for future action in the White House, on Capitol Hill, and in the voting booth.

In this dynamic market for ideas, Hoover fellows have established themselves as sources of rigorous research and substantive analysis, contrasting with the hyperbole and partisan commentary too common in popular media. Leveraging this reputation through an array of outreach programs made possible by Hoover supporters, the institution has developed a commanding presence in national news, reaching across all constituents of the policy making process and ultimately advancing free enterprise, limited government, and national security.

2018 MEDIA IMPACT

This year, building on the institution's extensive network of relationships with top broadcast, print, and online journalists, Hoover fellows appeared more than 500 times on television, more than 500 times on radio, and placed more than 1,000 op-eds. In addition to maintaining a strong presence in influential Hoover staples such as the *Wall Street Journal*, fellows expanded their reach this year in several outlets targeted for their significant audiences. Victor Davis Hanson, for example, became a Fox News regular in 2018, with frequent appearances on *Tucker Carlson Tonight*, *The Ingraham Angle*, and other shows on the network, which is currently the cable news market leader.

On nationally syndicated radio, two of the year's most significant appearances came when Thomas Sowell, the Rose and Milton Friedman Senior Fellow on Public Policy at Hoover, discussed his book Discrimination and Disparities on the Rush Limbaugh Show and Mark Levin Show, reaching two of the nation's largest radio audiences with 14 million and 10 million respective weekly listeners. Hoover fellows also continued as mainstays on several other top national radio programs, including the Hugh Hewitt Show, Lars Larson Show, and John Batchelor Show, often broadcasting live from Hoover's in-house TV/radio studio. In the op-ed world, newly cultivated relationships with opinion editors, the focus of this year's outreach to print journalists, led to several highprofile appearances in outlets such as the Daily 202-the influential Washington Post newsletter received by hundreds of thousands of subscribers nationwide-as well as CNN Digital, the most-read outlet in the digital news market.



Reporters cover a press conference at Hoover held by Secretary of Defense James Mattis, Secretary of State Mike Pompeo, and their Australian counterparts. PHOTO: PATRICK BEAUDOUIN

MEDIA HIGHLIGHTS

"We have to realize that deterrence is not just predicated on material resources, but will and clarity." VICTOR DAVIS HANSON ON *THE STORY WITH MARTHA MACCALLUM*. NOVEMBER 3, 2017, FOX NEWS.

"Mr. Fiorina, by contrast, argues that frequent shifts in political control are now the norm because of the way the parties have changed. He rejects the common view that American voters are 'polarized.'"

JAMES TARANTO INTERVIEWING MORRIS P. FIORINA. JANUARY 5, 2018, WALL STREET JOURNAL.

"While President Trump's statements and tweets have dominated headlines, his agencies have taken important first steps toward significantly changing the ways that federal agencies govern American life."

ADAM J. WHITE IN "TRUMPING THE ADMINISTRATIVE STATE." JANUARY 19, 2018, *WEEKLY STANDARD*.

"Politicians can always provide a rationale for increased spending. But over time high spending necessitates high taxes, and high taxes reduce work and restrain growth."

EDWARD P. LAZEAR IN "GOVERNMENT SPENDING DISCOURAGES WORK." FEBRUARY 26, 2018, WALL STREET JOURNAL.

"A debt crisis does not come slowly and visibly like a rising tide. It comes without warning, like an earthquake, as short-term bondholders attempt to escape fiscal carnage."

MICHAEL J. BOSKIN, JOHN H. COCHRANE, JOHN F. COGAN, GEORGE P. SHULTZ, AND JOHN B. TAYLOR IN "A DEBT CRISIS IS ON THE HORIZON." MARCH 27, 2018, *WASHINGTON POST*.

"Disparities are simply an empirical phenomenon. Discrimination is an attempt to assess the cause of that phenomenon, and if you look at it just a little below the surface, most of these supposed causes collapse like a house of cards."

THOMAS SOWELL SPEAKING ON THE *RUSH LIMBAUGH SHOW*. APRIL 25, 2018.

"The right of women and girls to be free of abuse has been sacrificed at the altar of political correctness."

AYAAN HIRSI ALI IN "THE ANTI-WOMAN VIOLENCE FEMINISTS ARE AFRAID TO CONFRONT." MAY 24, 2018, *NEW YORK POST*.

"Wars go on without end when they sink into a cycle of revenge and retaliation. Trade wars too."

JOHN H. COCHRANE IN "THE TRADE WAR TO END ALL TRADE WARS WILL END IN ECONOMIC CARNAGE." JULY 31, 2018, *THE HILL*.

MEDIA OUTREACH PROGRAMS

William and Barbara Edwards Media Fellows Program

Bringing journalists to Hoover's Stanford headquarters to meet with fellows, expand their network of sources, and broadcast live from Hoover's in-house studio, the William and Barbara Edwards Media Fellows Program welcomed seventeen opinion editors and program hosts this year. Among the participants were nationally syndicated radio hosts Lars Larson, who broadcast twenty-four interviews with fellows during his time at Hoover; Buck Sexton, who broadcast fifteen interviews; and Michael Medved, who broadcast thirteen. National Review podcast host Jamie Weinstein-whose show ranks as one of the nation's top conservative podcasts-also featured interviews with several fellows during his week at Hoover, including Niall Ferguson, Ayaan Hirsi Ali, and Thomas Sowell, reaching hundreds of thousands of National Review Online subscribers.

As part of a strategy to expand the network of print outlets that regularly feature Hoover op-eds, our public affairs team selected several opinion journalists to visit this year as media fellows. Participants included senior editor of *CNN Opinion* Richard Galant, who met with sixteen fellows during his time at Hoover, such as Thomas W. and Susan B. Ford Distinguished Fellow George P. Shultz. Faceto-face meetings between journalists and Hoover fellows are often the first sparks of significant ongoing media relationships. After the *Washington Examiner*'s opinion editor visited Hoover this year, for example, he tapped Research Fellow David Davenport as a biweekly columnist. As Hoover's first regular contributor to the outlet, Davenport has tapped into a major new audience of millions of online readers per month.



Journalists continue a discussion with Milbank Family Senior Fellow Niall Ferguson following a spring 2018 media briefing. PHOTO: ROD SEARCEY

"Because of the press's excessive focus on the personality of Donald Trump, it has entirely forgotten to think about the structure of politics.... Journalists write now as if we inhabit a monarchy and we don't. We inhabit a republic, with a highly complex system of government and bureaucracy."

MILBANK FAMILY SENIOR FELLOW NIALL FERGUSON ON THE JAMIE WEINSTEIN SHOW



A Hoover Media Roundtable featuring John and Jean De Nault Senior Fellow Terry Anderson and Research Fellow Alice Hill. PHOTO: ROD SEARCEY

Media Roundtable Program

Offering resources similar to the Media Fellows Program at a larger scale, Media Roundtables bring cohorts of approximately twenty journalists to Hoover for seminar-style discussions with fellows. Hoover hosted a total of eighty reporters, editors, and producers at Media Roundtables this year, representing top-tier outlets such as the *New York Times, Wall Street Journal, Washington Post, Politico*, FOX, CNN, CBS, NBC, and ABC.

Roundtables center on discussions led by Hoover fellows and are tailored to address economic, political, and security policy issues dominating the news. This year's three roundtables included, for example, a national security–focused program that came hours before the US-North Korea nuclear summit in June 2018. Michael Auslin, the Williams-Griffis Fellow in Contemporary Asia at Hoover, explained to reporters why he was skeptical that the Kim regime intended to adhere



Williams-Griffis Fellow in Contemporary Asia Michael Auslin briefs journalists during a 2018 Media Roundtable. PHOTO: ROD SEARCEY

to new deals with the United States. Elaborating further on Fox News Radio's *Benson and Harf* show—hosted by roundtable participants Guy Benson and Marie Harf, who broadcasted that day's show live from Hoover—Auslin credited President Trump for jump-starting discussions with Kim Jong-un, but cautioned that the administration must carefully monitor the regime's compliance with nuclear agreements.

"Having hour after hour of topflight experts talking about the biggest issues of the day—North Korea, Iran, US foreign policy, tariffs...it was nothing short of fascinating."

NATIONALLY SYNDICATED RADIO HOST GUY BENSON ON FOX NEWS RADIO'S BENSON AND HARF SHOW

EDUCATING AMERICANS IN PUBLIC POLICY

The Mary Jo and Dick Kovacevich Initiative at the Hoover Institution

THE UNITED STATES' policy-making process converges in Washington, DC, but the ideas that propel our representative democracy emerge outside the Beltway in homes, schools, and communities around the country. Educating the broader American public about economic freedom, limited government, and national security is the key component of Hoover's strategy to change policy from the "bottom up," sparking new ideas among the electorate that reach government leaders via civic action, opinion polling, and the ballot box.

Recent years have seen transformational growth of Hoover's educational efforts, largely under the auspices of Educating Americans in Public Policy (EAPP), the Mary Jo and Dick Kovacevich Initiative at the Hoover Institution. Under EAPP, Hoover fellows have extended their reach beyond traditional media into the new frontiers of online education and visual learning, making their research and the principles behind it more accessible to millions of people.

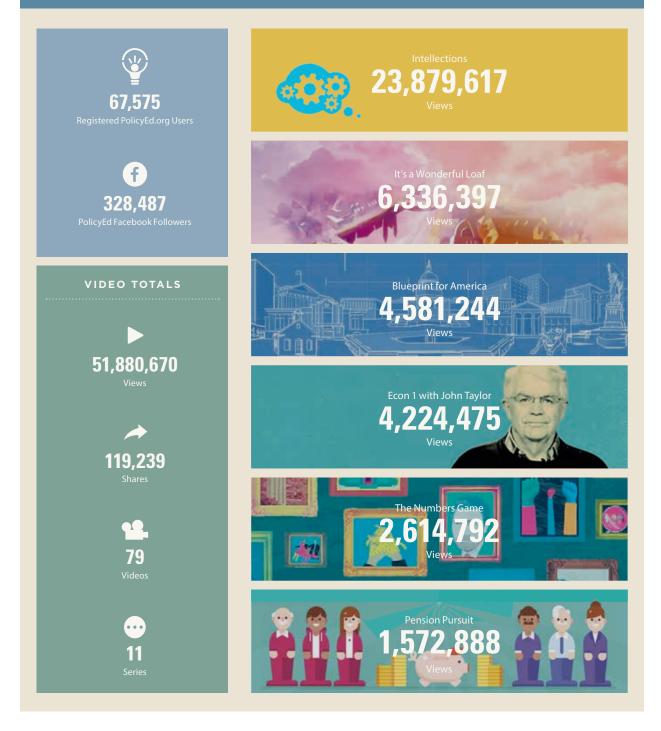
ONLINE EDUCATION

Only two years after launching PolicyEd.org as the new online home for EAPP content, the site hosts eleven different series and a total of seventynine videos alongside a wealth of supplementary learning materials. More than fifty videos launched this year alone, as well as innovative content such as an interactive map illustrating state and local pension shortfalls. The public appetite for EAPP videos is large and growing. As of September 2018, total PolicyEd video views have surpassed 50 million. User engagement metrics, such as the more than 250,000 comments and peer-to-peer referrals of our content by Facebook users, indicate that target audiences are not only watching PolicyEd videos but thinking about the material and introducing new ideas to their friends.

STUDENT PROGRAMS

In addition to online education, the David and Joan Traitel Building has provided a new venue for bringing students and future leaders to Hoover for face-to-face educational programs with fellows. This year's student programs included an engaging second session of the Hoover Institution Summer Policy Boot Camp, as well as the new Cardinal Conversations series, a jointly led Stanford University initiative to support intellectual diversity on campus.

EAPP BY THE NUMBERS (TOTALS AS OF AUGUST 31, 2018)



New PolicyEd Series

THE NUMBERS GAME

Looking back at the economy of 1970, it's clear that the last five decades have witnessed remarkable economic growth. Revolutionary advances in medical care, better job opportunities, personal computers, and smartphones represent only a handful of the countless positive changes in our economic lives. But zooming in on the middle class and poor, many claim that standards of living have, on balance, actually stagnated over the last fifty years.

In the new PolicyEd series *The Numbers Game*, John and Jean De Nault Research Fellow Russ Roberts responds with more balanced analysis of what the economic data tells us about individuals at all levels of the income distribution. "The truth is, it's complicated," he explains in the series, showing how the same data can yield significantly different results depending on how it is handled and interpreted. Carefully weighing different analyses, Roberts arrives at a more encouraging picture of rising standards of living not just for the wealthy but among individuals at all levels of the income distribution.



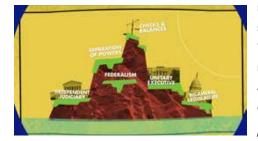


Top: "The Paradox of Household Income." Bottom: "Behind the Graphs" supplementary feature.

policyed.org/numbers-game

POLICY BRIEFS

When speaking live at Hoover retreats, conferences, or student events, Hoover fellows often explain complex policy topics in a way that begs to be shared with a larger audience. The new *Policy Briefs* series captures some of the best sound bites from talks by Hoover fellows, enhances them with imaginative animations to illustrate key concepts, and



releases them as short videos via PolicyEd.org. Designed for sharing on social media, *Policy Briefs* episodes include "Terry Anderson Asks Who Washes a Rental Car," which explains why private ownership of natural resources provides stronger incentives for environmental management, and "Peter Berkowitz on the Prevention of Abuses of Power," which explains why separation of powers is a crucial protection of liberty. *policyed.org/policy-briefs*

"The real protection of our freedom is the prevention of abuses of power."

TAD AND DIANNE TAUBE SENIOR FELLOW PETER BERKOWITZ, FEATURED IN THE NEW POLICY BRIEFS VIDEO SERIES

EXAMINING AMERICA'S EXCEPTIONAL ECONOMY

Whether comparing macro-level indicators such as GDP or the economic mobility, employment opportunities, and consumer products available to individuals in the United States, it's clear that we live in a country of extraordinary prosperity. Is this simply an accident of history? Or is it the result of a unique mixture of policies, institutions, and ideas? Put differently, is America's economy truly exceptional?

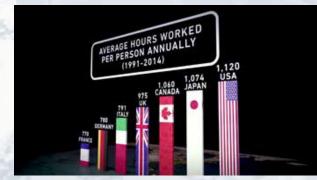


In a new PolicyEd video series titled *Examining America's Exceptional Economy*, Morris Arnold and Nona Jean Cox Senior Fellow Edward P. Lazear answers with an emphatic "yes," reinforced by lessons in the fundamentals of American prosperity: economic freedom, trade and immigration, and a uniquely industrious workforce.

The new series Examining America's Exceptional Economy features Morris Arnold and Nona Jean Cox Senior Fellow Edward P. Lazear.

These factors, according to Lazear, have allowed the US economy to maintain robust economic growth despite rising taxes on capital, mounting debt, burdensome regulations, and other deviations from time-tested economic policy principles. Standards of living are high, jobs are secure, and our children are born into an upwardly mobile society. Moreover, people from around the world continue to compete for opportunities to live and work in our country. "If we are market oriented and believe that people put their money where their mouths are," Lazear explains, "this is telling us that we are exceptional."

policyed.org/americas-exceptional-economy



Examining America's Exceptional Economy visualizes the fundamentals of the United States' economic leadership, including an exceptional work ethic and strong investment in education.



PENSION PURSUIT

"Ladies and gentlemen, welcome to *Pension Pursuit*, the game where taxpayers young and old face off against their own state politicians and state employees. It's the game we have all been playing throughout our taxpaying lives—and it's getting harder and harder to win."

So begins the new PolicyEd video series *Pension Pursuit*, based on Senior Fellow Joshua Rauh's research on the vast underestimation of public pension liabilities and the debts that today's politicians are forcing on tomorrow's taxpayers. The



series demystifies the public pension system using a board game metaphor in which taxpayers and public employees are pitted against state and local politicians who borrow against the future in order to win reelection.

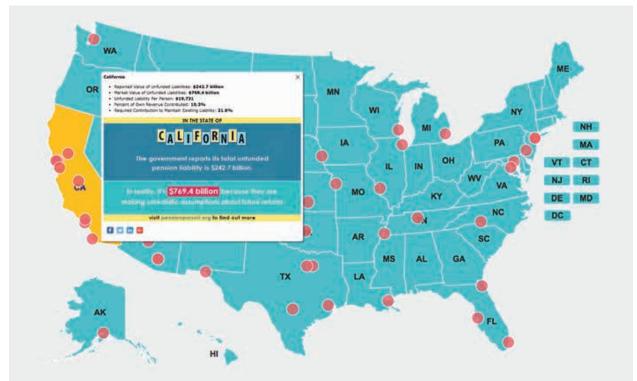
Politicians, the series explains, promise generous retirement benefits to their public-sector workforces while at the same time shorting pension contributions to avoid politically costly tax hikes or cuts in services. States and municipalities cover up this fiscally irresponsible arrangement by projecting unrealistic investment returns and shifting pension funds toward riskier and riskier asset allocations. Calculating the true size of our country's public pension liabilities, the series compares the \$1.2 trillion in unfunded liabilities reported by states and municipalities to the three times higher figure of \$3.4 trillion uncovered by Hoover research—a massive shortfall that future generations will be expected to make up.

Recently PolicyEd.org launched an interactive map that shows reported and actual values of unfunded public pension liabilities across all fifty states, as documented by Rauh in his *Hidden Debt, Hidden Deficits* report series. Users can see for themselves how the lessons of *Pension Pursuit* affect their home cities and states and share the startling results on social media with a single click.

policyed.org/pension-pursuit

"It's much, much easier to fudge the numbers than it is to make politically difficult decisions about the actual trade-offs between making pension promises and spending on current services."

PENSION PURSUIT, EPISODE 3, "RISKY BUSINESS: HOPING HIGH RETURNS FUND THE PENSION GAP"







Top: An interactive map of state and municipal pension shortfalls accompanies the Pension Pursuit video series. Bottom: Pension Pursuit is packed with insightful visuals that explain how public employee pensions are managed and why they are dangerously underfunded.

STUDENT PROGRAMS

2018 Summer Policy Boot Camp

This year, Hoover hosted ninety-five college students and recent graduates for the second session of its Summer Policy Boot Camp, an immersive, weeklong seminar designed to supplement university public policy curricula with market-oriented analysis and tools for critically evaluating laws and regulations.

Led by David and Joan Traitel Senior Fellow Scott W. Atlas and Senior Fellow and Director of Research Joshua Rauh, the program is open to young people with the exceptional academic and professional backgrounds needed to contribute to advanced discussions on public policy. Following five days of lectures with Hoover fellows, daily guided conversations, and supplementary programming, students are required to submit an in-depth policy proposal demonstrating proficiency in the ideas and techniques taught in the course.

New additions to the 2018 curriculum included an interactive simulation of a nuclear crisis on the Korean Peninsula led by Williams-Griffis Fellow in Contemporary Asia Michael Auslin. Thomas W. and Susan B. Ford Distinguished Fellow George P. Shultz joined Virginia Hobbs Carpenter Fellow in Journalism Bill Whalen for a discussion of "America and Strategies for the Future," which was adapted as an episode of Whalen's *Area 45* podcast. Leonard and Shirley Ely Senior Fellow John F. Cogan's lecture on the precarious state of the federal budget



Top: The 2018 class of the Hoover Institution Summer Policy Boot Camp. Bottom: Boot Camp students test Hoover's new interactive federal budget calculator. PHOTOS: PATRICK BEAUDOUIN

was also paired with the first-ever demonstration of Hoover's new interactive budget calculator, a centerpiece of the upcoming America Off Balance: One Nation Under Debt project.

"I have new faith in my peers and fellow youth," reported one 2018 participant. "This week showed me that we still respect each other and value factbased research regardless of our political views." Remarking more succinctly but echoing a theme found in many of the student evaluations, another simply asked, "Can I come back next year?"

Cardinal Conversations

This year, as activists around the country campaigned to prevent competing points of view from being heard on college campuses, Stanford University reaffirmed its commitment to free speech by tasking the Hoover Institution with leading a new speaker series, Cardinal Conversations, in partnership with Stanford's Freeman Spogli Institute.

Designed to expose Stanford students and the larger university community to alternative perspectives on consequential issues, the first Cardinal Conversation took place at the Hoover Institution in January 2018. A milestone event that counted 290 Stanford students among a sold-out crowd in the David and Joan Traitel Building, the discussion featured entrepreneur and investor Peter Thiel and LinkedIn cofounder Reid Hoffman on "Technology and Politics."

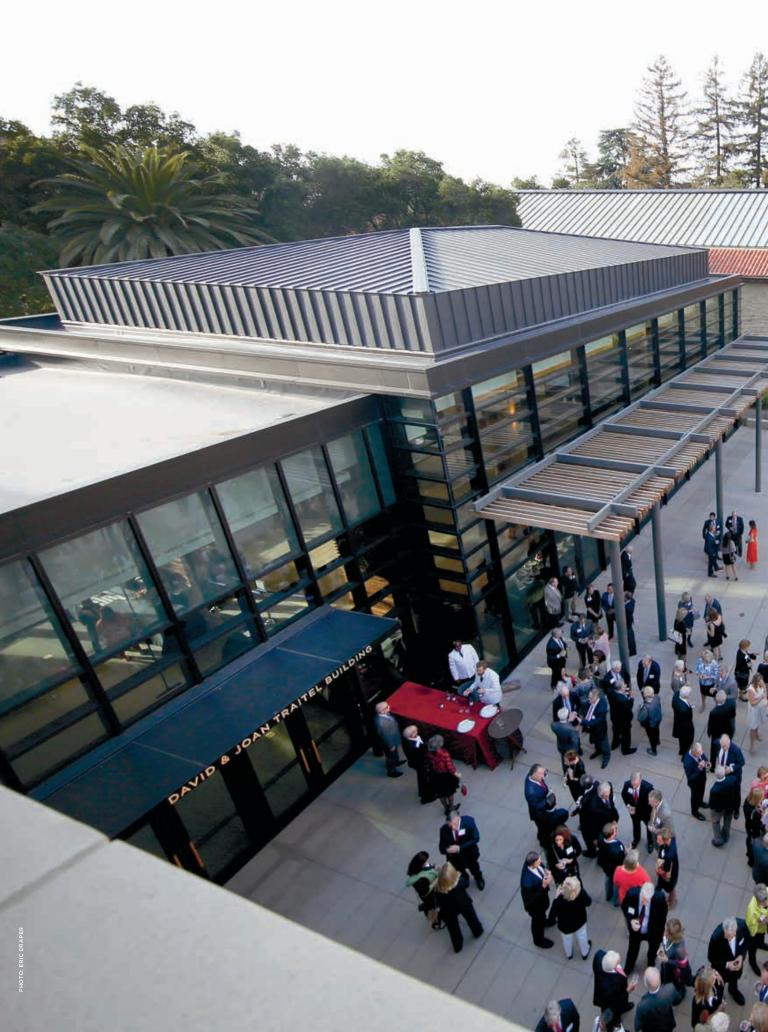


Political scientists Charles Murray (right) and Francis Fukuyama (left) joined Hoover fellow Niall Ferguson (center) for a Cardinal Conversation on "Inequality and Populism." PHOTO: PATRICK BEAUDOUIN



Milbank Family Senior Fellow Niall Ferguson (center) moderates a discussion with entrepreneur and investor Peter Thiel (left) and LinkedIn cofounder Reid Hoffman (right). PHOTO: PATRICK BEAUDOUIN

The second Cardinal Conversation featured political scientists and authors Francis Fukuyama, a fellow at the Freeman Spogli Institute, and Charles Murray, an emeritus scholar at the American Enterprise Institute. In contrast to other campus appearances where Murray was not only protested but blocked from speaking, guests enjoyed a peaceful atmosphere and insightful discussion between Murray and Fukuyama on their respective work on inequality and populism in the United States. Hoover hosted three subsequent Cardinal Conversations in 2018 on "Real and Fake News," "Sexuality and Politics," and "When Free Expression and Inclusion Collide: A Dilemma of the Times."



PART THREE

SUSTAINING HOOVER'S CORE

Working with our most vital partners to secure the foundations of the institution for the next hundred years.

(Parts

SCHOLARS & SUPPORTERS

The Extraordinary Individuals behind Our Work

FROM HERBERT HOOVER'S founding grant and the arrival of our first collections to our evolution into one of the world's preeminent centers for policy and archival research, the Hoover Institution's one-hundred-year history has been written through the dedication and generosity of extraordinary individuals.

In these pages we offer our deepest thanks to the supporters and scholars who stand together in defense of freedom, private enterprise, and America's system of government. We also report on strategic work to sustain the core of our institution—the Hoover fellowship and Library & Archives—by broadening our base of contributors, modernizing our infrastructure, and carefully managing our supporters' investments in freedom.

SENIOR ADMINISTRATION

AS OF SEPTEMBER 1, 2018

Tad and Dianne Taube Director Thomas W. Gilligan

Deputy Director Eric Wakin Robert H. Malott Director of the Library & Archives, Research Fellow



PHOTO: TIM GRIFFITH

Associate Directors Christopher S. Dauer Marketing and Strategic Communications

Denise Elson Research Operations Colin Stewart Development Eryn Witcher Tillman Bechtel Director of Public Affairs

Director of Washington, DC, Programs

Michael Franc Director of Research

Joshua D. Rauh

Assistant Directors Mary Gingell Development Events and Services

Jeffrey M. Jones Operations

Charnette Richard Human Resources and Administrative Services

Karen Weiss Finance and Information Technology

SCHOLARS

AS OF SEPTEMBER 1, 2018

NAMED DISTINGUISHED FELLOW

George P. Shultz Thomas W. and Susan B. Ford Distinguished Fellow

NAMED SENIOR FELLOWS

Terry L. Anderson John and Jean De Nault Senior Fellow

Scott W. Atlas David and Joan Traitel Senior Fellow

Peter Berkowitz Tad and Dianne Taube Senior Fellow

David W. Brady Davies Family Senior Fellow

John H. Cochrane Rose-Marie and Jack Anderson Senior Fellow

John F. Cogan Leonard and Shirley Ely Senior Fellow

Richard A. Epstein Peter and Kirsten Bedford Senior Fellow

Niall Ferguson Milbank Family Senior Fellow Stephen H. Haber Peter and Helen Bing Senior Fellow

Robert E. Hall Robert and Carole McNeil Senior Fellow

Victor Davis Hanson Martin and Illie Anderson Senior Fellow

Eric A. Hanushek Paul and Jean Hanna Senior Fellow in Education

Kenneth L. Judd Paul H. Bauer Senior Fellow

Daniel P. Kessler Keith and Jan Hurlbut Senior Fellow

Edward P. Lazear Morris Arnold and Nona Jean Cox Senior Fellow

Michael McFaul Peter and Helen Bing Senior Fellow

H. R. McMaster Fouad and Michelle Ajami Senior Fellow

John Raisian Boyd and Jill Smith Senior Fellow

Condoleezza Rice Thomas and Barbara Stephenson Senior Fellow on Public Policy John Shoven Buzz and Barbara McCoy Senior Fellow

Abraham D. Sofaer George P. Shultz Senior Fellow in Foreign Policy and National Security Affairs

Thomas Sowell Rose and Milton Friedman Senior Fellow on Public Policy

Shelby Steele Robert J. and Marion E. Oster Senior Fellow

John B. Taylor George P. Shultz Senior Fellow in Economics

Amy B. Zegart Davies Family Senior Fellow

SENIOR FELLOWS

Russell A. Berman Michael J. Boskin M. Kate Bundorf Elizabeth Cobbs William Damon Steven J. Davis Larry J. Diamond Frank Dikötter Darrell Duffie Martin Feldstein Chester E. Finn Jr. Morris P. Fiorina Timothy Garton Ash Jack Goldsmith Justin Grimmer Caroline M. Hoxby Shanto Ivengar Stephen Kotkin Stephen D. Krasner David L. Leal Gary D. Libecap Thomas E. MaCurdy Harvey C. Mansfield Michael McConnell Terry M. Moe Norman M. Naimark Lee E. Ohanian Paul E. Peterson Raghuram Rajan Joshua D. Rauh **Douglas Rivers** Jonathan A. Rodden Thomas J. Sargent Amit Seru Robert Service Michael Spence

James L. Sweeney John Villasenor Barry R. Weingast

NAMED RESEARCH FELLOWS

Michael R. Auslin Williams-Griffis Fellow in Contemporary Asia

Lanhee J. Chen David and Diane Steffy Research Fellow

Timothy Kane J.P. Conte Fellow in Immigration Studies

Herbert Lin Hank J. Holland Fellow in Cyber Policy and Security

Toshio Nishi Tadahiro Ogawa Fellow

Russell D. Roberts John and Jean De Nault Research Fellow

Peter M. Robinson Murdoch Research Fellow

William L. Whalen Virginia Hobbs Carpenter Fellow in Journalism

DISTINGUISHED RESEARCH FELLOW

Margaret (Macke) Raymond

RESEARCH FELLOWS

David L. Berkev Michael Bernstam Clint Bolick Jennifer Burns Jeremy Carl Tom Church David Davenport Williamson M. Evers Paul Gregory Andrew Grotto Daniel Heil David R. Henderson Alice C. Hill Charles Hill Ayaan Hirsi Ali Jeffrey M. Jones Herbert S. Klein Tai-chun Kuo Hsiao-ting Lin

Abbas Milani Alice L. Miller Masafumi Okazaki Elena Pastorino Bertrand M. Patenaude Anatol Shmelev Maciej Siekierski David Slayton Richard Sousa Bruce Thornton Adam J. White

EMERITUS FELLOWS

Richard V. Allen Annelise Anderson Dennis L. Bark Joseph Berger Bruce Bueno de Mesquita Gerald A. Dorfman John B. Dunlop Peter Duus Thomas H. Henriksen Robert Hessen Kenneth Jowitt Melvyn B. Krauss Charles E. McLure Jr. Thomas A. Metzger Thomas Gale Moore William J. Perry Alvin Rabushka

(Continued on next page)

JOHN H. COCHRANE NAMED ROSE-MARIE AND JACK ANDERSON SENIOR FELLOW

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This year, Hoover scholar John H. Cochrane was named the Rose-Marie and Jack Anderson Senior Fellow, a title previously held by Nobel laureate economist Gary Becker and generously funded by the Rose-Marie and Jack Anderson Foundation.

The fellowship was established by Overseer Jack R. Anderson—who served on Hoover's board for fifteen years before passing away in 2015—along with his wife, the late Rose-Marie Anderson. Today Overseer Neil R. Anderson continues his father's tradition of service on the board.

Cochrane is a noted scholar in economics and finance who prior to joining Hoover in 2015, like Becker, taught at the University of Chicago. He earned his BS in physics from MIT and his PhD in economics from the University of California-Berkeley. Cochrane's academic work includes the book *Asset Pricing* and articles on stock and bond markets, exchange rate volatility, monetary policy, the fiscal theory of the price level, and many other topics. One of the institution's most vocal proponents of pro-growth economic policies, his writing regularly appears in leading national media outlets such as the *Wall Street Journal* and at his blog, *The Grumpy Economist.* SCHOLARS continued

ANNENBERG DISTINGUISHED VISITING FELLOWS

James O. Ellis Jr. James E. Goodby Adele Hayutin Jim Hoagland Raymond Jeanloz Sam Nunn Christopher William Stubbs James Timbie

NAMED DISTINGUISHED VISITING FELLOWS

George Osborne William C. Edwards Distinguished Visiting Fellow

Gary Roughead Robert and Marion Oster Distinguished Military Fellow

Kevin M. Warsh Shepard Family Distinguished Visiting Fellow in Economics

DISTINGUISHED VISITING FELLOWS

Pedro Aspe Michael D. Bordo Charles Calomiris Arye Carmon Elizabeth Economy Edward Ifft Toomas Hendrik Ilves Bobby Inman Josef Joffe Henry A. Kissinger David Mulford Ernesto Silva George Tavlas Pete Wilson

NAMED VISITING FELLOWS

Barnaby Crowcroft Duignan Visiting Fellow

Andrew Roberts Roger and Martha Mertz Visiting Fellow

VISITING FELLOWS

Alexander Benard Charles Blahous Brandice Canes-Wrone

Wendy K. Tam Cho Mary Elisabeth Cox Alexander Galetovic Trev Herr Laurie Simon Hodrick Robert J. Hodrick Frik Hurst Jamil Jaffer Sean Kanuck Edward Kasinec Zachary Kaufman Markos Kounalakis Roman Kraussl Aishwarv Kumar Irving Lachow Charles Leung Nanyang Li Cheng-Wei Lin Ellen R. McGrattan Afshin Molavi Nicolas Petit Michael J. Petrilli Charles I Plosser Martin Schallbruch Paul Schmelzing Raj Shah Alex Stamos Glenn Tiffert Yuma Totani Sanam Vakil Yu Wu John Yoo Lei Zhang

W. GLENN CAMPBELL AND RITA RICARDO-CAMPBELL NATIONAL FELLOWS

David E. Broockman Chirantan Chatterjee Rebecca Diamond Haifeng Huang Desmond Jagmohan Daniel J. Sargent

ROBERT AND MARION OSTER NATIONAL SECURITY AFFAIRS FELLOWS

Lieutenant Colonel Kevin Childs *US Air Force* Lieutenant Colonel David "Leon" Hall *US Army* Lieutenant Colonel Paul Krattiger *US Army* Lieutenant Colonel Todd Mahar *US Marine Corps*

Commander Gregory Mendenhall *US Navy*

Lieutenant Colonel Timothy Barry Murphy US Air Force

Commander James O'Mara *US Coast Guard*

Martin L. Oppus US Department of State

In Memoriam

The Hoover Institution mourned the loss of two esteemed fellows this year. We recognize these treasured colleagues and friends for their exceptional intellectual achievements at Hoover and in the larger worlds of policy and ideas.

Richard F. Staar John H. Bunzel

THE ROBERT AND MARION OSTER NATIONAL SECURITY AFFAIRS FELLOWS PROGRAM

This year, Overseer Robert J. Oster and his wife, Marion, made a major investment in the human capital of our nation's military and diplomatic leaders by generously endowing the Hoover Institution's National Security Affairs Fellows Program.

Renamed the Robert and Marion Oster National Security Affairs Fellows Program in honor of the Osters, the fellowship offers rising leaders from the armed forces and the State Department a chance to collaborate with Hoover scholars, develop research in support of their parent services, and contribute to discussions on foreign policy and defense at Hoover and Stanford and in the Silicon Valley high-tech community.

More than 150 alumni have completed the program since its inception in 1969, including Fouad and Michelle Ajami Senior Fellow H. R. McMaster, ten other general officers, and twelve US ambassadors. As a result of the Osters' gift, Hoover can help many more military and diplomatic leaders prepare for the rapidly developing challenges to security and stability that face our nation and our world.



A recent dinner honored Overseer Robert Oster and his wife, Marion (center), pictured here with Hoover director Tom Gilligan (center right) and current and former Robert and Marion Oster National Security Affairs Fellows. PHOTO: STEVE CASTILLO

BOARD OF OVERSEERS

The Hoover Institution Board of Overseers advises and supports the institution's senior administration, ensuring that the institution follows the path set forth by its founder in his mission statement. This dedicated group of supporters, who contribute to the advancement of the institution through their knowledge, experience, and leadership, meets twice a year, at Stanford and in Washington, DC. Members who served on the board during the 2018 fiscal year are listed here.

CHAIR

Joel C. Peterson⁺ Salt Lake City, Utah

VICE CHAIRS

Paul Lewis "Lew" Davies III⁺ Dallas, Texas

Mary Myers Kauppila⁺ Boston, Massachusetts

MEMBERS

Katherine H. Alden *Woodside, California* Neil R. Anderson

Plano, Texas Barbara Barrett

Paradise Valley, Arizona John F. Barrett Cincinnati, Ohio

Robert G. Barrett *Vero Beach, Florida* Donald R. Beall

Corona del Mar, California

Peter S. Bing *Los Angeles, California* Walter E. Blessey Jr.

Mandeville, Louisiana Joanne Whittier Blokker Palo Alto, California

William Kay Blount Portland, Oregon

James J. Bochnowski Atherton, California

Jerome V. "Jerry" Bruni Colorado Springs, Colorado

James J. Carroll III Los Angeles, California Robert H. Castellini *Cincinnati. Ohio*

James W. Davidson *Miami, Florida*

Herbert M. Dwight⁺ Healdsburg, California

Jeffrey A. Farber San Francisco, California

Henry A. Fernandez New York, New York

Carly Fiorina Lorton, Virginia

(Continued on next page)

TWO OVERSEERS PRESENTED WITH THE UNCOMMON COMMITMENT AWARD

"Great human advances have not been brought about by mediocre men and women," remarked President Herbert Hoover in 1948. Rather, he continued, "They were brought about by distinctly uncommon men and women with vital sparks of leadership." Such uncommon men and women have proved crucial to the Hoover Institution since its founding one hundred years ago. In 2000, Hoover established the Uncommon Commitment Award—the institution's highest honor—to recognize the dedication of these individuals. This year, Tad and Dianne Taube Director Thomas W. Gilligan honored two exceptional overseers with the award—the first given under Gilligan's directorship and only the eleventh and twelfth in the award's history.

Charles B. Johnson's many contributions as an overseer include making possible, with his wife, Ann, Hoover's Charles and Ann Johnson Center in Washington, DC, which stands at the center of the institution's considerable and growing policy impact in the nation's capital. Johnson also serves on the Executive Committee, the central governance committee of the board.

Robert J. Oster, in partnership with his wife, Marion, has made major contributions to Hoover that include funding the work of fellows Shelby Steele and Admiral Gary Roughead (USN, Ret.), as well as the Robert and Marion Oster National Security Affairs Fellows Program. Oster also provides invaluable leadership as chair of the board's Nominating Committee, in addition to serving on the Executive and Development Committees.





Overseers Charles B. Johnson (top) and Robert J. Oster (bottom) accepting Hoover's Uncommon Commitment Award from Tad and Dianne Taube Director Thomas W. Gilligan. PHOTOS: ERIC DRAPER

BOARD OF OVERSEERS continued

James E. Forrest Bloomfield Hills, Michigan

Stephen B. Gaddis *Reno, Nevada*

Samuel L. Ginn⁺ *Hillsborough, California*

Michael W. Gleba Pittsburgh, Pennsylvania

Cynthia Fry Gunn Palo Alto, California

Paul G. Haaga Jr. La Cañada, California

Arthur E. Hall Minden, Nevada

Everett J. Hauck[†] Lake Forest, Illinois

W. Kurt Hauser⁺ Greenbrae, California

Warner W. Henry Pasadena, California

Kenneth A. Hersh Dallas, Texas

Heather R. Higgins New York, New York

Hank J. Holland Belvedere, California

Allan Hoover III Castle Rock, Colorado Margaret Hoover New York, New York

Preston B. Hotchkis Santa Barbara, California

Philip Hudner San Francisco, California

Gail A. Jaquish *Austin, Texas*

William E. Jenkins Houston, Texas

Charles B. Johnson⁺ Palm Beach, Florida

Mark Chapin Johnson Mission Viejo, California

Franklin P. Johnson Jr. Palo Alto, California

John Jordan Healdsburg, California

Steve Kahng Los Altos Hills, California

Richard Kovacevich San Francisco, California

Allen J. Lauer Portola Valley, California Howard H. Leach

Palm Beach, Florida

Walter Loewenstern Jr. Los Angeles, California Howard W. Lutnick New York, New York

Hamid Mani *La Jolla, California*

Frank B. Mapel San Marino, California

James D. Marver San Francisco, California

Craig O. McCaw Santa Barbara, California

David McDonald *Spring, Texas*

Harold "Terry" McGraw III New York, New York

Mary G. Meeker Woodside, California

Roger S. Mertz Hillsborough, California

Harold M. "Max" Messmer Jr. *Woodside, California*

Jeremiah Milbank III New York, New York

Mitchell J. Milias San Marino, California

Scott Minerd Marina Del Rey, California

K. Rupert Murdoch⁺ *New York, New York* George E. Myers Saint Helena, California

Robert G. O'Donnell Atherton, California

Robert J. Oster⁺ Atherton, California

Stan Polovets New York, New York

Jay A. Precourt Edwards, Colorado

Jeffrey S. Raikes‡ Seattle, Washington

George J. Records Oklahoma City, Oklahoma

Christopher R. Redlich Jr.† Hillsborough, California

Samuel T. Reeves Palm Beach Gardens, Florida

Kathleen "Cab" Rogers *Oakland, California*

Peter O. Shea Newport Beach, California

Roderick W. Shepard Atherton, California

Robert Shipman Palm Beach, Florida

Thomas M. Siebel Redwood City, California



PHOTO: LINDA A. CICERO/STANFORD NEWS SERVICE

A NEXT STEP IN MODERNIZING HOOVER'S FACILITIES: THE GEORGE P. SHULTZ BUILDING

With Hoover's decades-long vision for a first-rate conference and administrative headquarters and new front door to Stanford University now realized in the David and Joan Traitel Building, the institution is embarking on a new capital project to address other long-standing infrastructure needs.

Currently in the early planning stages, the proposed George P. Shultz Building will provide Hoover fellows with a modern research center that supports academic collaboration and maximizes resources available to senior scholars. The building will also offer venues for smaller conferences and lectures and will open additional space for Library & Archives digitization and priority storage needs.

This crucial next step in revitalizing Hoover's infrastructure was made possible through an extraordinary lead gift from Hoover overseer Thomas F. Stephenson and his wife, Barbara. The building will be named in honor of George P. Shultz, a distinguished Hoover fellow whose four cabinet-level positions include service as the sixtieth secretary of state under President Reagan. Overseers Cynthia Fry Gunn with husband John A. Gunn, Charles B. Johnson, and Jay A. Precourt, along with Charles and Helen Schwab, Bloomberg Philanthropies, and the S. D. Bechtel, Jr. Foundation, joined the Stephensons with generous contributions to help fund this milestone project. George W. Siguler⁺ New York, New York

Boyd C. Smith⁺ Palo Alto, California

James W. Smith, MD Boise, Idaho

William C. Steere Jr. Bonita Springs, Florida

David L. Steffy Newport Beach, California

Thomas F. Stephenson⁺ Atherton, California

Stephen K. Stuart Orlando, Florida

W. Clarke Swanson Jr. *Oakville, California*

Curtis Sloane Tamkin Los Angeles, California

Robert A. Teitsworth Laguna Beach, California

Marc Tessier-Lavigne‡ *Stanford, California*

Thomas J. Tierney[†] Boston, Massachusetts

David T. Traitel⁺ San Francisco, California

Victor S. Trione Santa Rosa, California

Paul H. Wick Portola Valley, California

Diane B. "Dede" Wilsey San Francisco, California

Richard G. Wolford *Glenbrook, Nevada*

Marcia R. Wythes Atherton, California

DISTINGUISHED OVERSEERS

Martin Anderson Palo Alto, California Stephen D. Bechtel Jr.

San Francisco, California Peter B. Bedford

Napa, California

Wendy H. Borcherdt Los Angeles, California Pevton M. Lake

Tyler, Texas

Robert H. Malott *Chicago, Illinois*

Shirley Cox Matteson Palo Alto, California

Bowen H. McCoy Los Angeles, California Burton J. McMurtry[†] Palo Alto, California

OVERSEERS EMERITUS

Frederick L. Allen San Marino, California

Susanne Fitger Donnelly Los Angeles, California

Joseph W. Donner New York, New York

John R. Stahr Corona del Mar, California

Robert J. Swain *Tulsa, Oklahoma*

Dody Waugh Santa Barbara, California

⁺ Executive Committee members [‡] Ex officio members of the board

DISTINGUISHED OVERSEERS HONORED AT 2018 SUMMER BOARD MEETING

At Hoover's 2018 Summer Board of Overseers Meeting, two longtime board members were awarded the title of Distinguished Overseer in recognition of their leadership at the institution and their generous financial support.

Distinguished Overseer Peter B. Bedford has previously been honored with the institution's Uncommon Commitment Award in recognition of his numerous contributions to Hoover, which include joining with his wife, Kirsten, to bring renowned legal scholar Richard A. Epstein to Hoover as the Peter and Kirsten Bedford Senior Fellow.

In addition, the July meeting offered a final opportunity to recognize Distinguished Overseer Burton J. McMurtry, who passed away two months later in September 2018. McMurtry's two decades of service on the board were characterized by remarkable generosity, including the extraordinary gift that provided a new home for Stanford's Department of Art and Art History and cleared the way for Hoover's construction of the David and Joan Traitel Building.



Overseers Peter B. Bedford (pictured left) and the late Burton J. McMurtry (pictured right) accept a plaque from board chairman Joel C. Peterson in recognition of their appointment as Distinguished Overseers. PHOTOS: ERIC DRAPER

"Progress will march if we hold an abiding faith in the intelligence, the initiative, the character, the courage, and the divine touch in the individual." HERBERT HOOVER

In Memoriam

We honor the memory of the following overseers and former overseers who died during the 2018 fiscal year.

George Deukmejian Susanne Fitger Donnelly John Freidenrich John A. Gavin Preston B. Hotchkis Robert H. Malott G. Craig Sullivan



HOOVER INSTITUTION

STANFORD UNIVERSITY

EVENTS AND CONFERENCES

In addition to our twice-yearly retreats and Board of Overseers meetings, the Hoover Institution hosts conferences and events across the country to introduce new individuals to our mission and fellows.

Our calendar of events continues to expand each year, with new 2018 events including our first-ever Palm Beach Conference in Florida, which featured a superb lineup of Hoover fellows including John F. Cogan, Niall Ferguson, Edward P. Lazear, and Admiral Gary Roughead (USN, Ret.). Our new Chicago Director's Luncheon—Hoover's first event in the area in six years—featured a talk by Research Fellow Adam J. White days after he delivered a major briefing before the Senate Judiciary Committee, while our Wine Country Luncheon at the Napa Valley Reserve winery featured W. Glenn Campbell Research Fellow Kiron K. Skinner, who now leads policy planning in the Department of State. Other new and ongoing regional events are highlighted on the map below.



RECENT REGIONAL EVENTS

Iop left: OMB director Mick Mulvaney speaking at Hoover's 2018 Winter Board of Overseers Meeting. Top right: Overseer David Traitel and his wife, Joan (center left), with Hoover fellows Scott Atlas (far left) and John Cochrane (far right) and Cochrane's wife, Elizabeth (center right). Center: Hoover fellow Victor Davis Hanson speaks during dinner at Hoover's 2018 Summer Board of Overseers Meeting. Bottom: It was an honor to have had President George W. Bush join us for a special conversation with Hoover Institution senior fellow Condoleezza Rice. PHOTOS: ERIC DRAPER

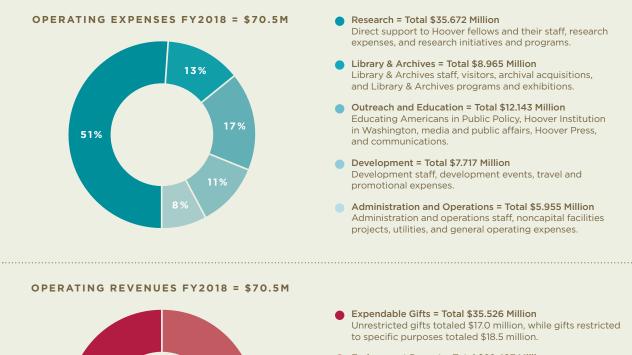
Austin Director's Dinner Austin, Texas

FINANCIAL REVIEW

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Hoover is funded almost exclusively by the generosity of our donors, with expendable gifts and payout on invested gifts constituting 97 percent of the annual operating budget. As such, we consider careful management of our donor resources to be the highest priority. Expenditures are systematically monitored, with annual institutional expenses consistently coming in lower than budgeted. Donor funds held in endowment are expertly invested by Stanford Management Company. Finally, gifts to the institution are tracked from receipt to expenditure to ensure that donor intent is honored.

The bulk of Hoover's activity occurs as expenditures in the operating budget. The primary expenditure is compensation to scholars and staff, comprising more than 70 percent of the total operating budget. The operating budget also includes programmatic expenses and general operating costs. For fiscal year 2018 (September 1, 2017–August 31, 2018), total expenditures in the operating budget were \$70.5 million, funded with \$66.5 million in current revenue and \$4.0 million in expendable gifts and endowment payout accumulated in prior periods.



40%

50%

Endowment Payout = Total \$28.497 Million The Stanford Board of Trustees has set the target payout rate at 5.5 percent of market value to accommodate the funding needs of the university while still maintaining principal growth.

- Misc. Income and Stanford Support = Total \$2.443 Million Publications revenue, interest income, sponsored projects, and Stanford support for the Library & Archives and utilities.
- Revenues from Prior Periods = Total \$3.986 Million The use of revenues from prior periods was planned and was primarily for large-scale, prefunded projects, such as Educating Americans in Public Policy (EAPP).

FISCAL YEAR

2018

2017

2016

2015 2014

2018

2017

2016

2015

2014

FINANCIAL ACTIVITIES

Year Ended August 31, 2018

SELECTED FINANCIAL ASSETS As of August 31, 2018

OPERATING REVENUES	
Expendable Gifts	\$35,526,000
Endowment Payout	28,497,000
Stanford Support and Other Income	2,443,000
TOTAL OPERATING REVENUES	\$66,466,000
OPERATING EXPENSES	(\$70,452,000)
CHANGE IN FUNDS DUE TO OPERATIONS	(\$3,986,000)

NONOPERATING ACTIVITIES	
Endowment Gifts	\$15,360,000
Endowment Withdrawal as Payout	(28,497,000)
Capital Gains on Endowment Principal	46,440,000
CHANGE IN ENDOWMENT FUNDS	\$33,303,000
Capital Gifts and Interest Income	\$15,881,000
Capital Expenses	(9,327,000)
CHANGE IN CAPITAL FUNDS	\$6.554.000
	\$0,001,000

CASH BALANCES LOCALLY HELD

Unrestricted Funds Raised in Prior Periods	\$2,322,000
Restricted Funds Raised in Prior Periods	25,672,000
Cash Balances for Capital Projects	27,990,000
TOTAL CASH BALANCES	\$55,984,000
ENDOWMENT FUNDS	
Pure Endowment	\$338,366,000
Funds Functioning as Endowment*	166,070,000
Reserves Invested in Endowment**	42,005,000
ENDOWMENT MARKET VALUE	\$546,441,000

TOTAL SELECTED FINANCIAL ASSETS

IN MILLIONS

40

95

*Funds functioning as endowment are gifts originally given as cash that have since been designated as endowment by Hoover.

\$602,425,000

**Includes \$37.2 million in unrestricted reserves and \$4.8 million in facilities reserves. Hoover transferred \$10 million in unrestricted funds raised in prior periods into reserves in endowment in August 2018.

50 100 150 200 250 300 350 400 450 500 550 600

CONSOLIDATED BUDGET (in Millions)

The consolidated budget includes operating expenses as well as costs for capital facilities projects. In FY15, FY16, FY17, and FY18, costs for capital facilities projects totaled \$4.8 million, \$28.4 million, \$28.0 million, and \$9.3 million respectively, primarily for construction of the Traitel Building.

UNRESTRICTED RESERVES (in Millions)

Unrestricted reserves include cash reserves held locally and reserves invested in endowment. Reserves invested in endowment earn payout available to fund the operating budget. Of the \$37.2 million in unrestricted reserves invested in endowment, \$27.2 million is available for immediate withdrawal. Aside from capital gains on endowment, the unrestricted reserve has remained relatively flat over the last five years, indicative of an operating budget in balance.

ENDOWMENT MARKET VALUE (in Millions)

Net of endowment payout, the rate of return for FY18 was 3.5 percent. This follows a healthy result in FY17, reflecting a strong investing environment. Regardless of market conditions, Stanford Management Company has consistently outperformed the composite benchmark for peer university endowments.

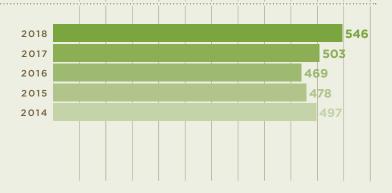




PHOTO: TIM GRIFFITH

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