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Purged From Cato!

It Usually Ends With Ed Crane

On Black Friday, March 27, 1981, at 9:00 A.M. in San Francisco, the "libertarian" power elite of the Cato Institute, consisting of President Edward H. Crane III and Other Shareholder Charles G. Koch, revealed its true nature and its cloven hoof. Crane, aided and abetted by Koch, ordered me to leave Cato's regular quarterly board meeting, even though I am a shareholder and a founding board member of the Cato Institute. The Crane/Koch action was not only iniquitous and high-handed but also illegal, as my attorneys informed them before and during the meeting. They didn't care. What's more, as will be explained shortly, in order to accomplish this foul deed to their own satisfaction, Crane/Koch literally appropriated and confiscated the shares which I had naively left in the Cato Wichita office for "safekeeping", an act clearly in violation of our agreement as well as contrary to every tenet of libertarian principle.

I. The Road to Black Friday

The saga began a scant three weeks earlier, when Crane sent me two letters, one from himself and one through his secretary (March 5), airily informing me of the "desire" of the majority of Cato shareholders (the shareholders consist of myself, Crane, Koch, and another person, who works in the Koch offices in Wichita) that I yield my Cato shares to Crane & Co. The ground for my abrupt dismissal was a "deep-seated" personal antagonism by myself toward Crane. Evidence cited by Crane for this antagonism was twofold: (a) various conversations by myself as relayed by unnamed informers. Hardly sufficient evidence for this grave action. After all, I *could* have been jesting to people who didn't understand the joke; or, I could have been using the good old muddy Randian concept of "underscoring" my deep-seated admiration toward E.H. (b) the only serious evidence cited by Crane was my *Libertarian Forum* article of Sept.-Dec. 1980 ("The Clark Campaign: Never Again"). Crane concluded that, because of this alleged antagonism, "we believe it would be difficult, if not impossible, for you to objectively evaluate ongoing and future Cato projects as a Board member." In other words, disagreement with Crane automatically robs one of "objectivity"; unflinching agreement and lickspittle fawning upon Crane is the only way to make sure that you are superby and consistently "objective."

Due to the vagaries of the Post Office, it took until March 11 for me to receive these startling missives. I replied that same day, registering astonishment at the proceedings. I pointed out that for shareholders to have a meeting, due notice (usually 10 days) of such meeting must be sent in advance to every shareholder. But I had had no notice whatever of any meeting, and therefore the alleged

"desire" expressed by the shareholders was illegal, and null and void.

I also pointed out various oddities of the Crane/secretary letters. In the first place, the *Lib. Forum* article dealt only with the disputes I had had with Crane within the Libertarian Party. There was no mention of Cato or Cato activities in the article. Furthermore, Crane had resigned from the NatComm of the LP, in accordance with a Cato Board resolution last November barring senior officers from any partisan political activity. So since the Cato Institute, as a tax-exempt institution under Section 501 (c) (3) of the Internal Revenue Code, is not supposed to have anything to do with partisan politics, how dare Crane make my stand within the LP a criterion for my continued shareholder or board membership at Cato?

To quote from my letter:

"I am also fascinated that the only concrete evidence you have for this alleged lack of competence is my article . . . , where my criticisms of yourself had nothing to do with the Cato Institute, but were solely directed toward your activities in the Libertarian Party, a period when you were on leave from the Cato Institute. I have spent a long time trying to disassociate the Cato Institute from the Libertarian Party . . . And yet you dare to judge my competence as a Cato board member solely on the basis of a strictly partisan political dispute between us! Since you are now supposedly out of politics, I would expect that the entire question had become moot. The critics of the Cato Institute have been saying for a long time that we are merely a front for the Libertarian Party. Are you proposing to prove them right?"

Secondly, I pointed out that usually when a personal dispute arises between a President and a Board member, if *anyone* is fired, it's the President. Who ever heard of firing a board member?

In my letter to Crane of March 11, I also demanded that he send me, as a board member, all the governing documents of the Cato Institute. Despite repeated requests from myself and my attorneys, Crane persistently failed to send the full set of documents I requested.

I concluded my letter to Crane by expressing my intention to appear at the March 27 board meeting and propose various long-needed actions by the Board: e.g., the naming of a chairman, which had never been done at Cato, so that Crane informally but regularly would preside over an "objective" review and evaluation of his own record at Cato. Also, I expressed my intention for once

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to have regular notes taken and minutes sent to every board member, as in most organizations, shortly after the meeting; I was going to raise the point of various anomalies and seeming misstatements that Crane had already sent to the board about the November meeting. I had for a couple of months been illegitimately cut off by Crane from monthly reports and financial statements that he had sent to the other board members; and repeated requests failed to get me a copy of the November minutes. In fact, Crane was overheard ordering his secretary not to send me the minutes.

On March 19, my attorney wrote to Crane, setting forth the legal infirmities in Crane's stance. Crane's case, as expressed in his brusque and totally unresponsive letters of March 16 and 24, was simple to the point of inanity. His March 16 letter merely sent me a copy of the Shareholders Agreement and rested his case on that agreement. Crane's March 24 letter, in reply to my lawyer's letter of the 19th, answered none of his arguments, and simply reiterated that I was off the board already and that this action was in accordance with the Shareholders Agreement and state law, and that he had consulted unnamed attorneys who agreed with his position. Period.

My attorney's letter of March 19, however, which in effect remained unanswered, pointed out several pertinent and clinching facts. First, the Crane letters could scarcely be taken as written evidence of the "desire" of the majority shareholders. For (1) I was not given due notice of any shareholders meeting, which was therefore illegal if held, and (2) There was no written evidence of any expressed desires by the other shareholders. Was I supposed to take Crane's word for their "desire"? And why? This point can now be strengthened, for in the Restated Bylaws of the Cato Institute, introduced by Crane himself at the Black Friday board meeting, Article III, Section IV specifically states that: "A written or printed notice of each shareholders' meeting, stating the place, day, and hour of the meeting and . . . the purpose or purposes of the meeting shall be given . . . to each shareholder This notice shall be sent at least ten days before the date named for the meeting to each shareholder" But I had received no notice whatsoever of the shareholders' "meeting", let alone a notice of 10 days! Therefore, any such meeting, on Crane's own terms, was illegal.

Moreover, according to Cato's own Restated Bylaws, as well as the laws of Kansas under which Cato was incorporated, the shareholders are required to hold annual meetings on the second Tuesday of every January; yet no shareholders' meetings at all had ever been held until the unheralded "desire" to kick me out as shareholder had been communicated in some fashion to Ed Crane.

Finally, and what would turn out to be particularly important, my attorney replied to the Crane demand that I send my shares to Cato with the statement that my shares had probably been left in the Wichita office of the Cato Institute for safekeeping. He based this insight on a letter to all the shareholders in my files from Cato's Wichita office, dated March 29, 1977, which said: "please advise whether you wish to hold the stock certificate or if you prefer that I give the certificate to Florence Johnson for safe keeping." My attorney pointed out to Crane that "it would be necessary for the Cato Institute's Wichita office to forward the certificate to Professor Rothbard before he could comply with any properly made request under the Shareholders Agreement."

In short, I remain unalterably a shareholder and therefore a board member of Cato until (a) I receive a majority request to yield the shares after a proper shareholders meeting is held for that purpose, with everyone, including myself, getting 10 days notice of the meeting; and (b) I endorse the Cato shares over to Crane & Co. Cato would, at long last, have to hold a proper and legal shareholders meeting, after which the Wichita office would have to send me the shares, and then I would have had to endorse them

over, before I could be removed as shareholder and board member.

Furthermore, that I remain as shareholder and therefore board member until I endorse the Cato shares is clear from Crane's own basic case, the Shareholders Agreement, and also from the Restated Cato Bylaws, which Crane whipped out at the Black Friday board meeting. (When asked by my San Francisco attorney when these Restated Bylaws had been filed, Crane airily dismissed the question with "some time in the past.") Article VII, Section 3 of the Restated Bylaws, which Crane pointed to in support of his position that I was off the Board, states specifically that "Shares of the Corporation (Cato) shall only be transferred on its books upon the surrender to the Corporation of the share certificates duly endorsed or accompanied by proper evidence of succession, assignment, or authority to transfer. In that event, the surrendered certificates shall be canceled . . ." But I had not endorsed the shares; for one thing, I had never had them in my possession, since they were being kept in Wichita. Secondly, I had never assigned or made over any authority to transfer.

In addition, Article VII, Section 3 goes on to insist that "no shares of the Corporation shall be transferred . . . except upon a showing of strict compliance with the restrictions on transfer imposed by the provisions set out in that certain Shareholders Agreement dated January 26, 1977 . . ." What are these restrictions? As set forth in Section 6, they are that, after the majority shareholders make clear their desire, the shares shall be sent to them "duly endorsed for transfer." In short, until they are so endorsed, I remain ineluctably a shareholder of the Cato Institute.

Time was now a-fleeting, and it was clear that it would be impossible for Crane/Koch to comply with Cato's own internal requirements for kicking me out as shareholder and board member before the March 27 meeting. Regardless of what might come later on, I was legally entitled to function at this meeting as a director of the Cato Institute. It was important for me to do so, both to protect my rights against the high-handed and vindictive actions of Crane & Co., and also because I intended to raise searching questions at this meeting about regularizing Cato board procedures, and about the competence of Ed Crane as president of the Institute. For example, it was learned, as my attorney wrote to Crane on March 19, that Cato has been illegal in the state of California since March 1, 1979. Crane's dimwitted failure to comply with California law could needlessly subject the Cato Institute to considerable fines. All in all, if the board had been willing to ask searching questions about Crane's conduct as president — something that had never been done before — several employees of Cato were ready to spill the beans. And so I decided to go to San Francisco, at my own expense (since Crane insisted on denying me my right as a board member for reimbursement) to press my case at the March 27 meeting.

The stage was set for the ultimate confrontation. Of the seven board members of Cato, three of us had managed to wring concessions from Crane at the previous board meeting last November, including passage in amended form of my resolution that Crane must abstain from any partisan political activity while functioning as president of the Cato Institute.

II. Black Friday

We had heard from the grapevine that Crane would try to stonewall it, and would pull some stunt or other to prevent me from taking part in the board meeting. I armed myself with a San Francisco lawyer in advance, and the two of us walked into the Cato conference room at 8:45, fifteen minutes early, so as to be able to sit in the room before the meeting began. The purpose of bringing my attorney was to inform Crane and the rest of the board of my rights as a board member.

On Crane's invitation, my attorney again set forth my case on my right to function as a board member. When Koch informed us that

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"the shareholders" (i.e. Crane and Koch) had met the previous night and exercised their right to dissolve and reconstitute the board without me on it, I pointed out that this was not legal procedure, since I had never been informed of the meeting (certainly not with 10 days notice!) Koch replied that I was no longer a shareholder. (Catch 22!) Why not? At this point, Crane pulled out the "Restated Bylaws", and pointed to Article VII, Section 3 as his definitive case. When my attorney and myself pointed out that this article precisely supported my case rather than his, Crane (see above) brusquely dismissed my case as a "legal technicality." So, Crane, is that what property rights are in your eyes, just a "legal technicality"? Apparently so, for at that point Crane informed my dumfounded attorney that they had taken my Cato shares, held only for "safekeeping" at Wichita, and simply "cancelled" them, and so that was the end of that! My shares were only in Wichita for safekeeping, and so Crane & Co. had violated the clear requirement in their own agreement and bylaws that I had to endorse the shares over to them before I was off the shareholders. But the fact that they had clearly violated my property rights in my shares was just a "legal technicality"! The blackguards had grabbed my shares!

In short, Crane was arrogantly informing me and my attorney that my property, held for "safekeeping" in Wichita, had been seized by Crane and his confederates and used for their own purposes. For if they had bothered preserving my property rights and sent me the shares for endorsement, there would not have been time to keep me from serving at this March meeting. So determined were they to exercise their power that they were willing and eager to perpetrate this outrage.

When Crane refused to listen to any legal protests and demanded that we leave, my stunned attorney looked around the conference room and asked: "Doesn't anyone else have anything to say?" (Crane and Koch had done all the talking among the board members.) Not a word, not a peep from anyone. We walked out, with me announcing that "this action is illegal, and that therefore any further decisions taken at this meeting are illegal."

All this leads me to ruminate on something I have been pondering for a long time. Let each and every one of you, dear readers, consider this crucial question: How many fellow libertarians would you trust to guard your back in an ambush? How many would you trust? As a friend and long-time libertarian observed in reply: "Ambush, hell. How many libertarians would you allow in the same room with you and trust not to poison your food?"

There are several morals to this little story. One is: "Don't leave *anything* for safekeeping in Wichita, whether it be a stick of bubble-gum or your precious soul." Another is: Just because someone *says* he's a "libertarian", doesn't mean he won't rob you blind if he has the chance.

Crane & Co. must be made to understand that the libertarian movement is after all an ideological movement. And so there must be at least *some* libertarians who hold their ideology dear, who will not be bought, who will not bend the knee to a new set of Masters even if they don't yet call themselves the State. If there is any justice left on this earth, the libertarian movement cannot and will not be run like a giant corporation. We will brook no "chain of command" that rides roughshod over rights and even over human decency. The movement is too big for any set of power-hungry villains to control.

III. The Background: the Cato Institute

When Cato was first founded in 1976, transformed from what previously was the Charles Koch Foundation, I accepted a post as a founding board member with enthusiasm. Here was what the libertarian movement seemed to need — a well-funded

organization that would gather to itself the Best and the Brightest in the movement, find new and able libertarians, and then advance sound and radical libertarian principles and their applications in the real world.

But that, alas, was only the theory. For while Cato has done many good things, the reality of the Cato Institute was unfortunately all too different. And much of that difference can be laid squarely at the door of its President, Ed Crane.

It has been well said that, after a while, the feel and spirit of any organization takes on the coloration of its head. Since I worked at Cato in San Francisco for virtually the first two and a half years of its existence, I was able to confirm this insight first-hand at Cato, and also to find out what the Cato spirit might be. After the first few months, it became all too clear that the dominant spirit at the Cato Institute was one of paranoia, intense hatred, back-stabbing, and endless crises. At first, the crises, all revolving around personal relations between Crane and other Cato executives, occurred only once every few months. But soon the frequency accelerated, until crises occurred once a week, and then every day or two. I have noted for a long time that the logo of the Cato Institute should be *the closing door*, because if you talk to anyone at Cato about anything except the weather, he or she will say, "Wait a minute, let me close the door."

The atmosphere at Cato is reminiscent of nothing so much as the last days of the Nixon White House. Everything is covered over with layers of secrecy; one of Crane's favorite phrases is an angry, "Who told you that?" (Such is the mania at Cato that a large part of the time the "who" was Crane himself.) Usually, there is at least one hate-object for Crane among his top executives. Crane and the executive will stop talking to each other for many months, even years, and, while the executive in question twists slowly, slowly in the wind (to use a favorite Watergateism), Crane will organize hate sessions against the unfortunate victim among his coterie of fawning toadies. All this is all too reminiscent of the "hate Emanuel Goldstein" sessions in Orwell's *1984*, in which Goldstein's face is flashed on the screen and everyone is expected to heap abuse upon his image.

Finally, after many tense and excruciating months, the victim-hate object is fired or pressured out, and Crane soon finds another victim. For Crane, repeated firings of the "disloyal" has several important uses. One is that he can then blame all the incredible mismanagement and foulups at Cato on the unfortunate hate-object; sometimes, in fact, the victim is blamed for misdeeds committed months, even years after he has been booted out of Cato. Their evil, apparently, lives after them, trailing endless clouds of alibis for Ed Crane. Not only were they disloyal; they apparently engaged in endless plots against the Master. What neither Crane nor his mentors seem to understand is that if you treat everyone *as if* they are eternally plotting against you, pretty soon by God they *will* start such plotting. And so paranoia acts as a self-fulfilling prophecy.

In a magnificent burst of speaking truth to power, a top executive of Cato recently resigned (on a matter unconnected with Black Friday), and wrote to Crane (on March 13, 1981): "In a movement filled with backbiting, I have seldom encountered anyone quite as ruthless or as consistently unprofessional as you. It is simply impossible for me to continue to work under someone whose greatest glory is humiliating, punishing, or purging his enemies, real or imagined, or 'getting even' with his own organization. You do not seem to realize that if you treat someone as an enemy, he soon becomes one, or how easy it would have been to win the loyalty of so many of those people who now justifiably regard you with suspicion." Bravo!

Take a list of top Cato executives of the past and you will find some of the truly best and brightest people in the libertarian movement. It is a veritable drumroll:

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Roger Lea MacBride, board member and shareholder
David Theroux, vice president
Leonard P. Liggio, vice president
Williamson M. Evers, vice president and editor of
Inquiry
Ronald Hamowy, editor of *Inquiry*.

I will now add myself to what is really a roll of honor.

Where they now? They are most emphatically *not* at Cato.

Why? Because of one man and one man alone, Edward H. Crane III. We must put the blame on Crane, for that is precisely where it belongs.

There are only two choices here. *Either* Crane is a John Galt figure, a giant among lesser pygmies, envied and therefore plotted against by all the rest of us creeps and low-lives. *Or else:* it is Crane who is out of step, and not the rest of the world. There is no middle way, no wimpy way out of the horns of this dilemma. Either all the rest of us are Bad Guys, or Crane is *the* Bad Guy. The movement must choose.

And furthermore, if Crane is the Good Guy, how come he had the rotten judgment to select as his top executives all these people who turned out, on his own account, to be Bad Guys? What kind of top manager is *that*?

OK, let's stipulate that personnel relations at Cato are a walking disaster. What about other aspects of the Crane Presidency? One important function of the president of a non-profit organization is to raise funds. But Crane has shown no aptitude whatsoever in fund-raising except from one man, The Donor. Direct mail fund-raising hasn't worked, as one might expect from an ideological organization. Only personal fund-raising by the President can work, and, considering what we can very kindly call Crane's "abrasive" personality, this is not a live option at Cato. How much longer will the Donor be willing to put up with this bizarre state of affairs? Who knows? But whatever happens, it remains an odd situation for an organization like Cato to have a President who can't fund-raise his way out of a paper bag.

Another function of a President is to keep costs down and preside over a tight budget. But even Crane's most fervent supporters admit that cost management is not his forte and that, instead, he spends money as if there is no tomorrow. It was only in the year that Crane was on leave to run the Clark campaign that Cato managed to live within its budget. If I had been allowed to be at the board meeting I would have raised a question, for example, about \$15,000 that Crane reportedly spent on a cocktail party in Washington to herald the Ferrara *Social Security* book, a party that brought in virtually no book orders, but presumably enhanced whatever image Cato may have among the movers and shakers of the Reagan administration.

Veteran Crane-watchers, even those favorable to him, will stipulate all of this: that he is a disaster in personal relations, a nothing fund-raiser, and heedless of costs or budgets. Furthermore, they will concede another important point: that Eddie gets bored with any existing programs, and that therefore he is a lousy manager of any continuing institutions within Cato. It is this deep-seated boredom, they feel, that accounts for Crane's fascination with presidential campaigns, which are short-lived, one-shot, and exciting over their brief span.

If Crane is a disastrous manager of existing programs, he is in still other ways singularly unequipped to be the head of a libertarian public policy institute. When I first got to Cato in 1977, I was told by a top Cato officer and Crane crony that Crane despised intellectuals and libertarian theorists and that he read practically nothing, whether books, magazines, or newspapers. At first I resisted this charge, but it turned out to be all too true. The

heads of other public policy think tanks may not be writers or theorists themselves, but they are often genuinely fond of scholarship and of ideas and are therefore well equipped preside over efforts to translate them into more practical applications or more readable form. Libertarian institutions deserve no less, but clearly Crane is not the man for the job.

So — going down this grisly roll call of Crane failings, what in the world is supposed to be his forte? Why is he still in a job which, by any sensible criterion, he is so little qualified to hold? This question has wasted countless man-hours over lunch, drinks, and office chitchat at the Cato Institute. Why is this man there? All of us may guess, but none knows the answer. However, we might as well consider the one favorable item which Crane-watchers have come up with: that he's a "good idea man", that he comes up with fruitful ideas for new projects. In short, he may not be able to run an existing institution or program, but he can come up with fruitful new ones; in a large corporation, he might have been Vice President in Charge of Development or whatever.

But even this does not really hold water. There has scarcely been a creative new idea at Cato since its first year; old programs, such as *Inquiry* and the Cato Seminars, have simply continued in place. And Crane has never made a positive contribution to the contents of *Inquiry*. The best recent program, the quarterly *Cato Journal*, was not Crane's idea at all, and was instituted when he was away on leave. And the best new idea hatched at Cato in years, the concept of a Cato think tank at some university — with fellowships, resident scholars and publishing the *Cato Journal* — was shot down angrily by Crane when he returned from his campaign leave. Probably the greatest single need of the movement right now is for a scholarly university think tank to foster interdisciplinary libertarian ideas. But Crane, in his deep contempt for the human mind, squashed the idea and instead denounced those who drew it up as plotters against his reign. So much for Crane the man of ideas.

So we are left with the puzzle: why is this man there?

We come now to the final bone of contention: the interpenetration of the Cato Institute and the Libertarian Party. When I first got to Cato, I was told by several top Cato officers that the Cato Institute had turned out to be primarily a "front" for the Libertarian Party, an organization designed to funnel material and personnel into LP campaigns, and to provide a resting place for Crane in between presidential races. I told them that this was ridiculous, that I was a founding board member of Cato, and that there was a key difference (which many non-or quasi-libertarians fail to understand) between *libertarianism* and the Libertarian Party. That Cato had nothing to do with the party — as indeed it was legally bound as a tax-exempt organization — but was simply founded to spread libertarian ideas. They smiled back knowingly and insisted they were right.

Though my own rift with Crane began in the spring of 1979, no effort was made to remove me from the Cato board until this spring. To me it is clear that the real cause was not the *Lib. Forum* article but the success which I and others had at the November board meeting in beginning to call Crane to account. I had been a one-man needler of Crane's management at Cato board meetings for a year or more; until last November, I could be ignored as having only nuisance value, since I was just one lone voice tolerated on the board. But last November, suddenly, I had two allies, almost a majority of the Cato board. Over Crane's initial opposition, I managed to carry the board resolution barring all senior Cato officers from partisan political activity, which helped insure Cato's continued non-profit tax-exempt status. Also at the board meeting we managed to set up a Salary Review Committee, to review the salaries of all the top executives — a commonplace for most boards but unheard of at Cato, where Crane prefers to run everything out of his hip pocket. It was because of this success that I had to go, and go quickly.

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While all the above failings of Crane certainly played a large cumulative role, my own break with Crane came sharply in the spring of 1979. Typically, it came over matters that involved not only the Cato Institute but also the Libertarian Party and the movement as a whole.

The Sarajevo of the Cato Institute was a seemingly simple act: the hiring by Crane of Dr. David Henderson as his policy analyst and economist. The hiring of Henderson came as a thunderclap at Cato. Why was he hired? The firestorm of opposition to Henderson that broke out among all the Cato executives was based not so much on personal hostility as on the fact that the Cato Institute was supposed to be deeply committed to Austrian economics. Yet Henderson was not only not an Austrian but strongly hostile. So why was he hired? Especially since all those at Cato with economic backgrounds were bitterly opposed to the appointment.

Henderson is long gone, as his appointment turned out to be yet another Crane mistake, this time admitted as such by all concerned. Yet we never did find out precisely why Henderson was hired, apart from being a way from Crane to impose his will against almost unanimous advice. But in the course of inquiry into the Henderson Affair, we discovered several fascinating and horrifying festering sores underneath the surface of Cranedom. A mighty can of worms was now uncovered.

First, we all found to our astonishment that the only person strongly advising Crane to hire Henderson was Roy A. Childs, Jr. Not only did Childs have no official post at Cato but Childs knew zilch about economics. So how did he come to be picking Cato's economists? What was going on here? What was the Crane/Childs connection?

Deeper trauma ensued. For at this point we heard the following incredible story from a top member of the Crane/Childs cabal who suddenly defected and was promptly removed from Cato:

The essence of the story was this. Crane, and Childs as his Court Intellectual and apologist, began to discover a rising tide of hatred of Cato emerging within the Libertarian Party. Crane had finally succeeded, by early February, in inducing Ed Clark to run for President, and the mighty Clark vs. Hunscher race was now underway. But how could Clark win and, more important, how could Crane run his campaign, if Hunscher could run successfully as the anti-Cato candidate within the Party? A scapegoat would have to be found.

In addition, and more importantly, Crane/Childs had decided on a critical paradigm shift for the Libertarian Party and for the movement as a whole. Crane and his institutions — *Libertarian Review* and Students for a Libertarian Society — had previously been committed to pure, radical libertarian principle. This would now have to be diluted and scrapped, and a paradigm shift made to water down principle and sell out in behalf of big numbers: money, media influence, and votes. The Clark campaign, once he was successfully nominated, would be the embodiment of the new sellout opportunism within the Party.

The first fruits of the new Cranian opportunism was a shift in the line of LR and SLS on nuclear power in the summer of '79, which was not an isolated issue but the beginning of the end of Cranian adherence to libertarianism. Or rather, the real beginning was the Henderson appointment, which, according to the Cranian defector, was a move away from Austrianism and laissez-faire and toward the more respectable Friedmanite economics. In one case Friedmanism, in the other low-tax liberalism! All parts of the new paradigm would hang together.

Also, said our defector, the planned scapegoat for Crane/Childs was myself and particularly Bill Evers. Personal friction had arisen between Crane and Evers the previous year. As publisher of

Inquiry, Crane was responsible for the business end of the magazine. When *Inquiry* began to face mounting deficits due to Crane's mismanagement, he conveniently placed the blame on Evers, who as editor had no responsibility for the magazine's budget and was not even shown a copy. In the meanwhile, Childs had conceived a deep personal antipathy to Evers for a long time, to the extent of chanting publicly as well as privately "Death to Evers" at every opportunity. There seemed to be no objective reason for Childs' malevolent obsession with Evers, and here we are in the murky area of psychopathology. The best judgment of objective observers put the blame on a deep-seated envy of Evers: the two were the same age and both had been libertarians for a long time.

The friction and antagonism were there, and to top it off, Evers and myself were, no doubt about it, theoretical purists, quick to denounce deviations from libertarian principle. So we, and particularly Evers, were to be selected as scapegoats. According to our defector, Childs was deputized by Crane to spend virtually full time calling up LP members across the country and denouncing Evers and myself as doctrinaire purists, thereby deflecting anti-Cato fire to ourselves, and also paving the way for future sellouts.

That, said our intrepid defector, was the plan, and it was being carried out. Evers would eventually be kicked out, and I would be quietly shifted from any decision-making role to being exploited as a resource-person and general totem. True, all too true, with the exception that I didn't go quietly.

This story hit me like a sledgehammer. I couldn't believe it. Surely it couldn't be true! Surely my informant had cracked under what would eventually become the well-known Cato syndrome? I knew about the Evers/Crane friction, but Crane and I had always gotten along and Childs had been one of my closest friends for many years. I thought: Say it ain't true, Roy! So I proceeded to ask around. Did such a cabal exist? The more I found out the more our defector's story was confirmed. The moment of truth came when I confronted Childs and asked him point-blank. Childs, who had begun to affect a steely-eyed look, presumably adopted from his mentor, in essence confirmed the defector's story. Childs' odious pronouncement ended the conversation: "The trouble with you is you're too loyal to your friends. (i.e. Evers)."

The great Cato Rift had begun.

Epilogue: It Usually Ends

So that's it. Another Crane dissenter has become his victim and been purged from Cato. But how many Pyrrhic victories will this man be able to sustain? How long will this be permitted to go on?

The last word on all this was recently sent to me by an old friend and ex-Cato bigwig. He wrote: "Murray, when you write your book or article on the history of the libertarian movement of the 1980's why don't you entitle it: It Usually Ends With Ed Crane?" ‡

Television 1981

A magnet
That attracts
All those
Awaiting —
Anticipating —
Hoping —
For news
Of relief
From inflation,
Taxes,
And politics.

* * *

— Agustin De Mello

The War for the Soul of the Party

The war for the soul of the Libertarian Party has begun. Across the country, a host of LP members have responded to our call in the Sept.-Dec. issue ("The Clark Campaign: Never Again") for a mighty coalition to restore the party to its basic and oft-proclaimed principles. A new organization has been formed, its nature and purposes set forth in its title: The Coalition for a Party of Principle. The Coalition is exactly that: a united front of all principled LP members, "radical", "conservative" and in-between, who feel deeply that the Libertarian Party must return forthwith to its original role as keeper of libertarian principle and as the missionary of those principles to the rest of the country and the world. We did not form and join the Libertarian Party in order to scuttle those principles and whore after votes, money, and media influence. If we wanted that, we would have stayed in the Democratic or Republican parties. We don't want ruthless would-be politicians to corrupt us from within.

No one likes faction fights. No one enjoys having the Libertarian Party, to which we have devoted so much, become the battleground of contending forces. But, like it or not, that is the grim reality. The Crane Machine — the organized forces of opportunism and betrayal — have been able to dominate the presidential campaigns and much of the party machinery. The Coalition recognizes that only organization — dedicated, committed organization — can take back the party from its ruthless betrayal by the Crane Machine.

I. The Coalition for a Party of Principle

The Coalition has been formed to act as a caucus within the Libertarian Party. That is, we shall decide among ourselves on candidates and measures to support or oppose within the LP. Eventually, we hope to organize as a fully functioning membership organization. In the meanwhile, Temporary Chairman of the Coalition is John Mason, chairman of the Colorado LP.

The Coalition has already agreed to support Mason for chairman of the Libertarian Party at the August, 1981 convention. If this seems premature to anyone, then all LP members should realize that, months earlier, the far-sighted Crane Machine had already handpicked their own candidate: Kent Guida, and managed to secure Guida a visible post in the national party headquarters about the time he was being kicked out as chairman of the Maryland LP. The Crane Machine has already selected a campaign manager for Guida, the redoubtable Howie Rich.

In short: Stop Guida, and Elect Mason.

In addition to his impeccable credentials in the anti-Crane Machine movement, John Mason has other superb qualifications for national chair: as chairman of the Colorado party, he has performed yeoman work in building up the party even at the expense of his own professional career; he has run several times for office on the LP ticket; and, last but not least, he is universally and correctly recognized as a great person, as a warm and kind man, qualities to be cherished in the upper strata of the Libertarian Party.

The chairmanship fight is particularly important because if the Crane forces can obtain the post of chairman, they will very likely control the Presidential nominating convention in 1983 or 84. *This must not be allowed to happen.* Stop Guida; elect Mason.

In the meanwhile, things are looking bright for the new Coalition. Mason's campaign manager is the formidable Williamson Evers, member of the ExecComm of the Coalition and one of the most knowledgeable opponents of the Crane machine. In February, Evers was elected by a landslide to the Chairmanship of the LP of California, the largest and best organized LP in the country.

The tide is rolling for libertarian principle and against the Crane Machine.

Other members of the Coalition's ExeComm, now in process of formation, in addition to Mason and Evers, are: M.L. Hanson, National Vice-Chair; Dave Nolan of Colorado, co-founder of the national LP; Paul Grant, formerly a leader of the Louisiana LP now in Colorado; Bob Poole, editor of *Reason* and *frontlines*; and Tyler Olson, chairman of the Arizona LP. Already on the Board of Advisers of the Coalition are John Hospers, first LP Presidential candidate in 1972; and Fred Esser of the Arizona LP.

II. The Clark/Crane Defenses

The defenders of the Clark/Crane record have begun to weigh in, in reaction to the tidal wave of criticism across the country and to the many favorable responses to the *Lib. Forum* issue and the formation of the Coalition. The defenders are actually in a state of some embarrassment. In the first place, bureaucratic opportunists and unprincipled technicians and would-be technicians find it difficult to engage in any sort of reasoned argument. Argument means principle, and principle is precisely what opportunists are always weak on. Stalin could never out-argue Trotsky or Bukharin; he just had the bureaucracy with him, which, unfortunately, turned out to be enough. What bureaucrats and power elites always want is for the opposition to *shut up* and go away, to obey orders, to accept their assigned tasks, to — in a favorite Cranian phrase — "go along with the program." The last thing they want is widespread discussion within the LP.

Another embarrassing point — also typical of power elites — is that so far they have not found a single person to defend them who is not a part-time or full-time hireling of the Crane Machine — that is, of Crane-dominated or associated institutions. Arguments, of course, must stand on their own merits or demerits regardless of who expounds them, but still there is something ineffably sleazy about Crane hirelings prattling on about his unique competence and greatness. The smell of the sycophant is never pretty.

With all this in mind, let us now examine the various arguments that the Crane Machine has put forward in defense of the Clark campaign and, by implication, of all future campaigns which they may come to dominate.

1. Trivializing and Evading the Issues

Since opportunists have no real arguments in defense of their record, they typically flee from such discussions as from the very plague. There has not been the slightest attempt to rebut the detailed record of sellout that myself, Dave Nolan, Justin Raimondo and others have been making. In print, the Crane Machine and its apologists have generally confined themselves to reciting the record of their campaign's alleged accomplishments. Their real "defenses" are verbal and word-of-mouth; and these turn out to be no real arguments at all.

Their basic oral "defense" is to evade and trivialize the issues by reducing it all to a personality squabble or a mere power struggle. There are many variants of this ploy: Crane and myself are personally at odds; Nolan and Crane are at odds, etc. (It is strange how many people are personally at odds with Ed Crane.) Or, that it's all a power struggle, either because the Coalition is "jealous" of the Crane Machine's power or accomplishments (*sic*) and want in; or, wonder of wonders, even the notion that we of the Coalition are trying to "protect our power" from the Cranians. There is only one way to get past this smokescreen, this evasive tactic, which *should* be obvious to everyone but apparently is not. And that is to stipulate: OK, everyone, let's assume for the sake of argument that we're all Bad Guys, that the Coalition is just as "bad" as the Crane

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Machine, that we're merely engaged in a power struggle, etc. So what? This might make for exciting reading or gossip, but it is totally irrelevant to what should be the concern of every Libertarian. What each and every Libertarian should concentrate on is one simple question: *who* is standing on libertarian principles, *who* is sticking to the Libertarian platform, and *who* is betraying them? That's the only issue that anyone need worry about: Who is for principle, and who is betraying it? That question and that alone should be every Libertarian Party member's only concern. I am confident that if this is so, if Libertarians keep their eye on that central issue, there can be only one outcome: the Coalition will win in a walk, and the Crane Machine will be roundly defeated.

Another related verbal smokescreen set up by adherents of the Crane Machine: why is the Coalition so *negative*? Why are we stressing our opposition to the Clark campaign and the Crane Machine? Why can't we be "positive"?

The first response to this charge is that it is oddly all too familiar: for this is *precisely* the attack that statists and non-libertarians have *always* levelled against libertarians. Why are you so "negative"? Why are you always so opposed to the government? Can't you ever offer positive measures? The answer to this bit of hokum is precisely the same now as it was before: We are strongly opposed to the State to the extent that we love liberty. We *positively* favor liberty and libertarianism, and it is precisely for that reason that we are so *negatively* opposed to those who would trample upon liberty or on the principles of libertarianism. Indeed, how could we love liberty strongly and passionately if we did *not* oppose its enemies with equal fervor?

Another Cranian smokescreen device is as old as the hills: "You're another!" The line now is that Bill Evers, in his notable campaign for Congress warmly endorsed by myself, was just as false to libertarian principle as was the Clark campaign. In the first place, this is hogwash, as anyone who cares to examine both campaigns objectively will attest. But that is not the important point. The important consideration is: even if true, this reply is totally irrelevant. Even if true, this would provide no excuse whatever for the misdeeds of Clark/Crane. If the charge were true, then both Evers and Clark/Crane should be condemned. This malarkey, of course, is the stock reply of all criminals who are caught red-handed: "But *everyone's* doing it." Once again, we must not allow ourselves to trivialize the vital issues at stake. *Nobody* should "do it."

Let us now thankfully turn away from the smokescreens and the evasions to the actual and concrete arguments that the Crane Machine has been making in defense of the Clark/Crane record.

2. Everyone Makes Mistakes

The most common defense of the Clark campaign is simply that: no one is perfect, everyone makes mistakes, and therefore all doers are bound to make mistakes. *Ergo*, they who have gone out and dared to do, must not be criticized for their inevitable errors.

Several points must be noted in reply:

First, this kind of argument can be used to whitewash any and every incompetent in *any* activity or organization. Using this kind of rationale, along with the companion "we're on a learning curve", no one, however incompetent, would ever get fired from any position whatsoever. The argument proves far too much, and is therefore sheer blather. The purpose of the argument is to shut critics up, so that the Crane Machine can attempt to run everything without hindrance from people whom they regard as the peanut gallery (i.e. all non-Machine members.)

Second, it is absurd to excuse people who make mistakes unless they demonstrate that they have indeed *learned* from them. Despite vague generalities about "learning curves" there is no evidence

whatever that these gentry have learned a thing from their errors. On the contrary, their references to "mistakes" are momentary and purely ritualistic; from their writings, it is clear they think everything went simply great. Certainly *they* did nothing wrong and took no basically wrong strategic or tactical line. There is not the slightest hint that Crane *et al.* admit to the evils of opportunism or propose to correct their ways in the future. Quite the contrary. The Judeo-Christian heritage is quite correct in refusing to forgive a sinner until he convincingly demonstrates that he has repented his evil ways. Crane and Company remain arrogantly unrepentant. To use the Nixon lingo, they are "stonewalling" it. They must be treated accordingly.

(For the leading Cranian effusions on the campaign, see Tom Palmer, "What the Clark Campaign Achieved: An Insider's View," *frontlines* (Dec. 1980-Jan.1981); and Ed Crane, "A New Beginning....", *Caliber* (Feb. 1981).

3. Never Criticize Another Libertarian

This line, which has been offered by sincere independents as well as by conscious and dedicated tools of the Crane Machine and used to much effect, is simply: Never Criticize Another Libertarian — the Libertarian version of the famous "Eleventh Commandment" of the Republican Party. Criticism is not nice, it's low-type, it's less than purely philosophic, and, above all, it's not fraternal. All libertarians are our Brothers (or Sisters), are they not?

A variant of this creed runs: Criticize the Sin, but not the Sinner, the Mistake but not the Person making the mistake.

Granted that life is more pleasant following this tack, but alas, it misses the crucial point. Also, it is unpleasantly reminiscent of the tactic of all ruling classes in history: criticize inflation, but never the inflators; price controls, but never the people doing the controlling, etc. The point is that sins, errors, evils, etc. are *not just* floating abstractions; they are committed by real persons in the real world, and therefore they cannot be combatted unless people know what is going on in the concrete and who is doing it. *Who* is inflating and regulating, and for what purpose? It is at that point that we realize that not just abstract error but conscious evil is being perpetrated for the sake of ill-gotten money and power.

Well, unfortunately, the libertarian movement, brothers and sisters though they may be, is composed of frail human beings. Libertarians are not perfect (do we need to make this statement after so many years of experience?). They are subject to all the temptations of human nature: including betrayal for greed, power lust, etc. The difference is that in libertarians, because of their professed high ideals and principles, it is infinitely more disgusting. If we must choose between cynical politicians who call themselves Democrats or Republicans, and unprincipled renegades who call themselves Libertarians, I'll take the former any day in the week.

Those who say Never Criticize Another Libertarian are treating our movement and our party like a social club, an Elks or Kiwanis. If Libertarianism were just a social club, and I couldn't stomach the people running it, I wouldn't make a big fuss, I'd simply quit and join another club across the street. I much prefer the joys of scholarship and friendship to running around causing trouble.

But Libertarianism is a wonderful and precious creed, and the Party is supposed to be its political arm. If I see it taken over by power-hungry rascals and sellout artists, I cannot remain silent. I cannot sit still and see thirty-four years of devotion to the name and the concept of libertarianism tossed down the drain by a bunch of turncoats. We have tried to criticize them from within and get them to mend their ways; all we got for our pains were lies and soft-soap. If we lose the name "libertarian" like our forefathers lost the word "liberal" a century ago, by what name shall we then call ourselves?

I don't believe that such critics of the LP as George Smith and Sam Konkin are right that any political party that runs candidates for office is inherently betraying principle by joining and

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sanctioning the State. But while I don't agree that Libertarian politicians sin *necessarily*, I do believe that they are always in a position that Catholic theologians call "occasions for sin." The Libertarian Party member and the candidate for office is veritably surrounded by temptation, by occasions for sin, for betrayal of a creed that is fundamentally and inherently *anti-politics*. So that even if a Libertarian politico must not *necessarily* betray principle, he or she may well do so empirically. The history of the 1980 Presidential campaign gives us pro-party people no comfort; in fact, we must all recognize that we in the Libertarian Party are going to have to work like hell from now on to try to prove that Smith and Konkin have been wrong.

But for us to do so, the opportunist ruling clique in our party, the Crane Machine that has been able to dominate the party machinery and particularly the presidential campaigns, must be denounced and defeated. In his excellent critique of the Clark campaign, Justin Raimondo, after pointing to the ignominious defeat of the Cranian Quick Victory Model, writes that in the *Lib. Forum* I "speculated" that the opportunists will henceforth "leave us alone and return to the major parties." No Justin; I have no expectation that they will do so and leave us alone to our cherished principles; that was only a fond but vain hope. I agree totally with Raimondo that the "fight against opportunism in our movement... is not yet over. In fact, it has hardly begun." (Justin Raimondo, "..... Or a Rude Awakening?" *Caliber* (February 1981). The purpose of forming the Coalition is to wage that very struggle.

4. The Crane/Palmer Articles

The Crane and Palmer articles noted above are the major apologias in print for the Clark campaign. They are largely uninteresting from our point of view, because they are the usual hype-drumroll of alleged successes, favorable media responses, etc., and there is no attempt whatever to defend the Clark campaign against the volley of concrete criticisms. Crane Machine members are praised to the skies (e.g. Palmer's apotheosis of the legendary Guida, the Machine candidate for national chair), and Machine critics subtly denigrated (e.g. Palmer's dismissal of some of Dave Nolan's criticisms as "politically motivated". Since the LP is a *political* party, it is a little difficult to derive any coherent meaning from this particular accusation.) There is the usual buck-passing: what went wrong with Alternative '80 was the work of unnamed members of the "finance department"; the modicum of good in it was the result, once more, of the Great Guida.

The most interesting part of either article was the *finale* of Crane's piece, an address given at the Libertarian Supper Club of Orange County, California. Here he sets forth the explicit doctrine — in violation of the LP Platform and of the NatComm Strategy Statement — that the Libertarian Party is not *really* supposed to be libertarian at all! It is supposed to be engaged in "outreach" (or, as Crane ungrammatically puts it: the "Libertarian Party is an outreach.") The LP is supposed to be "the vehicle to bring people into the Libertarian movement", where "there are other institutions whose job it is to radicalize them." The LP, in short, is the wishy-washy front group that brings people into the movement, where other institutions stand ready to radicalize them, that is train them in the correct doctrine. But where *are* these "other institutions"? The answer is that they don't exist. There *are* no radicalizing institutions on any decent scale, and those that *do* exist (e.g. the Radical Caucus, the *Libertarian Forum*) are tiny organizations struggling on with short (or even zero) shrift from the likes of Crane or Crane-dominated institutions. *All* the Cranian institutions are busily engaged in "outreach." There is no attempt by Crane or anyone else to devote any substantial resources to "inreach," or radicalization. If millions of dollars and lots of personnel are devoted to dishwasher "outreach", and peanuts to the dissemination of libertarian principle, *what* in the world does

anyone think is going to happen? The inevitable result will be the swamping and the disappearance of principle, and the use of the great name "libertarian" as a cover for milk-and-water statist pap, whether "low tax liberalism" or "low tax conservatism" or whatever else is expected to draw in the big numbers at the moment. No, far far better to get a few thousand, or a few hundred thousand votes, for genuine uncompromising libertarian principles and programs, than "millions" for a candidate who appears to the public to be only slightly more libertarian than John Anderson or Ronald Reagan. When our candidate is truly a Candidate of Principle, then we will know that whatever votes he or she gets is *for our principles*; but if he is like everyone else, then his votes will merely be for something much like the Democrats or Republicans we are supposed to be against.

5. Childs' Comments

Roy Childs is the Court Intellectual, Lord save us, of the Crane Machine, and is indeed what Dave Nolan kindly calls him: the Machine's "chief apologist." Childs, in response to *frontlines* questions about his views of the Coalition (March 1981), has three lines of argument.

One is a rather curious attack on the Coalition, which he calls a "very unprincipled coalition", because it contains a wide variety of tendencies within the Libertarian Party, from myself and Bill Evers to John Hospers. According to Childs, it is "unscrupulous in the extreme" because these people have no "principles in common." There are several points to be made in reply. One is that Childs is consciously or unconsciously parroting the very charges made by Jim Burnham in *National Review* in the early 1970s, denouncing the alliance that the libertarians of the time had made with the New Left in opposition to the draft and the Vietnam War. Does Childs now think that the coalition between libertarians and the New Left against the draft and the war was "unprincipled" and therefore should not have been made? Does he therefore repudiate the current coalition which his pals in the Students for a Libertarian Society (SLS) have been making with leftists who are opposed to the draft? If so, I would like to hear it. If not, why not? Does Childs *really* think that I have less in common with John Hospers than, say, Milton Mueller has with some Trotskyite sect?

In actuality, there is nothing unprincipled about the anti-draft coalition, so long as it remains a coalition *only* on points where libertarian and leftist concerns intersect. It is not unprincipled to be against the draft, even together with people who are not libertarian on other issues, just as it is not unprincipled to join, say, with the Liberty Amendment people to attempt to repeal the income tax. And secondly, though Childs in his own disregard for LP principles and the LP platform may not see it, I *do* have a lot in common with all the other Coalition members, including the dreaded John Hospers. What we all have in common, oddly enough, is the Libertarian Party Statement of Principles and its Platform. All members of the Coalition agree on basic libertarian principles, although we might quarrel about some of the detailed applications.

Childs' second line of attack on the Coalition is that while he admires most of us and considers us "intellectually brilliant", we simply don't understand "political activism." Here is a brand new Childs that has suddenly been trotted out: Roy the hip politico. Roy Childs, like all of us, has his virtues and his defects; but I have never thought that savvy politician was one of them. I dare to suggest, furthermore, that knowledge about politics is at least as abundant within the Coalition as in the Crane Machine. What is more, it doesn't take either intellectual brilliance or political savvy to be able to smell betrayal. How much of a political expert do you have to be to know a sellout when you see one?

How savvy *is* the new Childs? A little story should sum it all up. A few of us had a little betting pool on the Clark vote at the last election. Shortly before the election, Childs insisted to a mutual friend that Clark would definitely get "at least two million votes", and heaped scorn upon this young libertarian because he "didn't

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know anything about politics." The punch line: the mutual friend won our betting pool with a guess that was right on the nose: 925,000. What price political acumen now?

The above two lines of argument by Childs were by way of counter-attacking the Coalition, arguments which, as I have pointed out above, are merely evasions to camouflage the odious record of the Clark campaign. But what did Childs say in actual defense of that campaign? His third line: passing the buck. Whatever wrong might have happened, *it was not Crane's fault; Clark, not Crane, was responsible at least for "low tax liberalism"* and for the repellent stance on immigration. (Childs then continued with a "you're another" on Evers, which we have dealt with above).

The buck stops here; in the case of the Clark campaign, it must stop with Clark himself and with his master strategist and communications head: Ed Crane. I am not interested in sorting out the nuances of which particular Clark bigwig was responsible for which particular evil: the point is that they, and particularly Clark/Crane, were all in it together and must take joint responsibility. If Crane really opposed some of the sellout — a dubious proposition considering the awful brochures, White Papers, etc. for which he was clearly responsible — then it was his responsibility *to say so publicly* at the time. Otherwise, he cannot be allowed to get away with passing the buck. At the very least, Crane should be repudiating these Clarkian positions loud and clear right now: something which he is most conspicuously *not* doing. The sinner must himself confess and repent; having his flunkies make buck-passing excuses for him simply will not do.

At best, pinning all the blame on Clark is going to be very embarrassing for the Crane Machine when they try to run Clark in 1984, as they probably will do.

6. Neil Smith and the Third Camp

In *frontlines* and in a widely distributed letter of Feb. 17, veteran Colorado libertarian activist and science fiction writer L. Neil Smith has delivered a stern barrage against *both* the Crane Machine and Coalition, calling *both* factions "bad guys" and power seekers. A leader of the decentralist faction within the Party, Smith calls for radical decentralizing reforms, such as abolishing all national officers and replacing the NatComm with a council of state LP chairs.

My reply to Neil Smith was largely indicated above. OK, let us stipulate for a moment that both factions are Bad Guys lusting after power. But what *issues* are at stake? As I have written to Smith, there are only three goals that I have for the Libertarian Party (not necessarily in this order) (1) keeping the Platform pure; (2) a structural reform that severely binds national candidates to the party and to the platform; and (3) defeat of the Crane Machine. All these three goals are part and parcel of what it means to return the LP to being the Party of Principle. But since Neil Smith agrees strongly with all three goals, this makes him and other third-campers like him, willy-nilly and despite themselves, members of the Coalition in spirit. Surely then, it would be more effective, for Smith's *own* purposes, to unite with us and join the Coalition in fact. I do not agree with his ultra-decentralism, but I consider that question of minor importance compared to the above three overriding goals. The question that Neil Smith and other third-campers must answer for themselves is: *If* his structural proposals fail, and the post of national chairman still exists, *who* will Smith vote for, Mason or Guida?

7. Clark and Update

There has recently come to our attention the first issue of the new newsletter *Update*, *Libertarian Review's* spinoff and Answer to the rival *frontlines*. In this March-April issue, there is a lengthy interview with Ed Clark in which he attempts to defend his

campaign and answer Nolan's and my criticisms. It is a feeble performance indeed.

Most of the interview is devoted to Clark's trotting out the usual line which we have already seen from the Crane/Clark apologists: it was a super campaign, no one could have done it better, everyone who does anything makes mistakes, and all the rest of the hokum. The only thing that Clark adds to this aspect of the Stonewall Defense is his sly little aphorism, "I think that the people who don't make mistakes are the people who don't do anything," which ranks in fatuity with Nancy Reagan's famous *mot* that "I notice that all the people who favor abortion have already been born." So determined is Clark to concede nothing that when *Update* concludes by asking him, "What was your campaign's biggest drawback?", Clark in effect refuses to answer, muttering some balderdash about tripling our crowds in 1984. Everyone makes mistakes, but not Clark & Company, right? Clark even sees nothing wrong in the hype predictions of "several million votes" that he and his crew persisted in making down to the very end of the campaign.

On the specifics of the Clarkian sellout, on the low-tax liberalism and the defense of the welfare state, etc., there is not a peep in the interview. Clark, of course, as one might expect, insists that he did not "sell out" principle. The only specific denial, however, is that he made himself up to look like Jack Kennedy, a fairly minor aspect of the Nolan/Rothbard indictments.

There are some interesting aspects to the Clark interview, however. He implicitly charges me with believing that an LP candidate should confine himself to saying: "I own my body and the fruits of my labor, taxation is therefore theft, and so smash the State", or words to that effect. This is a straw-man smear, pure and simple. No, Ed, there *is* a strategy in-between merely reciting pure basic principle on the one hand, and advocating low-tax liberalism and no cuts in welfare on the other. There should be no mystery about that Third Force strategy: it is, old boy, the LP Platform. Or maybe you consulted it so rarely during your campaign that you have forgotten its very existence. That is precisely what the LP Platform has done over the years: applying basic libertarian principles to all the important issues of the day, and coming up with solutions that LP members and candidates are supposed to uphold. The platform is our issue commitment beyond the strictly philosophic.

In forging our hard-core radical platform over the years, the LP has many times made and reinforced its strategic commitment, one which Clark now wants to reconsider. It was a commitment systematized in the LP NatComm Strategy Statement, and it said that we pledge ourselves unswervingly to principle, both in basics and in application to political issues. Contrary to the Clark/Crane charges, none of us wants to neglect interim demands short of the full libertarian goal. What we say is this: (a) the ultimate goal of full and complete liberty must never be forgotten; the candidates must repeatedly uphold it as the ultimate ideal; (b) interim demands must also be truly radical and substantive; and (c) none of them must *contradict* the ultimate goal — as, for example, Clark/Crane did in promising to keep the welfare system intact until "full employment" is achieved. Clark's feeble defense of his "order of destatization" also violates the Strategy Statement, which explicitly bars such an order as being destructive of libertarian principles and goals.

When asked whether the party or the candidate should plan a campaign, Clark, again expectedly, comes out in favor of the candidate being able to ride herd over the campaign. It is not surprising that a runaway candidate should urge us to allow such runaways forevermore. No, he says, the only party control over the candidate should be "to participate fully in the nominating process", which sounds for all the world like the usual argument for "all power to the President:" that the role of the public should be only to participate in the voting for President; after that, the

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public's role is to shut up and obey the orders of whoever is elected. This plea for plebiscitary dictatorship is scarcely softened by Clark's statement that the Presidential candidate should ask for advice from a broad cross-section of the party. Yeah, like 1980, Ed? When one big part of the cross-section was systematically lied to and betrayed?

Clark's one new proposal is that LP members should insist on detailed campaign projections from candidates before they are chosen at conventions. Fine, but this should be done *in addition* to reforming the bylaws to make candidates accountable to the party and its principles and platform. For what if our next Presidential candidate makes detailed promises and then, after nomination, conveniently forgets them, like *you* did, Ed? How is the party to bring this person to account?

The point that Clark and his cohorts conveniently forget is that the LP Platform is our contract that we make with each other and with the voting public. It is a solemn pledge, and betrayals of the platform by our candidates are equivalent to the breaking of a contract and a pledge. Such action must be dealt with severely. If there is no mechanism for doing so, if we must all suffer at the hands of runaway candidates, then we should seriously rethink our policy of running candidates and consider whether we should transform ourselves into a political action group like the ADA or Common Cause. We must never again tolerate runaway candidates.

There is, of course, the obligatory coy refusal by Clark to rule himself out of the race in 1984. In addition to the disaster of the 1980 campaign, there is another powerful reason for never nominating *any* Presidential candidate, however good he may have been, twice in a row. For we would then fall prey to the "Norman Thomas" syndrome. One thing which helped wreck the Socialist Party earlier in this century was that it habitually ran Thomas for President, so that soon the public and the media thought of it as the "Thomas" party and forgot about the party's principles. We must never, ever succumb to any cult of personality. As far as I was concerned, this was the major factor in making me hesitant about Roger MacBride's running again in 1980, a factor which of course would not preclude support for MacBride in the next election.

Perhaps the most chilling aspect of the Clark interview is his hint about putting his mitts on our glorious platform. What he is really saying through the fog is that the platform should be weakened so as to attract wimpy sympathizers into the party who would *then* be radicalized after they became members. We must not permit the opportunists to weaken and destroy our great platform. It is bad enough for our presidential candidate to sell out, it is unforgivable for him to try then to move in and liquidate our platform of principle.

Here, Clark makes an interesting gloss on the Cranian hooley about radicalizing LP members *after* the campaign and after they have joined the party. Crane refers loftily to unnamed "other institutions" which would do the work of radicalization, institutions which I pointed out above do not really exist. But Clark has the answer: the LP *itself* will perform the radicalizing task. Well, bully. But when has the LP ever done the work of education and radicalization? There is only one institution within the LP doing such work on any systematic scale, and it is a maverick with virtually no money or support from LP bigwigs — certainly none from the likes of Clark, Crane or their affiliated institutions. I refer, of course, to the intrepid Radical Caucus of the LP. Typically, and with a few honorable exceptions, the LP only discusses issues, principles, and strategies for two days every other year in convention consideration of the party platform. And even then, discussions are often overridden by the excitement of selecting candidates or officers. And how will the "radicalization" process

be helped if Clark eventually succeeds in emasculating even the platform?

There is no point in running candidates and trying to gain votes unless the campaign is used to educate a broader public in *libertarian* principles and programs and thereby to convert and attract other libertarians. If some people want to run "attractive", soft-core campaigns that are only one centimeter more libertarian than John Anderson or Ronald Reagan, then they should run those campaigns *within* the Democratic or Republican party, or even as a third party "Independent." After all, the two major parties already have lots of built-in votes, money, and media coverage which they needn't build up from scratch. If Clark had run his presidential campaign as a Democrat or Republican or on his own Anderson-type "Independent" party, and not called himself a "Libertarian", I would have had no particular quarrel with his campaign. A soft-core major or minor party might even help the general climate of political opinion. But the horror is that Clark/Crane *et al* persist in calling their program "libertarian" and thereby corrupt everything the rest of us and the Libertarian Party stand for. If they want to try to infiltrate non-libertarians and seduce them gently and gradually, they should leave us alone and go infiltrate the Democrats and Republicans; as it is, they are only infiltrating and demoralizing and corrupting *us*.

Any notion, by the way, that *Update* is any sort of objective newsletter of the movement can be dispelled by merely reading its first issue. In addition to spending half its space on the glorification of Clark, it purports to present an objective rundown on the various candidates for National Chair of the LP, including positive and negative comments on each one. Now watch this: On Mason, the negative comments are: hasn't done anything on the National Committee, and "too tied in with the Rothbard faction." On Kent Guida, negative comments are: "Don't know anything about him" and "He's too short."

"He's too short." Gee, fellas on *Update*, is that the only negative comment you could really find on Guida? As a founder of the Short People's Liberation Front, I want to assure one and all that *I* have never attacked Kent Guida for being too short; I am not and shall never be a Heightist. *My* negative comment is very different and far more *a propos*: that Guida is the handpicked creature of the Crane Machine. Now how come the *Updateniks* never thought of that? Could it be because *Update* itself is a leading Crane-run institution? Or is that being too cynical?

7. The Crane Machine

There abounds in the Libertarian Party an almost wilful failure to realize that we are confronting not just one man, Ed Crane, or one candidate, Ed Clark, but a small but powerful political machine which Crane has assiduously built up over the years. Political organizations tend to be run by tightly-knit machines, and Libertarians must wake up to the fact that they are members of a political party and are subject to the same organizational pressures as any party. Political organizations are not run by shareholder-owners or commanders-in-chief but by member-voters, and hence it becomes almost inevitable for ruling coalitions and groups to form around common personal, ideological, or tactical views.

Most political activists are trained to think in terms of party machinery, coalitions, and bosses, and to figure out where the power in their organization lies. Libertarians, who have had little or no experience in party politics, tend to look at each individual as a separate atom, to be judged or voted on for his or her own sake. One reason that the Crane Machine has managed to rule party machinery, and particularly presidential campaigns, for many years is that few Libertarians realize that there *is* a Machine and that all its members must be evaluated as a joint package.

The Crane Machine is small in number, but it is tightly knit, takes orders from one man, and consists of fairly able people. It is also kept permanently in place between campaigns by Crane

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finding niches for them in various Cranian-run institutions: *Libertarian Review*, Students for a Libertarian Society, Cato Institute, and (to some extent) the National Office of the LP. There they enjoy permanent jobs as professional libertarians, which enormously expands their influence in the movement and the Party, and permits them to be wheeled into position for the next Presidential campaign. The Crane Machine resembles a miniature multi-national corporation, with members being slotted back and forth in whatever niche they can best fill at the moment.

And so we have, in the Party, a Crane Machine which is small but tightly knit and enjoying paid positions, confronting an opposition which is far larger but paid little if at all as libertarians. Hence, the Crane Machine can work full time at its task, whereas the larger opposition can only work part-time at the task of opposing the Machine and educating the rest of the party about the danger it poses. Also, the opposition is necessarily diverse, whereas the Machine, funded from one source and dominated by one man, is cohesive and tightly organized. And then, in the middle, the vast majority of the Party, good folk who would be staunchly for principle and against the conscious opportunism and betrayal of the Crane Machine *if they only knew what was going on*. It is precisely the major task of the Coalition for a Party of Principle to educate the Libertarian Party and the movement as a whole about the danger of the Crane Machine in its midst.

In a sense, battling the Crane Machine within the movement is like battling the State in the larger society: In both cases, a small well-organized group of fully-paid professionals and bureaucrats dominate the larger society of unorganized citizens who are not professionals in politics and who are unaware of the way they have been conned and betrayed.

An important warning: We must begin to think in terms of the Machine rather than the personal qualities of its individual members. Because of his abrasive personality, disliking Crane is as easy as falling off a log. But we must realize that his personal style is not the important problem: The vital problem is the opportunist course to which Crane and his subservient Machine are totally dedicated. Some members of the Crane Machine are highly likable people whom I regard as good friends; they have simply drifted into a course of action that, if allowed to triumph, would be disastrous for the Libertarian Party and for libertarianism as a whole. They are not irredeemable, and I trust that they will come to see the error of their ways and abandon the Machine.

8. Summing Up: the Themes

John Mason has chosen a splendid theme for his campaign for national chair: "Principle First." There we have the objectives of the Coalition put in a concise nutshell. My own contribution to Coalition watchwords, of course, is "Never Again". And there we have it: the "positive" and "negative", hand-in-hand, indissoluble, as we go forward to the struggles of 1981, pointing to the climactic 1984 Presidential nominating convention. For putting Principle First *means* Never Again. ‡

George Jacob Holyoake, Libertarian Agitator

By Richard A. Cooper

Nineteenth century Britain could be described as a cockpit of change. From a rural society it became the premier industrial power of the world, setting forces in motion that inspired new modes of thought and action. Many of the contemporary political and social movements of the Western world were born and nurtured there. These movements contained many interesting figures. George Jacob Holyoake was one such personality. He described himself as an "Agitator" and was proud to be one. Over the course of a long life (1817-1906) he was an active supporter of many social, political, and philosophical movements. His activities on behalf of liberty deserve our attention today.

In his autobiography, *Sixty Years of An Agitator's Life* (1891) and his two volumes of remembrances in a similar vein, *Bygones Worth Remembering* (1905), Holyoake displayed his great ability as a raconteur. The many personalities and movements with which he has been associated are recalled in a vigorous style. Holyoake was a friend of the heroes of American liberty of his time: Frederick Douglass, the ex-slave abolitionist; Wendell Phillips, anti-slavery journalist; and Colonel Robert Ingersoll, abolitionist and Freethought leader. But his attentions were not confined to the English-speaking world; rather his agitation was cosmopolitan. The heroes of 1848 were his friends: Louis Kossuth, the hero of Hungary; Giuseppe Mazzini and Giuseppe Garibaldi, the founders of Italy; and more besides.

It is fitting that such an exemplary of the social movements of industrial Britain should have begun his agitator's life and career in Birmingham, one of the great centers of the Industrial Revolution. At the age of thirteen he went to work in a metal foundry, where he nearly lost his life after becoming caught in some machinery. His desire for knowledge led him to attend the Mechanics' Institute at night, in an era of twelve hour work-days, to study mathematics and physics. Studies of the world led him into politics and

philosophy and he began his career as an agitator.

Was Holyoake a libertarian? A workingman, Holyoake was a friend of trade unionism of the sort known as "Old Model" to distinguish it from the class-oriented "New Model" unionism exemplified by the massive London dock-workers strike of 1890. In addition, he was an Owenite socialist and a leader of the cooperative movement (Holyoake wrote *The History of Cooperation* about the Rochdale pioneers). Furthermore, he was an active "Moral Force" Chartist, struggling for the workingman's right to vote. The foregoing might lead a superficial observer to describe him as a socialist, but a close examination of his views show the contrary. Holyoake was strongly opposed to the Marxists (as a member of radical circles he was acquainted with, detested, and was detested by Karl Marx) and the Independent Labour Party. He had no wish to impose Owen's views on anyone, and simply felt that cooperative (not state) ownership would have beneficial social effects (especially the reduction of class antagonism). Significantly, his stress was on cooperation and self-help, and he was not opposed to competition. Statism, however, was entirely suspect to him.

Holyoake was no "Sunshine Patriot." He fought for liberty in bad times and good at personal risk to himself. For a lecture on atheism he was confined for six months to Gloucester gaol (during which time his daughter Madeline died). At the risk of Bonapartist, Hapsburg, and Tsarist spies, he aided European freedom fighters from France, Hungary, and Italy, with funds, with his printing press, and with places of refuge including his own lodgings. His story in *Sixty Years of An Agitator's Life* recounts his testing of bombs meant for the assassination of Louis Napoleon in an episode ideal for a television comedy plot, combining daring and humor.

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Holyoake—

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Holyoake was a great friend of General Garibaldi and Joseph Mazzini and rendered yeoman service as a fundraiser and propagandist for the cause of Italian liberation. In fact, he was a prime mover in a British Legion of volunteers sent to aid General Garibaldi in the reduction of the Kingdom of Naples. The Legion suffered from the usual serio-comic mishaps a clandestine operation is heir to but somehow made its way out of Britain. Holyoake's private enterprise and venture in self-help was, strictly speaking, contrary to international law (the mounting of an expedition against a state with which the British Crown maintained diplomatic relations), but the Prime Minister, Lord John Russell, blinked a benevolent eye upon the venture in the spirit of Elizabeth's tolerance of Sir Francis Drake singeing the Spaniard's beard. Unfortunately, the Legion arrived too late to make a contribution to Garibaldi's campaign. Its only casualty was the result of an argument.

Chartism was a movement on behalf of democracy in the first half of the nineteenth century. The Chartists presented enormous numbers of signatures on behalf of the "People's Charter," which demanded the extension of the franchise to workingmen. The Chartist leaders were divided into two groups: the "Moral Force" Chartists, who favored mass demonstrations and petitions, and the "Physical Force" Chartists who wished to counter the Government's use of repressive measure with their own force. George Jacob Holyoake and his brother Austen were "Moral Force" Chartists.

The Chartist leaders emerge in a new light in Holyoake's account as the recipients of Tory gold. The Tories and the Chartists roundly detested each other but shared a common *bete noire* in the Liberals, particularly the speakers on behalf of the Anti-Corn Law League. The Tories were the Protectionist Party (a name which they operated under after Sir Robert Peel broke ranks and carried the repeal of the Corn Laws), and were in general, the party of privilege in Church and State. They hated the Anti-Corn Law League and laissez-faire because the free trade victory would upset the aristocratic land monopoly's protectionist bastion, the Corn Laws on the importation of grain. The Chartists hated the Leaguers because it was dominated by manufacturers, and its leaders, Richard Cobden, M.P. for Manchester, and John Bright, M. P. for Birmingham, were strong opponents of the Ten Hours Act and the Factory Acts for the limitation of hours of work and the inspection of factories. They also feared that the Free Trade struggle would divert attention from the struggle for universal suffrage, although Cobden and Bright supported the workingman's ballot. The Tories hired the "Physical Force" Chartists to break up rallies of the Anti-

Corn Law League and to heckle League lecturers. Holyoake is able to offer a unique perspective in his dual capacity as a "Moral Force" Chartist and a member of the Anti-Corn Law League.

Holyoake was a leading atheist lecturer and writer, and spoke widely on the subject in England, despite the harassments of Church, state, and mob. As a publisher and journalist for this and other causes, he was hampered by the newspaper stamp tax, first imposed by Queen Anne as a two-headed monster, with one head devouring revenue and the other head devouring independent opinion. It was the attempt of Lord North's government to extend the already old tax to America which prompted the revolutionary generation's resistance to the Stamp Act in 1765. Flush from the victory of the Anti-Corn Law League, Holyoake and other Free Traders formed the Committee for the Repeal of the Taxes on Knowledge, with C.D. Collett as Secretary (Collett wrote the movement's history, *History Of The Taxes On Knowledge*), and Bright, Cobden, and Spencer among the membership. Within seven years of the 1844 repeal of the Corn Laws, their imitation of the League's methods was crowned by success.

Holyoake's books are well-written and offer the reflections of a man whose lifetime spanned most of the nineteenth century and the entire Victorian Age. They richly deserve republication and the attention of libertarians. Holyoake was a stout friend of freedom, individualism, and the oppressed. He participated as a lecturer, author, and fund-raiser on behalf of Free Trade, Free Thought, Anti-Imperialism, European independence, and the abolition of Slavery. In fact, Holyoake served as the Vice-President of The Personal Rights Association (formed in 1871, it still exists in England).

Let me close this sketch of George Jacob Holyoake with an appraisal by a man who knew him, the famous nineteenth-century English libertarian philosopher, Herbert Spencer, who was his friend for many years. Spencer supported Holyoake's cooperative movements and allowed the latter's Rationalist Press Association to reprint Spencer's *First Principles* in an edition within the means of a workingman. The occasion for Spencer's tribute to Holyoake was a testimonial given in honor of Holyoake's eighty-sixth birthday in 1903 by the Ethical Society of South Place Chapel, the oldest Freethought organization in London. Spencer was in his last illness at the time but dispatched a letter (March 28, 1903) which Holyoake quoted with pride in his own tribute to Spencer in *Bygones Worth Remembering*:

... I can do nothing more than express my warm feeling of concurrence. Not dwelling upon his intellectual capacity, which is high, I would emphasize my appreciation of his courage, sincerity, truthfulness, philanthropy, and unwearied perseverance. Such a combination of these qualities, it will, I think, be difficult to find mean. †

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