



The Rise of the Mises Caucus

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Virginia had elections this week that garnered no media coverage: internal elections for offices in the Libertarian Party of Northern Virginia.

Voters and the media pay little attention to Libertarian and other smaller party candidates except when they poll well enough to look like spoilers. That happened in the 2013 gubernatorial election when Robert Sarvis won 5% of the vote, tilting the election, many Republicans believed, from their candidate Ken Cuccinelli to Democrat Terry McAuliffe, and in the 2016 presidential campaign when Gary Johnson at one point polled in the double digits.

Libertarians played no such spoiler role in 2021, yet in off-year elections some 150 of them were elected to local offices across the country, mainly in smaller rural and suburban jurisdictions — doubling the number of elected Libertarians. (None were in Virginia.) Perhaps more significantly, Libertarians have been redefining themselves. In the past, the party had a left-leaning streak that stressed such ideas as legalizing all drugs, opening the borders to immigration, and eliminating taxes. Over the past year, though, the Libertarian Party has experienced an internal revolution led by a group called the Mises Caucus.

Ludwig von Mises, an Austrian Jew, fled the Nazis and became a professor of economics at New York University. There he founded a school of free market economics dubbed “Austrian economics,” along with his Nobel Laureate student Friedrich Hayek, author of the oft-cited book, “The Road to Serfdom.” (Austrian economics is a specialty of the economics department at Northern Virginia’s George Mason University.) The ideas of Mises, Hayek, and the Austrian economists have seeped out of the libertarian movement and infiltrated mainstream thinking among conservative Republicans and even some decentralists on the Left.

One of Mises’ chief concerns were how governments manipulated interest rates and money supplies by creating money and credit and government debt, which he argued causes business cycles. He also explained how government has imperfect knowledge about supply, demand, and opportunities in the economy, information captured by changing prices, and, so, cannot effectively plan an economy.

Hayek wrote more widely on social, political and philosophical topics, and argued that as government planning and intervention creates economic failure, leading to the rise of dishonest,

grifting, and brutal politicians who will look for scapegoats to blame for their failed policies. These ideas may be abstract to most people, but they explain what Americans are seeing in the wreckage of the Biden economy.

To outsiders the Mises people might look Trumpian, or at least like a right-populist movement, compared to the left-libertarians. Most Mises libertarians would reject this characterization, pointing to, among other things, their radically pro-free trade advocacy. But they do tend to emphasize private property and free market economics as the core of their politics. Many entered the libertarian movement by working on campaigns for former Congressman Ron Paul, a gold bug and promoter of Austrian economics, who was actually the Libertarian Party's presidential candidate in 1988. However one might describe the Mises Caucus, it shares with many conservative groups de-platforming attacks from Facebook and other tech titans for "wrong thought" posts about COVID and other policies.

The Libertarian Party has had a decades-long internal struggle between "coastal elite" campaign consultants and think tank executives, often working in jobs funded by Charles and David Koch, and other libertarians who do not work professionally in politics and the media. The latter have long decried the former as variously "Beltway libertarians" (the Kochtopus, Craniacs, after former CATO Institute executive Ed Crane) or as "liberalartarians" because of their alleged need to ingratiate themselves with the Democratic media establishment. In the 1980s these outsider libertarians were led by Murray Rothbard, another Austrian economics professor who was a student of Ludwig von Mises. The "professional libertarians" sometimes belittle the competence and messaging of their rivals.

On Saturday 50-odd Libertarian delegates elected new officers in an online convention, and a Mises or right-populist trend was discernible. It looked as if, as in many states, the Mises Caucus had conducted a recruitment drive, persuading Ron Paul fans and others who were not previously in the Libertarian Party to join and become delegates at state and local conventions. (One long-time local Libertarian activist and former LP candidate for Virginia state delegate summed it up: "I'm not anti-Mises, but I am concerned about a bunch of what are essentially random people populating the entire board.")

Like the Virginia general election, where the GOP routed Democrats, several offices were taken for the first time by candidates who were women or African American.

Jake Berube, a lantern-jawed advertising sales man for conservative media sites like *Human Events* and the *Washington Examiner*, was elected chairman over incumbent Adam Theo, a government contractor who had just run as one of several independents for Arlington county council. Theo had identified himself in his race as a "progressive libertarian," emphasizing issues like eliminating qualified immunity for law enforcement.

Josie Gallagher, a tax consultant for small businesses and a Ron Paul fan was elected vice chair for Arlington and Alexandria, over Alex Pilkington, a paralegal at the (in)famous Democrat-affiliated law firm Covington and Burling and a former CATO Institute intern who said open immigration would be a primary area of focus.

C.J. Cunningham, another Ron Paul fan, was elected vice chair for Fairfax and Falls Church. Dan Ford, a veteran and the only African American running, was elected vice chair for Loudoun County. William Ogle, a physicist who made his Mises affiliation explicit in his campaign speech, was elected treasurer over Theo associate Katie Wilson. James Waddell was elected secretary and Henry Baraket, an immigrant from the Middle East who said he had fled tyranny and appreciated liberty, was elected as the board's at-large member. As the aforementioned long-term activist summed it up: "I don't know anything at all about these guys. Literally never heard their names before today."

Just as Virginia's off-year election predicts the 2022 midterms, another long-term activist participating in the convention says it predicts what will happen at the Libertarians' statewide convention later this year: "Obviously the notable thing is a clean sweep by the Mises Caucus folks. It speaks to the general trend of rapid increase in the size of the Mises Caucus and many small 'l' libertarians joining the Libertarian Party. ... Based on today, I'd anticipate overwhelming support for the Mises Caucus at the statewide convention in a few months." The Virginia Libertarian Party holds its convention in February in Glen Allen.

So, a new caucus is pulling new members into Virginia's third largest party, which has shown itself able to affect Virginia elections. But are they just doing this to take over another state party, and its delegation, so they can decide who the Libertarians run as a Presidential candidate in 2024? Or will they use their new recruits to actually run in local and state offices in Virginia?