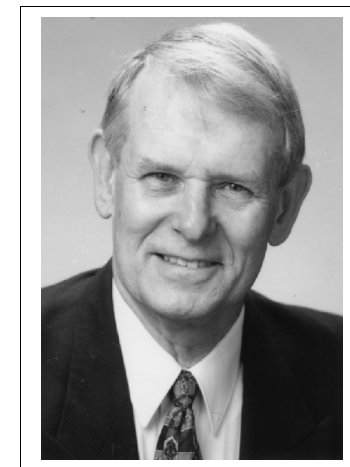


## McClaughry, Ethan Allen Institute celebrate 10 years

*The Ethan Allen Institute bills itself as “Vermont’s free market public policy research and advocacy organization.” Founded in 1993 by former state Senator John McClaughry of Kirby, EAI is now completing its 10th year, culminating in a celebration diner November 17 in South Burlington, featuring noted humorist PJ O’Rourke. McClaughry, 66, grew up in Illinois and came to Vermont in 1963. He has an A.B. in physics and math from Miami U. (Ohio), an M.S. in nuclear engineering from Columbia, and an M.A. in political science from the University of California. He also has an honorary Doctor of Laws and letters from Miami.*

*VBM asked McClaughry to talk about the organization’s purpose, principles, growth, successes, and shortcomings in an email interview.*



**VBM:** Why did you think Vermont needed a “free market think tank” back in 1993?

**McClaughry:** A major goal of my years in the Legislature was to improve the climate in Vermont for competitive free enterprise. My policy prescription was simple. Low and stable tax rates. Few and reasonable mandates on businesses. Regulation that can be strict, with regards to the environment, but fair, swift, and certain. When I left the Senate, I conceived the idea of an independent nonpartisan public policy organization to counter the anti-business policies of many of the influential groups working to control the Legislature, and to offer “Ideas for Vermont’s Future” based on free market principles.

**VBM:** Was that an original idea?

**McClaughry:** No. There were at the times several similar organizations promoting free market policies in other states. The Pioneer Institute in Boston and the Mackinac Center in Michigan were two of the most prominent. We modeled ourselves after them.

**VBM:** What are your guiding principles?

**McClaughry:** Briefly, individual liberty, private property ownership, limited government competitive free enterprise, strong local communities, limited government, personal responsibility, and economic opportunity for all. Later, prompted by the Vermont Supreme Court’s

decision in the [1996] *Brigham* case, we added respect for the constitution – as opposed to having our Five Supreme Legislators writing their own constitution.

**VBM:** Do people view that list of principles as radical?

**McClaughry:** Strangely enough, some do. I’m pretty confident in saying that all of our principles would have won a huge majority vote for the first 200 years after the state was settled. But as you know, since the 1960s there has been a marked change in the political climate in Vermont, so much so that those well-tested and successful principles are now out of favor with lots of people and politicians. For a lot of activists in Vermont today,

the Big Idea is collectivism. That's pretty hard for me to understand in view of its almost universal failure everywhere that collectivism has been forced onto people.

**VBM:** How does the Ethan Allen Institute wage the war of ideas?

**McClaghry:** Our mission is to educate Vermonters in the fundamentals of a free society. Those principles I just mentioned. We try to do that in a lot of ways. I suppose most Vermont newspaper readers are familiar with my biweekly commentaries. Also my commentaries on Vermont Public Radio. We run State House Roundtables, where we bring in a panel of divergent views on an issue to illuminate the decisions legislators must make, and the consequences.

Last November we ran our best-ever event, a one-day workshop on "Making Vermont Government Work". I got all three candidates for governor – Jim Douglas, Doug Racine and Con Hogan – to pledge to attend if they won. Jim Douglas, who won, was all set to come when he was called away to a National Governors Association orientation meeting that day, but he sent four of what are now his top appointees.

Former Delaware Governor Pete DuPont was the big star, but we also had three nationally known experts from Washington – one from the Democratic Leadership Council's think tank – leading sessions on government efficiency and health care policy. We had 25 legislators present, from both major parties.

We do major reports for legislators and others on topics like education finance reform, welfare reform, and barriers to economic growth.

Think tanks in Oklahoma, Illinois, and Hawaii have republished our model state health care policy. Our most recent major report was on the developmental disability program. We found that the state was spending \$114 million a year in federal and state funds to support 1,850 developmentally disabled and socially isolated Vermonters. That's over \$60,000 apiece.

**VBM:** What becomes of those reports? Do they influence policy makers?

**McClaghry:** Governor Dean and his appointees weren't much interested in anything we proposed. Since then there has been a much better market for sound free-market ideas. I'm glad to work with legislators, editors, trade associations, anyone in a position to help advance those ideas. But to be honest, it's often a long road from our advocacy to a political consensus. In 1975 the Environmental Board rejected out of hand my proposal for mediation in environmental disputes. A decade later it had become common practice. Generally, new ideas need a while to germinate.

**VBM:** Who's the Institute's competition?

**McClaghry:** EAI pretty much has a monopoly on principled, disinterested advocacy for free markets and limited government. On the "more government" side, the Vermont Natural Resources Council just celebrated its 40<sup>th</sup> anniversary. It claims 5,000 members and a \$750,000 annual budget. When I served on the Senate Natural Resources Committee their lobbyists were practically a part of the furniture. VPIRG has claimed anywhere from 14,000 to 23,000

"members", and boasts a staff of six or seven, including their lobbyists. Then there's the Conservation Law Foundation, the Vermont NEA, the Peace and Justice Center, Vermont Health Care for All, and other left wing organizations.

By contrast, EAI has just over six hundred members and a budget this year of only \$118,000. I'm the only full time employee. We have one part time, plus people on contract from time to time. So it's pretty much David versus Goliath. But, as I often point out, nobody remembers Goliath's Big Idea.

**VBM:** The Vermont NEA recently published a lengthy expose of groups they say are "anti-public school," focusing on the Ethan Allen Institute and Vermonters for Better Education.

**McClaghry:** Yeah. I'm not sure doing that turned out to be the best idea the NEA ever had. It made a lot of people aware of the parental choice issue, and gave me a great opportunity to respond. The core of my response was "the education Blob has the numbers, the money and the political power, but the school choice advocates have the Idea, and the Idea terrifies the Blob. The Idea is that every child deserves the best available choice in education – a choice made by parents seeking the best educational opportunity for their children, rather than a choice made by government employees ever mindful of convenience and comfort for themselves." The NEA did our cause a real favor.

**VBM:** Does the Institute lobby?

**McClaghry:** No. We will help legislators develop legislation, and I have sometimes testified on an

issue when asked, but I don't want to get into the lobbying business. I have always been critical of tax-exempt 501(c)(3) "educational" organizations lobbying, even though it's legal up to a point.

**VBM:** What about political campaigns?

**McClaghry:** As a 501(c)(3) organization, we are not allowed to take part in campaigns. We do publish and distribute legislative voting records, in accordance with IRS guidelines, every election year. We'll do that again next summer. We have also run public issue briefings for legislative candidates, and we'll probably do that again.

**VBM:** What is your relation with the Douglas Administration?

**McClaghry:** I've known, liked, and admired Jim Douglas for almost 30 years, from back when we were in the Young Republicans in the 1970s. I regularly push ideas at him, his staff, and his agency appointees. Generally, they welcome my views and value my long institutional memory – after all, I was in the Legislature that enacted Act 250 34 years ago. So far I have been pleased by their receptivity.

**VBM:** How did you vote on Act 250?

**McClaghry:** I voted Yes. Strangely, there was no roll call vote on this extremely important measure, but the vote was overwhelmingly in favor.

**VBM:** What's your relation to Vermont's businesses?

**McClaghry:** We get a lot of our support from Vermont business people who realize that if we are going to keep our business sector alive and healthy, the state needs an influential independent voice speaking in favor of liberty, property, enterprise, and limited government. Of course, the president of a company can make that same argument, but people tend to look at that as special pleading from somebody who stands to profit from it. The Ethan Allen Institute has no special interest. We want a living economy that creates wealth and produces prosperity for all.

One recurring task for us is to help more business people understand that it's not enough to contribute to their trade association to protect their company's interests. They also need to support a principled, independent voice that educates Vermonters on the importance of limited government and free markets to our state's future prosperity.

**VBM:** Are business leaders represented on your board?

**McClaghry:** Very much so. Bill Sayre was twice chairman of AIV and is still an AIV board member. Paul Castrucci was the manufacturing manager at IBM for many years, now retired. John M. Mitchell just stepped down as President of Pluess Staufer Inc – OMYA. Pam Cowan has been CFO of several businesses. Two of our directors are professors, Jim Gatti (UVM business school) and Art Woolf (UVM economics).

**VBM:** How does someone become a member of your board? Do they need to be "like-minded" to the principles you're talking about?

**McClaghry:** Like most nonprofit organizations, the current Board members seek out new Board members. Yes, we do expect that they share the mission and principles of the organization. None of our Board members has ever disagreed with those principles, or anything we've published.

**VBM:** What are the principal issues you work with?

**McClaghry:** Economic climate, taxation, regulation, education, environment, health care, transportation, welfare, agriculture, legal and constitutional issues – those would be the main issues.

**VBM:** Are there some issues you steer clear of?

**McClaghry:** We steer clear of controversial social issues like abortion, gay rights, and euthanasia, and we have no special expertise in things like drug abuse, adoption, and social and rehabilitation services. And of course we don't address national issues – foreign policy, defense, immigration, social security and so on.

**VBM:** You list "building strong local communities" as one of your principles. How do you develop that?

**McClaghry:** We include that because I think that's essential to any healthy society. Fourteen years ago UVM Professor Frank Bryan and I authored a book called *The Vermont Papers: Recreating Democracy on a Human Scale*. We argued for devolving functions from Montpelier

back down, not to towns, most of which are too small to accept the responsibilities, but to democratically organized mini-counties we called “shires,” after the old English model. Frank and I are planning a “Son of Vermont Papers” to make the argument anew, in this age of school finance, welfare, and environmental regulation so heavily controlled by remote functionaries in Montpelier or Waterbury.

**VBM:** You were a politician – Representative, Senator and Republican candidate for Governor - and your reputation is that of a conservative. Is that a help or hindrance in what you’re doing now with the EAI?

**McClaghry:** When I was in politics I always tried to avoid the “conservative” label, because there are several good reasons why I am not a true conservative. Liberals have stuck it on me anyway, for their own reasons. I respect conservatives – far more than I respect today’s “liberals” – but I’m much more of a libertarian. The Ethan Allen Institute is professedly a “free market” advocacy organization.

**VBM:** Are you thinking about running for office again?

**McClaghry:** No, absolutely not, with one exception: I’ve been elected moderator of my little town of Kirby for the past 37 years. It’s the greatest honor I ever got in politics, including serving as Senior Policy Advisor in President Reagan’s White House. I hope to continue for 30 more years. I’d only be 96.

**VBM:** You say that over your 40 years in Vermont public life, you’ve observed that Vermont has moved far along in collectivism, centralization, and regulation. If that’s true, what makes you think the Ethan Allen Institute can reverse that trend?

**McClaghry:** Good question. Perhaps I’m an optimist, but I believe that a majority of Vermonters will come to see that collectivism, centralization, high taxation and heavy regulation are bad for liberty, prosperity, self-government, and progress. Without drawing too close a parallel, that’s what the people of the Soviet Empire came to see in 1989.

Everywhere people want to be free. They want the opportunity to build a life for themselves, make their own way, bring up their families so their children will have richer and more rewarding lives than their parents. They want an economic climate where enterprising people can have a fair chance to create new wealth, and keep most of what they earn.

We all agree that we need government to preserve order and security, curb environmental pollution, provide a network of roads, and see that those unable to provide for themselves are provided for with dignity. Where we go wrong is when we allow government to redistribute wealth, deny people the peaceful use and exchange of their property, control everybody’s life, limit opportunity, make everyone dependent on the government, and throttle the vital energies of a free people.

The Ethan Allen Institute exists to show that there is another way, built upon traditional Vermont values, that leads to opportunity, progress, and prosperity. That’s our core “idea for Vermont’s

future”.

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