



In a Power Grab, the Kochs' Struggles Are Revealed

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Charles and David Koch have been demonized by Democrats as a power couple bent on buying the 2012 election for Republicans, but a rare lurch into public view shows that the Kansas oil men don't even have control of the major think tank they helped create.

The Koch brothers have spent millions since the 1970s to support that think tank, the Cato Institute, a libertarian refuge in Washington that aligns most of its views with the presidential candidate Ron Paul. The Koch brothers, though, are far more mainstream, financing a political group called Americans for Prosperity that has spent waves of cash to tear down Democratic candidates.

Now those political differences are at the center of Cato's future, and the Kochs have taken the uncharacteristic approach of suing the very influential group they funded for years, dissolving their shroud of secrecy. The lawsuit, which would effectively give the brothers control of the small group that runs Cato, was filed after a November meeting [reported by The New York Times](#) in which David Koch proposed to the group's chairman plans to merge operations. The chairman, Robert Levy, declined out of fear that the Koches would have too much control over what the think tank researches.

While the case is pending in a Kansas court, the short-term result has been a public debate over the role of Cato, and whether the mainstream Republican Koch brothers would ruin its libertarian reputation.

Charles Koch even wrote a lengthy statement explaining the lawsuit. "There is a great deal of speculation as to what direction we would take Cato if we were to be in a position to elect a majority of the board," he wrote. "Some have speculated that we would micro-manage the enterprise. Others have suggested we would turn Cato into a partisan Republican organization. These rumors are absolutely false."

The round of publicity is surprising for the Kochs not because they're unknown to the public — they've been the subject of [a swarm of stories](#) since the 2010 midterm elections in which their advocacy group backed Republican candidates — but because they both started the storm and are participating in it. That cuts against the billionaires' usual role as private power brokers and owners of their eponymous energy conglomerate in Kansas.

Even that mammoth company, Koch Industries, is secretive. Donald Haider-Markel, a politics professor at the University of Kansas, said a friend of his applied for a job there and was subject to a series of screening interviews before he was introduced even nominally to the company's philosophy.

"It's like joining a fraternity club," Haider-Markel said. "This is more, sort of, 'you'll get the book that tells you sort of the secret code only when you pass through stage five of this process.'"

The Kochs have [reportedly](#) donated \$30 million to Cato since the group was founded nearly 40 years ago, but their contributions have waned, and last year they didn't give any money. A senior policy fellow at Cato who asked not to be named to discuss the dispute said Charles Koch "hasn't been involved with Cato for years" and that "nobody's talked to him." Tensions between Koch and Cato's president, Ed Crane, have fluctuated over the years, stemming from their "bad blood" that no one can seemingly explain, the fellow said.

"This is part of a period that I think is unusual for the Koch brothers in that they've always been behind-the-scenes players in conservative Republican circles for years," Haider-Markel said. "They've sort of operated without much attention whatsoever."

Cato has been aggressive in its defense and appears to be winning in the court of public opinion, though that obviously carries no weight in an actual courtroom.

Since the Koch brothers filed their suit, Cato has pressed its case repeatedly in the press and published a webpage on its site called [Save Cato](#). It includes links to Cato's tax forms, the Kochs' court petition, and a dozen clips in the mainstream media about the feud.

Many libertarians view Cato as the definitive hub for spreading their movement's ideas and have jumped to its defense.

"I haven't heard anybody who wasn't on Cato's side on this, because they feel like Cato's just done such a great job," said Sharon Harris, the president of Advocates for Self-Government, a libertarian group in Georgia well known for its [10-point political questionnaire](#). "I would not want to see anything happen to them that would water down what they're doing."

"How can Charles and David Koch, who are both devoted to classic Lockean conceptions of freedom and property, think they have a moral right to the control of Cato as of 2012?" [asked the libertarian author Charles Murray](#). "I want to ask them, more in bewilderment more than in anger, how they can justify this lawsuit — not legally, but in terms of principles they cherish."

Cato supporters say the worst-case scenario in a Koch takeover would be a reduction in research and proposals focused on civil liberties and foreign policy, areas in which libertarians often differ from mainstream Republicans (like on gay marriage and starting wars).

The Cato fellow predicted that if the Kochs gained control, 20 percent of the senior policy staff would leave in the first month, and more than half would bolt over a couple of years, including Levy, the chairman.

"The policy people, at least folks I've spoken to, including myself, would not stay," the fellow said. "Nobody's got a non-compete clause."