



## Basic Income News

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# *OPINION: The Sad But Predictable Downfall of the Cato Institute*

FROM USBIG BY ALMAZ ZELLEKE · APRIL 2, 2012

The Cato Institute, a non-partisan Washington, D.C. think tank founded in 1977 to promote and disseminate libertarian views, is in danger. Due to a highly unusual and, in hindsight, highly unfortunate shareholder structure for a non-profit, it finds itself at risk of a hostile takeover by two of its co-founders, billionaire businessmen Charles and David Koch. Due to the death of one of the other two shareholders, the Kochs are poised to take control and shift Cato's mission in a more partisan direction. Liberals and libertarians alike should rue the loss of Cato's principled, non-partisan voice. Many of Cato's free-market stands are certainly shared by Republicans, but it routinely ridicules Republican politicians who talk about cutting government spending while voting to increase it, opposes Republican warmongering, and is at odds with most of the party's positions on social issues like abortion and same-sex marriage.

But the devolution of a libertarian think tank into one more concerned with protecting big business interests like the Kochs' shouldn't come as a surprise, despite the unusual circumstances in this case. Libertarianism has always had a latent conservatism due to its advocacy of absolute property rights. Absolute property rights inevitably concentrate economic power, which is why property rights in capitalist economies must be tempered by some redistributive force—welfare state institutions, redistributive taxes, or progressive resource dividends. Libertarians typically justify the inequalities generated by absolute property rights by the economic benefits they provide to all, including those without property. Even when this is demonstrably false—as it is today for the 46 million Americans who live in poverty in the richest country in the world—libertarians are at best grudging supporters of even market-friendly redistributive measures like a negative income tax or a basic income.

Liberalism emerged in the 18<sup>th</sup> century with the assertion of universal rights of sovereignty against absolute monarchs, but extensions of liberty beyond propertied men were only slowly and grudgingly granted. Liberal democracies granted full political rights to all only in the 20<sup>th</sup> century; full economic rights—always central to the liberal ideal—remain the privilege of the few. Libertarianism's latent economic conservatism—conservative in the worst sense, in protecting existing privilege—has always lurked just below the surface. It's no surprise that the Kochs, who were probably only millionaires when they co-founded Cato in the 1970s, should want their think tank to skew conservative now that they're billionaires with a lot more to protect from free market competition.