

Cato and the Kochs

by DON BOUDREAUX on MARCH 4, 2012

in COMPLEXITY AND EMERGENCE, CURRENT AFFAIRS

Like many in the liberty movement, I'm disheartened by the current goings-on involving the Cato Institute, namely, the power struggle between, on one side, Cato's co-founder and President Ed Crane, and on the other side Charles and David Koch. (Of course, there are many other people on each side of this dispute, but these are the main representatives of each side.)

The immediate source of this dispute is the disposition of the shares in Cato that belonged to former Cato Chairman Bill Niskanen, who died late last year. The Kochs believe that they, the Kochs, are entitled to those shares; Ed Crane believes that the shares should remain with Bill Niskanen's widow.

For the much more detail, see this useful post by Jonathan Adler, and the several useful links that it contains. I agree (as far as my knowledge of these matters permits me to judge) with the factual record as laid out in Jonathan's post and in the other sources he sites. And I certainly do agree with him, Jerry Taylor, Ilya Somin, Steve Chapman, and others who argue that - regardless of the legal niceties of this case - the Kochs are, with this action, most imprudently and unwisely threatening the long-term health of the liberty movement. (I do not question their motives, only their judgment in this matter.) Before getting to my main point, I note that I am a Cato Adjunct Scholar, and I serve on the Advisory Board of Cato's Herbert A. Stiefel Center for Trade Policy Studies. These posts are unpaid. I do, however, from time to time write and lecture for Cato; from these opportunities I do get paid market-rates of honoraria. I note also that I consider Ed Crane to be a friend and a man whom I deeply admire, and I've known Charles Koch for many years. (I've met David Koch on a handful of occasions, but don't recall ever saying to him more than "hello.") I have long regarded Charles Koch – as I regard Ed Crane (and his long-time lieutenant at Cato, David Boaz) - to be a great man and champion of liberty. I further believe that Charles and his brother David are undeserving of the left-liberal scorn poured on them - nearly all of which strikes me as uninformed; as springing from nothing more than juvenile presumptions parading as information.

All the above said, I want here to discuss the role of ideas and advocacy.

As the narrative is taking form now – on the morning of March 4th, 2012 – the Kochs seem to want to gain greater control over Cato so that they can turn it to play a more prominent role in influencing *current* political outcomes – that it will work harder at pushing into the public mind the case for today's pro-freedom political candidates and (hence) less hard at nurturing ideas whose effects on political outcomes will not be felt for years, perhaps decades. Ed Crane wants to continue Cato's long-standing policy of nurturing ideas, including those whose effects play out only over the long-run. Of course, I speak as an idea-person (a college professor, writer, blogger, speaker, and, above all, bookworm) rather than as a political operative. I've never advised candidates; I don't attend political rallies; and I never publicly endorse candidates. I don't even vote. My reasons are that I emphatically do not believe that the identities of the holders of political office matter all that much. What matters mostly – overwhelmingly – is the climate of opinion. And so affecting the climate of opinion for the better seems to me to be, by far, the only long-term means of ensuring the stability of a free society.

The identity of political office holders *seems* to matter. Those identities are what is seen. For any policy change to occur requires identifiable politicians to push for it. So it *appears* that, say, Barack Obama is stealing our liberties and draining away more of our prosperity with Obamacare. But Obama is simply the catalyst. He could not do what he's doing if the climate of opinion did not at least tolerate his (admittedly destructive) policy actions.

It's true that had John McCain won the presidential election in 2008 policy today would be a bit different from what it is now under Obama. Indeed, policy under a Pres. McCain would likely be somewhat better according to my lights. I do not say that the identities of holders of political office do not matter in the short-run. But even the most committed libertarian political office holders will be unable to bring about foundational, fundamental change toward a freer and more-prosperous society if the climate of opinion opposes such change.

At the end of the day in *any* society, political office holders largely reflect the culture and climate of ideas that prevail in that society. The overwhelming effects of culture and the climate of opinion on actual, day-to-day policies over the long run are *unseen*. This

unseen influence of culture and ideas is, I believe, as the underwater bulk of the iceberg is to the seen tip that looms above the water's surface.

The seen tip of electoral politics and its current personalities are real; by all means deal with them as best as you can. But don't ignore the larger, more hulking, ultimately farmore significant and determinative unseen bulk of ideas, prejudices, values, historical narratives, and other cultural elements that lie beneath the surface of electoral politics. Chop off today's seen tip, and watch some other part of that 'idea-berg' rotate upward into view. Unless the ideas, broadly defined, that make up a nation's political reality are changed, affecting the outcome of today's election will do vanishingly little to change political reality over the long haul. The new part of the idea-berg that emerges above the surface to replace the lopped-off part will be just as anti-liberty as its predecessor.

I have little doubt that Cato, since its founding in 1977 until today, has had as significant an effect as any thinktank can possibly have on the climate of ideas. I believe that the proportion of pro-liberty ideas, relative to statist ideas, in the bulk of the 'idea-berg' beneath the surface is today much higher than it would have been had Cato never existed, or had Cato been more focused over the years on affecting current political outcomes.

There is, no doubt, some wiggle room within any culture and climate of ideas. And, therefore, *ceteris paribus*, pro-freedom candidates at any moment are better than antifreedom candidates. Taking advantage of the wiggle room to press for more liberty-oriented policies that the general public will tolerate is good *if* the result will not be to increase the risk of anti-freedom ideas growing even bulkier in the future. But over the long sweep of history this wiggle room is narrow and cheap. To return to my iceberg analogy, it's never more than the tip of the iceberg.

In a healthy society, there must be action on many different fronts. Although I have no taste for it, I applaud my pro-liberty friends who seek to affect political outcomes *today*. But I plead with them to understand that their success at any point in time depends on how well or how poorly other people who are devoted to changing culture and ideas succeed in this longer-run effort. It's tempting to get excited about candiate Jones's rhetoric or candidate Smith's policy proposals. But if the prevailing culture and climate of ideas will not support what Jones and Smith seek to achieve, Jones and Smith will fail even if they succeed in being elected to office.

I applaud, loudly, the work that Cato has done during its 35-year history. And I sincerely hope that it will continue to operate under Ed Crane's principled leadership to further this work.