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## Why the Tea Party Frustrates John Malone

By: Martin Peers – October 21, 2013

Add Liberty Media Corp. Chairman John Malone to the list of conservative businesspeople who are frustrated with the Tea Party. While he says he generally agrees with their objectives and point of view, “I just generally don’t feel that their tactics are very sophisticated” and complains the group isn’t “being rational.” He is particularly unhappy at the Tea Party’s push to nominate candidates for Congress “that can’t win.”

Mr. Malone is well known for his libertarian views – he has long been on the board of the public policy group the Cato Institute, for instance. But in a telephone interview on Monday where he mused on both politics and business, he made clear his preference for those regarded by many as moderate Republicans, like Maine Senator Susan Collins. As for political donations, he focuses on individuals “I personally like.”

For example, he says he is a “big fan” of Arizona Sen. John McCain, noting he had “maxxed out with him because I like the guy.” And he agreed with his view that the strategy should be one that “can win.”

He also made clear he is incensed at the Tea Party’s move against old-time moderate Republicans like Richard Lugar, the former Indiana senator who was defeated in a Republican primary last year.

As for last week’s uncertainty over a possible federal government default, Mr. Malone says he was “absolutely sure that in the end they would kick the can down the road,” and he acted on that belief for his personal investment portfolio. “Having been heavily in cash,” he says “I bought into the market when the market was trading off heavily” because of the uncertainty.

Mr. Malone for the past few years has been warning about the dangers of inflation, given the Fed’s low-interest rate policies. He says he still sees that as a risk. As a result, he has invested in what he calls “hard currency countries,” like Australia, Canada and Norway and in the U.S. buying “hard assets” with “positive cash flow” which will “come out OK” if inflation surges. Liberty Media earlier this year bought a significant stake in U.S. cable operator Charter Communications, for instance, its first re-entry into mainland U.S. cable for many years. Mr. Malone is also a very big land owner in the U.S.