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## U.S. Republican Koch oil billionaires help fund the Fraser Institute. Why the Fraser Institute?

*Authored by Jenny Uechi, originally published at Vancouver Observer. Re-posted with permission.*

U.S. libertarian oil billionaire brothers David and Charles Koch have poured at least half a million dollars into The Fraser Institute over the last few years. In case you haven't been following their trail, here's a bit about them:

If the Koch brothers didn't exist, the left would have to invent them. They're the plutocrats from central casting – oil-and-gas billionaires ready to buy any congressman, fund any lie, fight any law, bust any union, despoil any landscape, or shirk any (tax) burden to push their free-market religion and pump up their profits.

— *Rolling Stone Magazine*

The Koch brothers are the funders of the Americans for Prosperity group that just launched a \$6.1 million television ad targeting President Barack Obama in eight states. Based in Wichita, Kansas, they own the second largest privately held company in America. Their father, Fred Koch, was a member of the radical right-wing John Birch Society.

According to *The New Yorker*, "The Kochs operate oil refineries in Alaska, Texas, and Minnesota, and control some four thousand miles of pipeline. Koch Industries owns Brawny paper towels, Dixie cups, Georgia-Pacific lumber, Stainmaster carpet, and Lycra, among other products. Forbes ranks it as the second-largest private company in the country, after Cargill, and its consistent profitability has made David and Charles Koch—who, years ago, bought out two other brothers—among the richest men in America. Their combined fortune of thirty-five billion dollars is exceeded only by those of Bill Gates and Warren Buffett."

Republican commentator Glenn Beck has attended their private retreats, where U.S. Supreme Court Justices and a host of congressmen and political back-roomers mingle to strategize about moving America further right. They are widely suspected of having funded Herman Cain's failed Republican presidential bid. Both in their seventies, the Kochs have given tens of millions of dollars to Republican candidates. They fund projects that help undermine climate change, fight taxes, trade unions and battle Obama's health care reforms.

"Most organisations which benefit from the Kochs' largesse have one thing in common: they help advance an unflinching brand of libertarian conservatism," writes Guy Adams in *The Independent*. "Some lobby against environmental regulation, or seek to undermine public perception of the threat of climate change, others battle taxes, trade unions and Barack Obama's health care reforms."

So why are the Koch brothers in Canada and why have they selected the Fraser Institute to be the repository of their generosity? A trip to The Fraser Institute's website offers clues, if not answers. Fraser's website and Facebook page boldly promote a conservative political agenda. And although the Fraser Institute claims to be "independent" and "non-partisan", the institute has been a connecting point for many leading conservatives in Canada.

On the front page of the Fraser Institute's website, a bold headline reads: "Canada among the world's biggest spenders on health care."

Other articles include "Electricity prices soar when governments subsidize green energy," and "The BC roots of Albertan conservatism". The institute's research topics are varied, ranging from "aboriginal issues" to energy to urban issues. But reports are completely consistent with a the right-wing, free-market agenda: in the health section, every study in the past several years is a critique of public health care, its long wait lines and high costs. On the energy front, studies call for reduced red tape on Albertan oil sands, and on education, private schools are praised while public schools are strongly criticized.

As a registered charity, the Fraser Institute is only allowed to devote a small part of its resources to political activity, and can never be partisan. Yet the institute has played a significant role in shaping the conservative movement and tone of political discourse in Canada today.

### **Fraser Institute All-Stars**

Some famous figures include **Ezra Levant**, a Sun media columnist and author of *Ethical Oil*, who came to intern at the Fraser Institute after a fellowship with the Koch Foundation. **Kathryn Marshall**, political commentator and former Ethical Oil spokesperson, was also a development associate at the Fraser Institute. Wildrose leader **Danielle Smith** took on an internship with the Fraser Institute during her twenties that "imbued her with a passion for Ayn Rand and charter schools", according to a recent Walrus article. She became an intern with the encouragement of **Tom Flanagan**, a Fraser Institute senior fellow and **Stephen Harper** mentor. *Vancouver Sun* editorial pages editor and columnist **Fazil Milhar** is the former regulatory studies director at the Fraser Institute.

The top tier at the Fraser Institute is filled with highly-respected economists and researchers whose names and faces are constantly present in national newspapers.

Fraser Institute's president, **Niels Veldhuis**, is a respected economist who has written over 200 commentaries in publications such as *The Economist*, *The Wall Street Journal* and *The Globe and Mail*. In March 2011, he co-authored an article in *The Financial Post* titled, "We need Scott Walker here." Scott Walker is the Wisconsin governor whose campaign was heavily financed by the **Koch Industries PAC**, and sparked a lengthy and much publicized stand-off against public sector workers last year after trying to remove their collective bargaining rights.

The institute's director of health system performance studies, **Nadeem Esmail**, writes in *National Post*, *Globe and Mail* and the *Wall Street Journal* on health care policy and reform — his writings repeatedly depict Canada's public health care as a financial sinkhole and urge privatization while warning readers in the U.S. not to emulate Canada's system.

For many, the Fraser Institute is a foot in the door to climb the ranks of conservative organizations in Canada.

A typical case might be someone like Candice Malcolm. She got her start in 2007 as the student programs assistant at the Fraser Institute, then went on to become a Koch Summer fellow, going through a "rigorous" public policy program in Washington, attending seminars at the Cato institute. She went on to work for the **Atlas Economic Research Foundation**, (which paid blogger Vivian Krause to her first honorarium), then rose to the executive assistant position at Alberta's Wildrose Party. She now works in Ottawa as the Parliament press secretary.

### **Grooming the next generation**

So where exactly does the Fraser Institute find its conservatives? Some, like the Wildrose leader, are recognized for their potential and recruited by the Fraser Institute during university. But in recent years, the institute has been cultivating young minds from an early stage.

For starters, the institute devotes a lot of resources training and recruiting youth. According to the Canada Revenue Agency, the Fraser Institute spent \$1.6 million in grants and scholarships for the 2010 year and almost \$2.1 million the year before that.

One of the institute's most effective tools are its free one-day seminars for youth across BC, which which writer and researcher Donald Gutstein describes as its "initial recruitment tool". High school and post-secondary students participate in discussions on issues such as health care and First Nations' rights, and listen to high-profile guest speakers including Ezra Levant, journalist (and former George W. Bush economic speechwriter) **David Frum**, and Danielle Smith. Anyone can participate, even if only to enjoy a free lunch at a swanky hotel.

For participants, the real fun begins as students break off into small groups and begin debating and discussing public policy. Recruiters take down the names of students who express views aligned with those of the Fraser Institute (the left-leaning ones are never contacted again) and get in touch with them for further orientation.

The institute also has a student video contest, and the chosen winners (who receive a \$625 - \$2,000 prize) are invariably those whose work promotes a right-wing, free-market ideology.

Last year, the Fraser Institute gave first prize to a video entitled "Government During Crisis: Help or Hinderance?" which claimed that government got in the way during crisis situations, and that the "most effective relief came from faith-based organizations" as well as local businesses. In the previous year, the top honours went to a video called "Canadian Health Care: a monopoly on lives" that harshly criticized public health care, while the second prize that year was based on the theme, "The nanny state: is government regulation threatening your personal freedom?", which argued that well-meaning legislation such as the anti-cyber bullying laws disrupted personal freedom.

For educators who want to teach youth to "think objectively" about climate change and other issues, the institute offers free lesson plans online. In the lesson plan for "Understanding Climate Change", students are shown graphs used by climate change scientists to show the correlation between CO2 and temperature, such as the one that Al Gore showed in his 2006 documentary, *An Inconvenient Truth*. In the "answer key," students learn that "correlation is not causation", and are fed the conclusion that there climate change is not, in fact, caused by carbon-generating activities.

There's plenty of tools for latecomers to the program as well: an attractive student internship gives \$2,000 to \$2,500 a month for a four-month period during which interns take part in seminars and discussions while contributing to the Fraser Institute's work. Preference is given to strong writers and "candidates who are interested in educating students about economics and public policy".

The "Economics for Journalists" course, meanwhile, uses reading material from the Fraser Institute publications to school future "opinion leaders" such as emerging journalists on free market principals. The course includes two "attitude surveys" to identify participants' economic views both before and after the course.

All of these initiatives are deemed "educational", but they are linked to a free-market agenda. Students and participants are armed with knowledge and arguments to debunk and discredit theories around climate change and public welfare as un-scientific or delusional, while actively pushing U.S.-style free market and privatization as the best option for Canada. And many of them have a powerful presence in right-wing-owned media to spread and legitimize their views.

### **The Left's answer to the Fraser Institute?**

By contrast, the progressive movement in Canada doesn't have much of a counterpart to organizations like the Fraser Institute in terms of recruiting and training. In 2010, the progressive Canadian Centre for Policy Alternatives think tank had a total revenue of just \$1,724,894 — a far cry from the Fraser Institute's \$10,834,410.

And people have started taking notice. An April 2011 newsletter from the Canadian Centre for Policy Alternatives notes:

"For years, through its seminar and internship programs, the Fraser Institute has been identifying and training young conservative leaders... comprehensive education opportunities, which welcome youth into the movement and provide them with theory, mentorship, networking opportunities and skills development, are remarkably lacking in the world of social justice work."

In response, things are changing: rather than allow leaders for progressive politics develop in an "organic" way, the CCPA's teamed up in 2007 with environmental organization **Check Your Head** to create **Next Up**, a youth leadership to help emerging leaders from the progressive movement.

A counter-movement is also growing with progressive organizations such as **LeadNow**, but will it be enough to produce someone with as much influence or prominence as Danielle Smith or Ezra Levant?

Time will tell.

One thing's for sure: half a million dollars rarely comes without trust, or strings attached.

The Koch brothers know why they fund Fraser. The rest of us can guess.

***Why do you think North America's richest oil barons, who are also the effective founders and funders of the Tea Party movement, would donate to a Canadian think tank? Please comment below...***

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