

FINANCIAL TIMES

Think-tank battle highlights US political divide

By Richard McGregor in Washington

March 13, 2012 5:28 pm

High quality global journalism requires investment. Please share this article with others using the link below, do not cut & paste the article. See our [Ts&Cs](#) and [Copyright Policy](#) for more detail. Email ftsales.support@ft.com to buy additional rights. <http://www.ft.com/cms/s/0/8afcd66c-6d26-11e1-ab1a-00144feab49a.html#ixzz1p1xRhD8o>

Charles and David Koch, the billionaire US industrialists who have [donated tens of millions of dollars in support of conservative causes over nearly four decades](#), have become accustomed to attacks from the left.

But the last fortnight has seen opposition to their politicking swell-up in an unusual quarter – the right – in an increasingly bitter dispute over control of the libertarian Cato Institute in Washington.

More

The fight over control of Cato, a think-tank Charles Koch helped found with seed funds 35 years ago, has been amplified in an election year that will see [unprecedented amounts of money and partisan fervour expended](#) to defend or defeat US President Barack Obama.

The Cato Institute has always prided itself as being above partisan politics, portraying itself as the “gold standard” of libertarian principles and criticising Republicans and Democrats in power without fear or favour.

But the staff say an attempt by the Kochs to turn the think-tank into a more committed player in day-to-day politics will undermine its work and stated mission of promoting classic libertarian ideas in Washington.

“For the most part the staff is deeply concerned that in policy debates, our credibility would become zero,” said Jerry Taylor, a senior fellow specialising in energy who is a 21-year veteran on Cato.

Based in Kansas, Koch Industries is one of the largest private companies in the US, with interests in energy, petrochemicals, paper and pulp, fertiliser and pipelines, and employs 50,000 people in its home market.

Long supporters of free market causes, the Koch brothers have stepped up their partisan political activism in recent years over what they regard as a dangerous extension of government' under Mr Obama.

They have also been among the most generous funders of climate change scepticism and opposition to the regulation of greenhouse gas emissions, something that would hurt their businesses.

The alarm bells about a possible Cato takeover started going off last November, when Bob Levy, the chairman of the institute's board of directors, met with David Koch and his advisers at Washington's Dulles airport.

Mr Levy said later that he was told that Mr Koch wanted Cato to provide "the intellectual ammunition" that the brothers' activist groups could use to "defeat Barack Obama".

While the Kochs have been only minor donors to Cato for some years and gave nothing last year, the brothers have retained ownership of two of Cato's four shares.

After Mr Levy and senior staff objected to the Kochs' plans, the brothers filed a lawsuit in Kansas in February to buy a third and controlling share, which had been held by former Cato chairman William Niskanen, who died in October. The think-tank has hired lawyers and is preparing to file a response in the Kansas court in coming weeks.

The fallout has been bitter, splitting long time professional and personal friendships on the right and promoting many Cato staff to threaten to leave the institute if the Kochs get their way.

Ed Crane, the founder and president of Cato, has made it clear he is ready for a long fight against what he called a "hostile takeover".

"Mr Koch's actions in the Kansas court represent an effort by him to transform Cato from an independent, non-partisan research organisation into a political entity that might better support his partisan agenda," he said.

Cato's dilemma is mirrored in different ways throughout Washington, where the increasing polarisation of politics has made it difficult for anyone to operate without taking sides.

"There is a lot of impatience with Cato and other long game think tanks in Washington that we are not engaged in this fight or that election," said Mr Taylor. In a statement, Charles Koch denied the brothers want to personally control Cato's output, saying his objective is to "to continually increase its effectiveness in advancing a truly free society over the long term".

"None of this will be possible if Cato's leaders abandon the principles they are supposed to uphold or otherwise violate the core values of a free society. Such a path has been the downfall of many organisations."

The dispute has been grist to the mill of the Obama campaign, which was already engaged in its own battle with the Koch brothers over their campaign organisations and ads attacking the president and Democrats.

Playing on the rhyme between the pronunciation of the brothers' surname and Coke, David Axelrod, a senior strategist for Mr Obama tweeted this week. "For Cato Institute, things don't go better with Kochs!"