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Who Is John...Allison? A Randian, Libertarian Business Icon Takes Over the Cato Institute

[Ralph Benko](#),

“*Who is John Galt?*” This tantalizing question opens *Atlas Shrugged*, one of the most popular, if least critically acclaimed, novels of all time. A new chapter of an epic story worthy of the pen of Ayn Rand is scheduled to open next October. It centers around John Allison IV. Who is John Allison?

John Allison is taking over the helm of the Cato Institute. And for devotees of human dignity and liberty this is good news indeed. The stated mission of the Cato Institute is “to increase the understanding of public policies based on the principles of limited government, free markets, individual liberty, and peace.” It is an extraordinary place.

A fight for control over Cato recently was in the news. There was a struggle for governance between the celebrated and powerful industrialist/philanthropist Koch brothers, Charles and David, who helped to create Cato, and its founder and CEO Ed Crane who nurtured Cato into the respected cultural force that it is today.

Crane transformed libertarianism from a marginal ideology into a major input to the policy discussion. He took libertarianism out of the Star Wars cantina and gave it a place of dignity in the modern culture. “The Cato Institute is the foremost upholder of the idea of liberty in the nation that is the foremost upholder of the idea of liberty,” wrote George Will.

Cato has been very much about making an intellectual impact. Its analysis consistently is impressive. But, understandably coming from the most elite proponent of libertarianism, an attitude of disdain for government bleeds through. This has put Cato into a somewhat aloof posture towards the policy fray. Power to elect the majority of the Cato board recently passed, legally, to the Kochs. And the Kochs invest great importance in policy, as well as cultural, relevance. Confrontation loomed.

Cato, unquestionably, is the bellwether of the libertarian school. And libertarians, it can be argued, often cast the deciding “swing vote” in policy matters. When the libertarian movement sided with the conservatives on foreign and tax policy, that united front set the stage for the defeat of international communism. It similarly set the stage for the push to reduce the top U.S. federal tax rate from 70% to 28%, and for nation after nation to adopt far lower rates on their own. World prosperity blossomed. When, however, most libertarians sided with liberals on cultural issues (such as abortion and gay marriage, neither inevitably libertarian stands), the liberals prevailed.

Cato is “the cat who walks by himself and all places are alike to him.” And when the libertarian cat throws her weight around ... she turns out to be a tiger. Cato weighs in on economic issues far more often than on social issues. Hence Cato, in practice, is counted as more of an asset of the Right than the Left. A potential implosion of the bellwether of the libertarian faction thus was a matter of grave civic import, moreso than many outsiders understood. The Authoritarian Left certainly must have been hoping for Cato to implode.

Enter John Allison — who almost (he lacks the swagger) could be a protagonist escaped from an Ayn Rand novel. Allison recently retired as the CEO of [BB&T](#), which he had built up from a small bank to a behemoth with over \$100 billion in deposits. He, unlike many business people, is an outspoken and lucid advocate for free markets and against oligarchy. (Allison’s compensation package while at BB&T revealed him as not part of oligarchic [Wall Street](#) society.)

Allison presents as a courtly figure, like a Frank Capra protagonist. The Kochs and Crane (among many others) share a great respect for him. The dueling forces decided to put him in charge of Cato. Here was a man in whom the values of cultural relevance, prized by Crane, and policy relevance, prized by the Kochs, were united.

In an interview last week with this columnist, Allison observed:

Cato is a great asset for the libertarian free society movement. Cato has made some very important contributions. It can be even more impactful in providing the intellectual ammunition to move our society back to the principles that made America great in the first place.

Cato has a strong team of intellectuals and I’m confident that we can provide even more world-class thinkers to defend the free society. We want to be able to impact current policy through decisions by providing the intellectual ammunition to elected officials who execute these concepts. We want to be long-term thinkers who have an immediate effect.

One of the things that I really want to do is make this a moral fight instead of a fight around the technical aspects of economics. The libertarian vision is a moral vision and we own the moral high ground. A free society is the only society in which people can think for themselves and pursue their rational self-interest.

Freedom creates the ability, through creativity and incentive, to raise the quality of life for everyone. When I was CEO of BB&T we saw the opportunity, on many occasions, to create products and services that would improve the quality of life of our clients but some government regulation prevented us from doing it. Unfortunately most business leaders are not really capitalists. They are crony capitalists looking for some way to use the government to give them a special advantage. Cato is a defender of real capitalism, real free markets.

Allison explains his famous commitment to *Atlas Shrugged*:

I am a major proponent of Rand's philosophy because *Atlas Shrugged* changed my life. Initially the most empowering part of the philosophy was the absolute sense of purpose that her heroes and heroines demonstrate. Rand does a better job of capturing that aspect of the American sense of life than any other novelist I have encountered.

Atlas Shrugged is my favorite work. BB&T has sponsored 68 programs on the moral foundations of capitalism where *Atlas Shrugged* is one of, although not the only, of the prescribed readings. 25,000 students go through the program annually. Thousands describe the program as life changing and almost all of them attribute the transformation of their worldview to *Atlas Shrugged*.

They do not all agree with Rand's philosophy but they appreciate the sense of life, of the power of purpose, of reason, and they have never in their whole educational career heard this point of view. As good as Hayek and von Mises are, typically people who are interested in them already are conservative. Very few people read technical books and have their worldview changed. Rand's work is a novel and about ethics and not economics. Rand was a defender of rational self-interest, properly understood.

We are given a false alternative in our society: take advantage of other people or self-sacrifice. Taking unfair advantage of others is self-destructive because people won't trust you. On the other hand, I ask students, do you have as much right to your own life as anyone else does? What Rand is defending is about giving value for value: life is about creating win-win relationships.

The champions of Big Government lost their cause in the pop culture in part due to Ayn Rand. The champions of Big Government lost their cause in respectable intellectual circles in part due to Ed Crane and the scholarship he marshaled upholding the Jeffersonian creed of skepticism about central government. Comes now a new champion of liberty. The champions of Big Government must be quaking at the prospect facing such a worthy new adversary in the policy arena when Allison takes charge of the Cato Institute.

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