



## Why the Koch brothers are cannibalizing the Cato Institute

March 20, 2012 by J Coleman

A quick look at the [very public clash](#) between the Cato Institute, a well known libertarian think tank based in Washington DC, and the [Koch brothers](#) – the infamous right-wing oil billionaires – leaves many people confused. They're supposed to be on the same team right? The Cato Institute, originally called the Charles G Koch Institute when it was founded by Charles G Koch in the 70s – is in danger of a hostile takeover...by Charles G Koch? Why would Charles Koch try to take over his own think tank?

The short answer – power, of course. As it turns out, the Koch's influence at Cato has waned over the last few decades due to a falling out between Ed Crane, the current president of Cato, and Charles Koch, who hand-picked Crane for the job shortly after founding the think tank. Starting in the early nineties, the Kochs all but abandoned Cato, exerting little control over the group's activities and steadily reducing Cato's Koch funding (down to \$0 in 2011). Charles even left the board of directors (though he was replaced by David Koch).

Instead of running Cato, the Kochs poured their time and oil profits into front groups like [Americans for Prosperity](#), their flagship astroturf organization. The Kochs' growing [network of front groups](#) gave them influence over (and close ties to) the republican establishment at large, something Cato didn't really provide.

During this time, Cato became seen as a relatively independent think tank, willing to criticize both democrat and republican administrations. Real news organizations [went to Cato](#) for comment on topical issues, and legislators used Cato's reports to inform policy. Cato was seen as something more than a tool for corporate billionaires to accomplish their political agenda of deregulation. (For the record, Cato was still a tool of corporate billionaires: see their [defense of tobacco](#) while being funded by cigarette companies, or their [adamant climate denial while being funded by Exxon](#))

Fast forward to today – the Koch brothers' political agenda has been publicly outed (see airship), their front groups like **Americans for Prosperity** have [little credibility](#) with the mainstream press and the Kochs' hope of [unseating president Obama](#) is looking slimmer by the day. Suddenly, Cato's veneer of respectability is politically valuable to the Kochs.

[Bob Levy](#), current chairman of the Cato Institute, recently wrote that the Kochs admitted needing Cato as a **“source of intellectual ammunition for Americans for Prosperity – through position papers, a media presence, and speakers on hot-button issues.”**

So, when one of the shareholders of Cato died leaving his shares to his widow ([Cato](#) has a strange system of governance involving controlling shares), the Kochs saw an opportunity to pounce. The brothers filed a lawsuit they hope will force the widow into selling her shares, giving the brothers majority control over Cato’s board of directors. This would give the Kochs the power to fold Cato into their suite of other front groups, making it another Koch-controlled cog in the republican political machine. However, after years of relative freedom Cato’s leadership was not keen on bowing their heads to Koch control and becoming a pawn of the republican party. In a letter to employees, [Cato president Ed Crane](#) wrote:

*“Catoites, You are all probably aware by now of the unfortunate development with Charles and David Koch. They are in the process of trying to take over the Cato Institute and, in my opinion, reduce it to a partisan adjunct to Americans for Prosperity, the activist GOP group they control.”*

Thus began the public brawl between the Koch Brothers and the Cato Institute.

The moral? The Koch’s are so ruthless in their pursuit of power that even Cato, a bastion of ‘every man for themselves,’ ‘only the strong survive,’ ‘no free school lunch,’ free-market capitalism, is crying foul. But don’t feel sorry for Cato, perhaps they just need to re-read a little [Ayn Rand](#)...