

politicology.

Koch Brothers Move to Seize Libertarian Think Tank

BY: EVAN MCMURRY
March 5, 2012

The Koch Brothers have filed suit to [gain majority control](#) over the Cato Institute, a libertarian think tank that currently operates as a non-profit.

If you don't know who the Koch Brothers are, ask your local Occupier. Obscenely wealthy and staunchly conservative, the Kochs fund a gaggle of conservative causes, organizations, and candidates, making no bones about their anti-Obama, anti-regulatory, and [anti-union](#) goals. Their ubiquity has cast an [oversized shadow](#) in the progressive mind, where the brothers appear as multi-tentacled corporate overlords.

Charles Koch [founded](#) the Cato Institute in 1977 with current president Ed Crane, who despaired of a lack of libertarian think tank to compete with the Brookings Institute and American Enterprise Institute. Koch footed the bill, Crane directed the politics, until the two had a falling out in 1992; since then, the Koch Brothers have had a 50% share in the institute, with the other half being held by Crane and former chairman William Nicksaken. When Nicksaken passed away last year, his shares reverted to his wife; the Koch Brothers will argue in court that they should have taken over his quarter of the shares.

Crane is adamantly against their takeover, writing in a press release that "Mr. Koch's actions in Kansas court yesterday represent an effort by him to transform Cato from an independent, nonpartisan research organization into a political entity that might better support his partisan agenda." In response, Charles Koch maintains that this is nothing more than a legal fight over a shareholders' agreement. (Take your obvious point that the Koch's espouse free market principles for everybody but their own tightly controlled organizations elsewhere.)

But there were rumblings of dissatisfaction already brewing before these moves. Last year saw a [split in the organization](#) between more conservative libertarians and what are called, in the wild, "liberalarians." Members who leaned left departed the institute. In fear, or perhaps hasty assumption, that more of this is on the way once the Kochs gain

control of Cato, some members have opted to [tenuously pre-resign](#). “I’d just be saving their appointee the trouble of canning me down the road,” Julian Sanchez wrote in his pre-resignation letter. “I can’t imagine being able to what I do unless I’m confident my work is being judged on the quality of the arguments it makes, not its political utility—or even, ultimately, ideological purity.”

This ideological purity is the primary reason so many both inside and outside of the organization are alarmed at the Koch Brothers’ attempted takeover. As Jonathan Adler [succinctly lays out](#), there’s a difference between being Koch-funded, as many institutions are, and Koch-controlled, as the Cato Institute would be by definition. If the brothers gained a controlling share of the institution, it would be irretrievably branded their vehicle in the political sphere, inflicting significant harm upon its reputation.

Jonah Goldberg [cuts to the chase](#): “It’s hard for me to see how a direct takeover by the Kochs wouldn’t be a p.r. disaster for Cato and its intellectual wares,” he writes at *NRO*. “All of the other arguments boil down to conjecture about what the Kochs would or might do with direct control of Cato. But one thing that requires no such speculation about motives is the simple observation that the Kochs are fairly radioactive these days.”

Does this matter? Weinberg and progressive Salonist Alex Pareene both think it does, for largely the same reason: quality libertarian organizations help keep everyone honest. “Cato is mostly [anti-war](#),” Pareene [writes](#), “decidedly anti-drug war, and sponsors a lot of good work on civil liberties. That...is basically what the Kochs don’t like about them, because white papers on decriminalization don’t help Republicans get elected.”

In the meantime, the Koch Brothers have made [convenient villains](#) for the Obama reelection campaign, which is happy to have a giant corporate foil spending tens of millions of dollars against its populist message.