

## *The Kochs and the Cato Institute: a hostile takeover?*

The rightwing industrialists are locked in a battle for control of a libertarian thinktank. If that sounds contradictory, it's because it is.

**James Antle**

**April 2, 2012**

Libertarians are a notoriously fractious lot. The simplicity of their ideology – no individual or group has the right to initiate force against another, not even the state – is rarely sufficient to keep them united.

There are libertarians who believe in Austrian economics and want nothing to do with the sellouts who believe in the Chicago school, and vice versa. There are those who love and those who loathe the [late economist and theorist Murray Rothbard](#). And who can forget 1988, when the Libertarian party nearly tore itself asunder over the question of whether Ron Paul – yes, Ron Paul – was pure enough to be their presidential nominee? Seldom do internecine quarrels among libertarians receive much notice from the outside world. But the battle between the [Koch brothers and the Cato Institute's current management](#) for control of Washington, DC's main libertarian thinktank is all the rage. The Washington Post and New York Times have both published riveting accounts of the personalities and principles involved. A "[Save the Cato Institute](#)" Facebook page has attracted more than 5,500 "likes".

The Cato Institute was divided between four shareholders: Charles and David Koch, Cato president Ed Crane, and the institute's former chairman William Niskanen. Niskanen died in October, of complications from a stroke. (Rothbard was once involved with Cato, too, but that relationship ended long ago for reasons that are irrelevant to this dispute. It is just nice to point out that most instances of libertarian infighting have a Rothbard tie-in somewhere.)

Cato believes Niskanen's widow controls his shares. The [Koch brothers](#) believe they have the option to buy them, a right they have asserted in a lawsuit filed in a Kansas court earlier this year. They also would like to appoint Koch employees to the thinktank's 16-member board.

Compared to debates between minarchists and anarchists, this fight over confusingly written legal documents seems tame. But the Koch brothers have funded the Tea Party advocacy of groups like Americans for Prosperity, and Cato officials have mounted a full-court press arguing that Koch control of the board would reduce the thinktank to an appendage of the Republican party.

"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," [Crane argued in a written statement](#):

"We view Mr Koch's actions as an attempt at a hostile takeover, and intend to fight it vehemently in order to continue as an independent research organization, advocating for individual liberty, limited government, free markets and peace."

Robert Levy, the current chairman of Cato's board, put it more succinctly to the New York Times:

"We can't be perceived as a mouthpiece of special interests. The Cato Institute as we know it would be destroyed."

Levy has argued that the Kochs are looking to use the thinktank to provide "intellectual ammunition" to their more explicitly political groups. Hogwash, Charles Koch replied in a [statement](#):

"Some have speculated that we would micromanage the enterprise. Others have suggested we would turn Cato into a partisan Republican organization. These rumors are absolutely false."

The Kochs' defenders point to their support for two other libertarian outfits, the Mercatus Center and the Institute for Humane Studies. But many of Cato's scholars genuinely do see a clear and present danger to their independence, which has prompted them to become very involved in criticizing the Koch lawsuit. Some of them have publicly threatened to quit if the Kochs prevail. They worry that it will not only compromise the thinktank's reputation as a nonpartisan defender of limited government, but that it will hurt their scholarship in areas where Cato's policy preferences don't mesh with the Republican party.

Cato has published papers critical of both the "war on drugs" and the Bush administration's conduct of the "war on terror". While there is no strict party line, many of their scholars have opposed the Iraq war and expressed civil libertarian concerns about the Patriot Act. Cato is sympathetic to open immigration and same-sex marriage. Some of these priorities have sat uneasily with their more conservative Republican donors in the past.

There has already been some blowback from the right against Cato leaders for pushing back against the Koch lawsuit. A [piece published on Big Journalism](#), a website founded by the late Andrew Breitbart, charged that:

"The ludicrous Koch brothers conspiracy theory – a favorite refrain of the Obama campaign and the extreme left – was apparently fueled by Cato president Ed Crane in his bid to maintain control of the institution."

"What Crane has decided to do is burn down the remains of Cato's reputation to try to save his own power," [Erick Erickson concurred](#) on the popular conservative website RedState.com. He argued that Crane "wants this happening in the political season so he can take advantage of a liberal media predisposed to be against two of Barack Obama's political opponents."

To many Cato scholars, such reactions emphasize that they are not in the same business as many conservative activists. Can the dispute be resolved amicably? The libertarian legal scholar [Jonathan Adler concluded](#):

"Given the love of liberty all involved have shown throughout their careers, I retain some hope, however fleeting."

Unfortunately, nobody has ever gone broke betting against libertarian unity.

