

# The Hotline

## Refocusing Funds

March 6, 2012 Tuesday

GOP fundraisers and strategists "alarmed at the course of the 2012 presidential campaign are increasingly focusing their attention on congressional races, as the party's chances of unseating" Pres. **Obama** "appear to grow more remote." Top GOP donors "are becoming more concerned about their ability to hold seats in the House and recapture the majority in the upper chamber."

Conservative commentator **George Will** "urged his party to retrench and shore up congressional candidates" and "to remember that 'the presidency is not everything.'"

Ex-Chamber of Commerce chair/GOP donor **Tom Bell**: "There's little doubt that there is increasing focus on the House and Senate, given the fact that if you look back a year ago, I think most Republicans and most business people said, 'We're going to beat Obama because he's going to beat himself and we just need a decent candidate.'"

"If Obama continues to look more formidable as the economy improves, the party has to ensure that it doesn't risk a shut-out by placing too much emphasis at the top of the ticket. That doesn't necessarily mean most" GOPers "are thinking in terms of trade-offs -- funding the presidential race versus the campaign for Congress -- but they mulling how to spread the resources more deliberately."

American Action Network pres. **Brian Walsh**: "We're hitting that point in time where people have gone from looking at exclusively defeating Obama, to the greater good, and taking into consideration the House and the Senate. It's not about optimism and it's not about pessimism. It's about pragmatism" (**Burns/Haberman, Politico, 3/6**).

### Battle For Direction

Cato leaders say "a rift with one" of Cato's "founding members -- the billionaire conservative **Charles Koch** -- is threatening the institute's identity and independence" as "a venerable libertarian research center unafraid to cross party lines," and "is exposing fault lines" over Koch's "aggressive and well-financed brand" of GOP politics.

"The rift has its roots, Cato officials said, in a long-simmering feud over efforts" by Koch "and his brother **David Koch** to install their own people on the institute's 16-member board and to establish a more direct pipeline between Cato and the family's" GOP "political outlets. Tensions reached a new level with a lawsuit filed last week by the Kochs against Cato over its governing structure."

Cato board chair **Robert Levy**: "We can't be perceived as a mouthpiece of special interests. The **Cato Institute** as we know it would be destroyed. ... We already have major contributors who will say we are not contributing another dollar until we are

sure that the Kochs are not calling the shots. It is a fundraising nightmare."

Charles Koch: "We support Cato and its work. We are not acting in a partisan manner, we seek no 'takeover,' and this is not a hostile action."

"The dispute goes deeper than mere seats on a board, Cato administrators argued. Part of the dispute is rooted in personal acrimony." Cato pres. **Edward Crane** and Charles Koch "had a falling out, and the Kochs tried to have" Crane "removed as president some years ago, the officials said."

But the Kochs "still wield significant influence over Cato's governance because of its unusual structure, which created four 'shareholder' seats, each with shares of capital stock bought for a dollar each. The Kochs have used their shareholder positions to name seven employees and associates to the 16-member board" (**Lichtblau, New York Times**, 3/6).

Thoughts On Cato

**National Review's Goldberg** writes: "Again, there's a huge amount we -- I -- don't know about what's going on behind the scenes. Am I not enough of a libertarian Kremlinologist (Catologist?) to figure out who to believe or what to think. ... My attitude towards this increasingly nasty fight is the reverse of the old Kissingerian quip about the Iran-Iraq war: It's a pity only one side can win" (3/5).

Delaying Rock Bottom

**Washington Post's Cillizza** writes: "If **Romney** (R) winds up as the nominee -- and the odds are with him -- it's hard to see 2012 as the GOP's Gotham moment. ... The larger question is how long Republicans can live with a deep divide within their own party. The 2010 election put a Band-aid over the wound but the 2012 primary -- at least so far -- has ripped it off again. A party divided against itself cannot stand -- or at least not stand strong for very long" (3/5).

Possible 20 Year Plan?

MSNBC's **Joe Scarborough**: "If you don't want to deal with Hispanics, Republicans, move to New Zealand because that's the only place you're going to win elections in the next 20 years" ("Morning Joe," MSNBC, 3/6).

Drop It

Ex-radio show host **Bruce Maiman** writes: "The religiously driven wedge issues being peddled by the far right aren't a philosophy of smaller government; it's a Dorian Gray portrait gradually revealing an inner ugliness that invariably will be the Republican Party's undoing. That's won't be cause for celebration, mind you, because then all we'll have left are Democrats. Anyone think that's a good idea?" (**Sacramento Bee**, 3/6).