

Under Penalty of Catapult

Cato's Bullet Points

Written by Skip Oliva

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The Cato Institute now has an official "[Save Cato](#)" web page that presents their version of "the facts":

- Charles and David Koch have filed suit in a Kansas court asking to be given control of the Cato Institute.
- They have also used their existing power under Cato's long-dormant shareholder agreement to place several major shareholders, employees, and consultants of Koch Industries and the Koch Foundation on Cato's Board of Directors, removing several directors have been among the organization's largest and most steadfast financial contributors. Some of the new directors are Republican operatives and social conservatives, a poor fit for the board of an independent libertarian think tank.
- The Cato Institute's success rests on its independence, integrity, nonpartisanship, and commitment to libertarian principles.
- The officers and all the non-Koch directors of the Cato Institute are determined to resist this takeover attempt and preserve the independence of the Institute.
- We are confident that under the shareholder agreement and Kansas law William Niskanen's shares are properly under the control of Kathryn Washburn, his widow and executor. We expect the Koch lawsuit to be unsuccessful because it rests on a misrepresentation of the law and the contracts.
- The Kochs have not been open and transparent about their intentions. They cite no criticism of the Cato Institute or its management, and yet they have told Cato chairman Robert A. Levy that they insist on removing Cato's co-founder and president, Edward H. Crane.
- The Kochs' goal is not to improve the stature nor effectiveness of the organization, but rather, to turn a venerable, independent and effective nonpartisan institution into yet another political arm of their vast empire. They told Levy that they wanted Cato to work more closely with their organization Americans for Prosperity. As the *New York Times* reported on October 30, 2011, AFP works closely with Karl Rove's American Crossroads and American Action Network and with official Republican organizations "to make further gains in the Congressional

elections next year and defeat President Obama ...they collaborate and divide up duties where possible.”

- The non-Koch-related directors of the Cato Institute feel strongly that an independent, nonpartisan think tank should steer clear of such associations and activities.
- This takeover attempt began immediately after the death last fall of Cato chairman William A. Niskanen, when the Kochs wrongly believed that his death gave them control of the organization through the shareholder arrangement.
- The takeover attempt also comes just as Cato concludes a \$50 million capital campaign and the doubling of its headquarters building, making Cato a more valuable asset than at any point in history.
- The Kochs want to acquire Cato’s reputation for independence and thoughtful policy analysis. But they cannot acquire this. A personal, partisan, corporate takeover of Cato will destroy the reputation the Institute has built up over 35 years.
- All of the non-Koch directors of Cato are determined to preserve Cato’s independence. They ask friends of Cato and friends of independent policy analysis to join them in persuading the Kochs to drop this takeover attempt.