

Kochs in Canada: Fraser Institute co-founder confirms 'years and years' of U.S. oil billionaires' funding

David P. Ball

Posted: Apr 26th, 2012

Amidst **revelations** that the Fraser Institute accepted at least \$500,000 from the Koch family between 2007 and 2010, the institute's co-founder acknowledged that the US oil billionaires have a long history of donating to the think tank.

Two foundations under the **Koch family's** auspices – the **Charles G. Koch** and the Claude R. Lambe Foundations – gave the **Fraser Institute** large grants to conduct “international work,” its former executive director **Michael Walker** told the Vancouver Observer.

“I know the grant from the Koch Foundation is for our international work, but I can't tell you which of the projects that it's funding,” Walker, who co-founded the institute in 1974 and remains a Senior Fellow, told the Vancouver Observer. “Before the Koch Foundation, we used to get funding from Koch Industries, when they had extensive holdings in Canada.

“Years and years” prior to receiving grants from the Koch family foundation, Walker said, a Canadian subsidiary of **Koch Industries** made regular donations to the organization as a corporate member.

“If your intent is to find out that the Fraser Institute, just like the (David) Suzuki Foundation, is funded by offshore money, the truth is that any money I'm aware of from that source – if we're even getting any anymore – is used for our international research. We do have an extensive international program, so we do have to raise money offshore from different sources.”

The institute's international work includes an “**Economic Freedom Network**,” and will expand this year to co-publishing a “Human Freedom Index” with the Koch-created **Cato Institute**, which was originally founded as the **Charles Koch Foundation** in 1974, the same year as the Fraser Institute's inception.

Koch Industries is responsible for **25 per cent** of Canadian oil sands imports, or roughly 250,000 barrels a year, to the United States.

With heated rhetoric in recent months about US funding for Canadian environmental groups – such as the **David Suzuki Foundation** (DSF) and the **Sierra Club of Canada** – nearly 16 per cent of the Fraser Institute's own funding comes from “sources outside Canada,” according to the group's 2010 **Canada Revenue Agency** (CRA) return.

Those foreign donations – totalling more than \$1.7 million in 2010 – are significantly higher than both David Suzuki Foundation's and the Sierra Club of Canada's.

The David Suzuki Foundation **declared** that 5.2 per cent of its budget for the same year – \$0.55 million – came from outside Canada; likewise, the Sierra Club of Canada **declared** 15.2 per cent – \$0.15 million – in foreign revenues. The Fraser Institute's left-leaning equivalent – the **Canadian Centre for Policy Alternatives** (CCPA) – **accepted** a paltry \$5,414 from outside the country, roughly 0.1 per cent of its budget.

Unlike the DSF and the Sierra Club, however – which both declared they spent within CRA's allowable **10 per cent cap** on “political activities, inside or outside Canada” – the Fraser Institute did not declare any such expenditures in 2010, the latest report year available.

Koch-funded Fraser Institute: working for "A free and prosperous world"

Described by the New York Times as both “**conservative**” and “**libertarian**,” the **Fraser Institute's mission** is to work towards “a free and prosperous world where individuals benefit from greater choice, competitive markets, and personal responsibility.”

From supporting the **Enbridge Northern Gateway pipeline** to opposing **increases to welfare rates**, and pushing for **immigration policy reform**, the institute is highly influential.

During the recent Alberta provincial elections, the institute chimed in on the hustings with a **National Post op-ed**. The editorial, written by a Fraser Institute senior economist, criticized Conservative Party rivals – Wildrose and the New Democrats – for backing subsidies to companies refining oil sands in-province.

In the 2011 federal election, the Fraser Institute's president, **Niels Veldhuis**, called on federal parties to “**significantly limit** the size and scope of government, quickly balance the budget, provide substantial tax relief and dramatically reduce burdensome regulations.” Veldhuis criticized aspects of the campaign promises of the Conservatives, Liberals and New Democrats – but uniquely offered praise for the Tories:

- “The Conservative platform balances the budget by a specific date (2014-15) and does so without increasing taxes.”
- “While the Conservative platform targets select groups and industries with tax credits that further complicate and distort the tax system, it does maintain the previously scheduled corporate income tax rate reduction to 15 per cent in 2012.”
- “The Conservatives promise to reduce red-tape.”

Although noting that “all of the platforms are far from ideal,”

Veldhuis' **editorial** offered few supportive words about opposition parties. He described the Liberals as “economically damaging” and “less decisive” on global trade, and criticized the NDP: “Unfortunately, the NDP platform makes no mention of the importance of trade.”

Walker, 67, was the Fraser Institute's executive director from its creation in 1974 until Sept. 2005, when he became president of the Fraser Institute Foundation and a Senior Fellow on its board.

In an interview with the Vancouver Observer, he spoke glowingly of the group's Koch-funded international work – notably the institute's “Economic Freedom Index” which he developed with Nobel prize-winning neoliberal economist **Milton Friedman** at the **University of Chicago**, which today involves organizations in roughly 80 countries, he added.

“People here are not aware, generally, in Canada,” he said of the Koch-backed programs, “but we have a very extensive, a very respected international program.

“We work in India, we work in China – we're trying to get some of these ideas that are very important to development accepted. . . I don't think they are particularly (interested in Canada).”

In 2003, the Fraser Institute accepted \$120,000 from **ExxonMobil** oil company in 2003, using the money for “climate research”, according to the **Vancouver Sun**. The institute – which supports the development of the **Alberta oil sands** as well as **oil pipelines** through BC – has also employed both **Sun News Network** host Ezra Levant (author of the pro-oil sands book ***Ethical Oil***) and former **Ethical Oil organization** spokesperson Kathryn Marshall.

With files from Alexis Stoymenoff.