The Volokh Conspiracy

Bob Levy's Statement on the Cato vs. Koch Conflict

Ilya Somin • March 13, 2012 1:31 am

I agree with most of what co-blogger <u>Jonathan Adler</u> says about Cato Chairman Bob Levy's <u>recent statement</u> on the conflict between the Kochs and the Cato Institute. It is, overall, a persuasive document and much more detailed than Charles Koch's <u>earlier defense of the Koch position</u>.

As I have said <u>from the beginning</u>, the best and easiest solution to this problem would be for the Kochs to drop their lawsuit. Regardless of whether their suit is legally meritorious (which is not clear), it is likely to do far more harm to the cause of libertarianism than good. Even if the Kochs win, and even if they have a good plan for the future of Cato, the new Institute is likely to lose much of its credibility, and many of its top scholars and analysts might well depart. The Kochs would end up acquiring an asset that has lost much of its value. If the Kochs aren't willing to drop their suit, they can <u>at least reduce the likely damage</u> by announcing a credible slate of independent, libertarian board members whom they would appoint to the Cato board should they win.

I recognize that the Kochs genuinely believe that their legal rights have been violated and that Cato's leadership has acted badly. Even if they are completely right about this, this is one of those <u>cases where the best course</u> of action is to forego asserting one's legal rights.

For now, the legal and public relations war between Cato and the Kochs seems likely to continue. Unfortunately, both sides could end up losers. Cato because the lawsuit is a distraction from their work and contributors are less likely to give money to the Institute while its future is in the air; the Kochs because this confrontation is a public relations setback for them, and because it is more and more evident that they are unlikely to gain much from it even if they win.

Like Jonathan, I probably will not post again on this topic unless and until there are some new developments.