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Koch brothers vs. Cato: David Koch says Crane's strategy is 'Rule or Ruin'

By Allen McDuffee

In what has seemed to be a brief lull in the ongoing battle between the Cato Institute and billionaire brothers Charles and David Koch for control of the libertarian think tank, a new statement has been issued by David Koch, who has remained silent since a lawsuit was filed.

David Koch, who has remained silent since the battle became public earlier this month, has issued a nine page statement as a response to a lengthy March 12 communication from Cato Chairman Bob Levy.

In it, Koch insists that neither he nor his brother, Charles, demanded that Cato become active in partisan activity, as Levy asserted in his statement.

"As an example, I mentioned a group with which I am involved – Americans for Prosperity," said Koch. " I believe AFP has done a good job of turning concepts into concrete deliverables, but it is just one example of such an organization. I never asserted that Cato should be directed by, or at the whim of, any other organization, or that they should aspire to advocate the way AFP does."

Koch's statement suggests that the current standoff is the product of Cato's president, Ed Crane.

"We view Ed's strategy as 'Rule or Ruin' – he will either be allowed to rule Cato in the way he wants for as long as he wants, or he will try to ruin it," said Koch, adding, "Some directors have even suggested that Cato 'belongs' to Ed. Having a board in thrall of the CEO has been the downfall of many nonprofits."

Koch did, however, leave open the possibility for an alternative arrangement with the Cato Institute.

"If we could implement a plan that met our objectives of Cato being a non-partisan, independent institute whose practices, as well as advocacy, were consistent with libertarian principles, we would support different corporate structures," said Koch, adding, "Under reasonable conditions, we would agree to binding mediation."

Read David Koch's full statement here.