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Allison, former BB&T chairman, looks forward to lead Cato Institute

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When John Allison retired as chairman and chief executive of BB&T Corp. in 2009, he said he wasn't through with his business career.

Even as Allison, 63, became a distinguished professor of practice at the Wake Forest University Schools of Business in fall 2009, his passion remained focused on "defending individual rights and free markets."

So when the Cato Institute recently offered him its chief executive job to help resolve an internal dispute, Allison said he knew he had found "a natural fit" for another major role in the business world.

Allison was chosen as part of a settlement of lawsuits filed by billionaire brothers Charles and David Koch against the libertarian think tank; Ed Crane, its chief executive of 35 years; and several board members.

Allison takes over Oct. 1 after finishing obligations that include speeches at colleges and universities participating in BB&T's Moral Foundations of Capitalism program. After Crane retires as chief executive, he will work with Allison as a consultant on fundraising.

Allison said Thursday that he believes he was chosen by Cato because of his experience in running a large and successful corporation with free-market ideals as part of its mission.

"I wasn't looking for this job, but both sides sought me out because they thought I was the best person to help move Cato forward," Allison said.

The institute, based in Washington, will no longer be a stockholder corporation and will be controlled by its members. It had been owned by the Kochs, Crane and William Niskanen, who died in October.

"For a majority of Cato's directors, the agreement confirms Cato's independence and ensures that Cato is not viewed as controlled by the Kochs," the institute said in a statement. "For Charles Koch and David Koch, the agreement helps ensure Cato will be a principled organization that is effective in advancing a free society."

Allison said he will step down from his duties at Wake Forest because the Cato job requires his full-time attention. He plans to get an apartment in Washington and commute on the weekend to his home in Lewisville.

"I really have enjoyed my time at Wake Forest and the people there, but I can't do both jobs and give my best effort to both," Allison said. "Being at Wake Forest gave me a much deeper exposure to how academia works that will be helpful in this new role."

Allison was familiar to Cato officials because he had made contributions to its publications and spoken at its events.

Allison's stances against the use of eminent domain and against accepting Troubled Asset Relief Program funding from the U.S. Treasury also won him praise among libertarians. BB&T eventually took \$3.1 billion in TARP money after some arm-twisting by regulators, but it was one of the first large banks to repay the obligation.

Allison said he has given Cato a commitment of at least two years as its chief executive.

"It could be something perhaps longer than that depending on how well things go," Allison said. "It's not going to be a six-month obligation given the conflict and the common goal of settling the institute down."

Analysts praised Allison's hiring because of the respect he has earned in the business community and the free-market movement.

"I expect the Cato Institute to prosper under his leadership," said John Hood, president of the John Locke Foundation, a libertarian policy-research group in Raleigh.

Allison is a devotee of author Ayn Rand and the conservative philosophical theory called objectivism. The theory extols rational individualism, creativity, independent thinking and a limited role for government as a protector of peace.

"Libertarianism is a bigger umbrella than objectivism," Allison said. "That doesn't mean everyone has to share my beliefs, although the vast majority of libertarians have been influenced by Rand.

"Some libertarians agree with all her points, while some disagree with some of them."

Allison said he will strive to attract more world-class intellectuals to either join the institute or contribute.

Although he will continue the institute's policy of not commenting directly on political issues, he said the institute remains "the right answer for insight to lead the country out of the health care mess we're in to a health care system driven by the free-market system."