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Tim Mak: The men behind the money behind U.S. conservatism

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[U.S. Politics](#), [Tim Mak](#)

Charles and David Koch are the left's equivalent of George Soros – wealthy figures who spend their money supporting ideas they agree with, and who Democrats love to hate. But while frequently linked to the Tea Party movement, in a rare interview they try to distance themselves from the Tea Partiers and stress the need to build a more governance-minded form of conservatism.

David and Charles Koch; their company, Koch Industries; and their non-profit organizations, known collectively as the [Koch Foundations](#), together represent a polarizing brand. They're viewed as generous conservative benefactors on the one hand, and taciturn funders of hate and climate denialism on the other. So which version is it? Are they gracious philanthropists or the evil founders of the tea party movement?

The first thing one is confronted with when looking at the Koch groups is the staggering magnitude of their holdings. Koch Industries had revenues of \$98 billion in 2009. Combined, the Koch brothers are worth close to \$40 billion. The Koch family's foundations have given millions upon millions to right-of-center organizations like the [Heritage Foundation](#), [Americans for Prosperity](#), and the [Mercatus Center](#).

Despite the public nature of their funding activities, the Koch groups have traditionally been quite secretive. As a series of private organizations, they engage with the press only on rare occasions. As such, Koch approached the idea of an interview with a good deal of corporate apprehension – so much so that one of the Koch brothers took time away from running the firm (which makes about \$186,329 a minute) to personally look over the quotes.

Koch interviews being such a rarity, FrumForum jumped at the chance to sit down for an unprecedented and exclusive interview with Dr. Richard Fink, who has the unique position of being both a Vice-President for Koch Industries and the President of the Charles G. Koch Foundation. [Welcome to Full Comment](#)

Most striking is Koch's efforts to distance itself from the Tea Party movement. "We've been labeled tea party founders or funders – in fact, masterminds – but that's not consistent with the facts," said Fink. "To my knowledge, we have not been approached for support by any of the newer 'tea party' or other grassroots groups that have sprung up around the country in the past year or so."

One organization that Fink help create and Koch has helped fund,

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Americans for Prosperity, regularly interfaces with tea party groups. Those who connect the Koch brand with the tea party movement view this as the link that allows liberal groups like the Center for American Progress to label the Koch brothers as the [‘billionaires behind the hate’](#).

Fink denied Koch had anything to do with Americans for Prosperity’s tea party activities. “I don’t consider them a Tea Party institution,” Fink added. “[The group] has been active for nearly thirty years. While they participate in events with tea party groups, our support of them has included no funds specifically for tea party-related efforts.”

To press the point, Dr. Fink even had some mild criticism of the tea party movement. “Some of their worries are... more thoughtful, some of them are less thoughtful,” he said.

While Koch has at times funded organizations that are activist, their focus remains overwhelmingly ideological, Fink argued:

Historically, we’ve spent the majority of our efforts funding research... we funded tens of thousands of students through their colleges, dozens of professors, we’ve been very heavy on the development of ideas and a deeper understanding of what makes societies prosper.

And with this vision, the Koch Foundations have enjoyed great success in creating the institutions that support the contemporary conservative movement. In fact, they have provided some of the most effective seed money in the conservative world – organizations like the Cato Institute and Mercatus Center might never have existed, absent Koch funding.

Koch spokeswoman Mary Beth Jarvis emphasizes that they focus primarily on getting organizations started, rather than continual funding, using the metaphor of a ship-maker. “You help build the boat, you push it out to sea, and you hope it stays effective and in [the right] direction,” said Jarvis.

True to his conservative mindset, Fink adds that they “help them get started, give them seed money ... then let [funded organizations] meet the market test of survival.”

But Koch’s efforts have hit a roadblock, even in the eyes of one of Koch’s highest-ranking executives. “If you look at where we’ve gone from the year 2000 to now, with the expansion of government spending and a debt burden that threatens to bankrupt the country, it doesn’t look very good at all... It looks like the infrastructure that was built and nurtured has not carried the day,” said Fink.

Koch’s efforts have been focused on developing conservative ideas, and Fink seems to indicate that Koch may be changing to focus more on how conservatives should *govern*, rather than just theorize:

I think one of our big failings is that those of us coming from universities and think tanks are usually much better at theory than practice... Proposing solutions that aren’t realistic or implementable or haven’t been thought through fully can cause those proposals to do more harm than good.

The process is still in the works, it seems – in trying to explain the shortfalls of the Koch vision, Fink seemed to contradict himself, disavowing dogmatism while at the same time asserting the necessity of absolute adherence to conservative principles:

A dogmatic approach is very unproductive. But I’ve also seen, over the last thirty years, a lot of people taking compromise positions and incremental steps that actually take us down slippery slopes and end up creating results antithetical to what they were trying to achieve. We need a principled approach. We should not violate our principles. But we also have to be practical in our application.

But an eye towards governance is a step in the right direction. After all, as

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[Barbara Kay: The Pill at 50](#) Fink says, "in terms of [the tangible] results [of our funding], it's really not all that clear to me... [we] need to get more into the practical, day to day issues of governing to be successful."

[women happy](#) Of course, while practicality may be a primary concern, detractors [Al Gore buys a new mega-estate from which to criticize excessive energy consumption](#) of the Koch brand say their money is used to lay the sod that makes up the tea party movement; that it funds climate denialism; and that it goes supports deregulating industries in ways that personally benefit the Koch family.

[Lorne Gunter: The HST is fine on paper. It's only painful in real life](#) Koch has funded groups that deny the existence of anthropogenic global warming, and does vigorously support deregulation in the industries which it operates (but also supports deregulation in industries where it doesn't). But much like Koch's reaction to the tea parties, Fink argues that their funding is one step removed – Koch doesn't direct research outcomes, just institutions that do research.

[Don Martin: It's up to Tory Senate to save Canada from bilingual court](#) Fink struck back at critics generally, hitting back at those who accuse Koch of using 'dirty money' to fuel 'dirty projects':

[Rex Murphy: Gordon Brown does a Humpty Dumpty Kelly McParland: Canada \(bang\) produces \(bang\) record \(bang\) jobs growth \(bang\) ouch!](#) If a critic is not really interested in problem solving or trying to make the world a better place, but just character assassination and attacking us... we're not going to react to that or spend any time on that at all.

[Kelly McParland: Canada \(bang\) produces \(bang\) jobs growth \(bang\) ouch!](#) Towards the end of the conversation, Fink struck a more somber tone when talking about the Koch brand's mistakes. Without getting into specifics, Fink admitted that Koch Industries has been, at times, guilty of wrongdoing:

[Kelly McParland: Miller's tantrum won't fix Toronto transit plan](#) Koch Industries has got over 70,000 employees operating in sixty countries over a fifty year period... We have an incredible record in terms of safety, the environment and compliance with the law. Have we made mistakes over the fifty year period, with all those people? Absolutely yes. Do we have regrets? Yes. We've owned up to all of them.

[E-MAIL Send a note to the editor](#) Even with its mistakes, the Koch brand has generously funded cancer research, provided money for a new wing in the Smithsonian, supported dance and the arts, and most relevantly to me, provided extraordinarily beneficial seed dollars to the conservative movement.

Indeed, even conservatives who disagree with, say, the [Cato Institute's](#) views would have to agree that they provide a meaningful contribution to the movement's intellectual vibrancy. But the question remains: given the challenges of 2010, what's next beyond policy papers?

Now approaching middle age, the Koch Foundations appear to be reconsidering their strategy. Governance matters – and if Koch begins funding projects with an eye towards the necessary compromises that often accompanies government decisions, then conservatives have a world of benefit to gain.

National Post

Tim Mak is a Washington contributor to National Post and reporter for FrumForum.com. He was previously employed at the Fraser Institute and the Office of the Minister of Foreign Affairs in Canada.

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