

Errors In Jane Mayer's New Yorker Article Attacking the Kochs

[Ilya Somin](#) • September 2, 2010 10:41 pm

Others have pointed out various flaws in [Jane Mayer's New Yorker article](#) attacking Charles and David Koch for their donations to various libertarian causes. But I think it would be helpful to outline her three biggest errors in one place: the false claim that the Kochs' funding of libertarian organizations is somehow secret; the assertion that it is part of a "pro-corporate agenda"; and the argument that the Kochs' donations "dovetail with their economic interests."

I. The Myth of a "Covert War."

The title of Mayer's piece is "The Covert Operations: The Billionaire Brothers Who are Waging a War Against Obama." Throughout, she tries to insinuate that the Kochs' efforts to fund various libertarian organizations are somehow secret or deceptive. In reality, there is nothing hidden about the Kochs' efforts. They have openly funded a variety of libertarian and free market causes since the 1970s. The Kochs openly helped found the Cato Institute — the first prominent libertarian think tank — in 1977. David Koch was the Libertarian Party candidate for vice president in 1980, and they have publicly contributed to numerous libertarian organizations since then. Their role in doing so is open and well-known, and has been chronicled by many previous writers. In the late 1970s, [conservatives at National Review worried that Koch funding would push libertarians away from anti-communism towards foreign policy isolationism](#) — one of many indications that their role wasn't hidden even back then. Brian Doherty has a length discussion of the Kochs' efforts in [his comprehensive 2006 history of the libertarian movement](#).

There is also nothing secret or unusual about the fact that the libertarian organizations the Kochs contribute to oppose many of Obama's economic policies. Given the vast expansion of government entailed by Obama's agenda, it would be surprising if libertarians reacted in any other way. In the same way, we (including most of the organizations the Kochs contribute to) also vocally opposed the GOP's massive expansion of government in the Bush era (e.g. - [this book](#) by Cato's Michael Tanner, and [here](#)). In sum, it is no secret that that Kochs support various libertarian organizations, and it is also no secret that these organizations are highly critical of Obama's economic policies — often on much the same grounds as they previously attacked Bush's.

Mayer cites some of this publicly available history in her piece. But her constant rhetoric of secrecy and covertness obscures the true nature of the Kochs' role. She tries to make the perfectly normal activity of philanthropists openly giving to causes they support for ideological reasons seem shady and conspiratorial. "Covert Operations" makes for a better headline than the more accurate "Libertarian Philanthropists Continue Longstanding Pattern of Openly Donating to Causes they Support."

II. The Myth of a "Pro-Corporate Agenda."

Mayer claims that the Kochs' support of libertarianism is part of a "pro-corporate agenda" intended to help business interests. Frank Rich makes an even cruder version of the same charge in [his recent New York Times column](#). This is based on a simplistic and highly inaccurate equation of free markets with the interests of big business.

In reality, as economists since Adam Smith have often pointed out, business interests often benefit from government intervention. Large corporations routinely lobby for government subsidies, government contracts, regulations that suppress their competitors, tariffs that exclude foreign competition, porkbarrel spending, [the use of eminent domain to transfer property to themselves](#), and so on. Most recently, big business interests have benefited from the bailouts of the banks and auto companies, and health insurance companies benefited from the "individual mandate" in Obama's new health care bill, which is likely to give them considerable additional business. I criticized the equation of free markets and "pro-business" agendas in more detail [here](#) and [here](#).

The Kochs and other libertarians could reasonably be accused of having a "pro-corporate" agenda if they supported government interventions that benefit big business even as they opposed those that do not. That is in fact the position taken by most business lobbyists and large corporations. The charge might have some bite if they simply ignored pro-corporate government interventions, criticizing only those that seem to help the poor. In reality, however, libertarians — including the Koch-supported organizations — have vocally and consistently opposed virtually every pro-corporate government intervention since the libertarian movement began. Libertarians were among the leading critics (sometimes almost the only critics) of all of the interventions I catalogued in the previous paragraph.

III. Do the Kochs' Donations "Dovetail" With Their Business Interests?

To her credit, Mayer admits that the Kochs are, at least in large part, motivated by ideological commitment rather than narrow self-interest alone. But she also contends that their donations and ideology “dovetail with the brothers’ corporate interests.” It is undoubtedly true that there are some issues where libertarian policies would benefit the Kochs financially. That, however, is hardly compelling evidence. Libertarianism is an ideology with implications for a wide range of policy issues. Some of these are likely to correlate with the business interests of any large business just by random chance. Had the Kochs funded a wide range of liberal organizations instead, Mayer could have easily found some correlations with their interests too. As [Todd Zywicki](#) points out, many of the libertarian causes the Kochs support have no conceivable connection to any financial interest of theirs (e.g. — drug legalization, curbing police abuses, school choice, increasing protection for the rights of criminal defendants).

Even more telling, some of these causes actually cut against the Kochs’ interests. Todd mentions the case of the auto bailouts. Government subsidization of the auto industry surely benefits oil companies such as Koch Industries. An example from my own field of expertise is the protection of property rights against eminent domain. Oil companies often benefit from takings (see [here](#) and [here](#) for recent examples). Yet the Cato Institute, the Institute for Justice, and many of the other groups the Kochs fund are among the leading critics of eminent domain. *Cato’s Regulation* magazine even recently published [an article](#) urging property rights activists to focus more attention on oil company takings (the article also notes that Institute for Justice-supported reforms have helped curb such takings already, but argues that IJ has not focused on the issue enough).

These three errors are the most important flaws of Mayer’s piece. But there are also various smaller ones. For example, as [Ed Lasky shows](#), Mayer uncritically and incorrectly accepts claims that liberal philanthropist George Soros only supports causes unrelated to his economic interests. I don’t agree with Lasky’s assertion that Soros’ giving is mainly motivated by a desire to “use his billions to make more billions by tapping his friends in high places in the Democratic Party.” Just as the Kochs support many libertarian causes unrelated to their interests, Soros supports many liberal causes unrelated to his. But it’s clear that some of the causes Soros supports are also likely to benefit him. Mayer also incorrectly describes the Bill of Rights Institute (for which I have done some consulting work) as a group that “promotes a conservative slant on the Constitution.”

Much of Mayer's article covers issues that I'm not familiar with. So I don't know whether those parts are accurate or not. But her errors on subjects that I do know something about don't fill me with confidence in the reliability of the rest of her work.

CONFLICT OF INTEREST WATCH: I am an adjunct scholar at the Cato Institute (an unpaid position). I have also done work for the Institute for Justice, Cato, and a couple other organizations that the Kochs donate to. Much of this work was pro bono, while in some cases I received small payments (Given [the vastly greater amount of research funds available from liberal foundations](#), I could almost certainly have gotten as much or more from liberal funders had I been a left-wing academic). I suppose I should also mention that I have published articles in journals and spoken at conferences sponsored by organizations that got some of their funding from George Soros.

UPDATE: Some commenters seem to be under the impression that libertarianism is "pro-corporate" so long as corporations derive any significant benefit at all from libertarian policies. By that standard, of course, almost any ideology short of socialism is pro-corporate. After all, many corporations benefit from various liberal, conservative, and moderate policies too. A consistent "pro-corporate agenda" cannot merely be one that benefits some corporations sometimes. It would favor corporations across the board, including in cases where their interests are best served by government intervention. To put it a different way, one could use the same kind of "logic" to argue that the ACLU's agenda is "pro-criminal" on the grounds that a significant number of criminals are likely to benefit from the ACLU's efforts to limit police abuses and increase procedural protections for suspects.

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