

POLITICO

Open letter to Charles & David Koch

By MICHAEL F. CANNON | 4/10/12

Dear Charles and David Koch,

On Feb. 29, you filed a lawsuit against the Cato Institute — which one of you co-founded; where you have been generous donors and board members, and where I have been the director of health policy studies for these eight years. The issues surrounding your lawsuit are complex. But its implications are not. If successful, you gentlemen would own — literally, own — the world's preeminent libertarian think tank.

There must be a [powerful reason why](#) my fellow Cato scholars and I, along with Charles Murray, [Jonathan Adler](#) and other libertarian scholars, would risk voicing opposition to your suit. It's what Friedrich Hayek might call our "[local knowledge](#)."

Cato has taken a principled stand for liberty over its 35-year history, no matter what party or politician or special interest we might cross. And everybody knows it. [The New York Times](#) reports that Cato "has built [a] reputation as a venerable libertarian research center unafraid to cross party lines."

No one knows the value of that reputation better than Cato scholars. We extol the benefits of a free society to skeptical, even hostile, audiences every day. Cato's reputation prevents our critics' attacks from shifting attention away from our ideas. It is the only thing that can.

Cato's reputation thus opens doors. It enables us to change minds, rather than merely preach to the choir. Soon after you filed your lawsuit, Ezra Klein, the left-leaning Washington Post blogger, wrote that Cato scholars have changed his thinking in several areas. "I trust Cato," Klein wrote, something he could not say of other free-market think tanks.

Cato scholars fear your lawsuit because even the perception that a think tank is dependent on a single financial interest is enough to wreck its credibility. I've experienced this firsthand.

In 1996, I was the health policy analyst at Citizens for a Sound Economy, another libertarian organization you helped create. We were battling the Food and Drug Administration, which was seeking to regulate tobacco.

One day, Peter Jennings of ABC came to interview our chairman, C. Boyden Gray, about CSE's efforts. It was a wide-ranging interview. (I sat through the whole thing.) But the only part Jennings [broadcast](#) was when he grilled Gray about whether CSE took money from the tobacco industry.

You and I know that Citizens for a Sound Economy was acting out of principle. But it didn't matter. Jennings painted us as tools of Big Tobacco, and our ideas never reached his audience, because CSE did not have the sort of reputation necessary to break through its critics' predetermined narrative.

Cato does have that reputation. As a result, our ideas do reach that broader audience.

Were your lawsuit to prevail, however, Cato would not merely be perceived to be dependent on a single financial interest. It would be completely beholden to you — in a way that no other libertarian think tank is. It wouldn't be a matter of perception. And everyone would know it.

Even if nothing else changed, from that day forward it wouldn't matter how we respond to the charge that Cato is controlled by two billionaire industrialists. If an honest answer begins with Yes — but, the battle is already lost. Our ideas would lose access to countless minds.

The mere threat of Koch ownership is already limiting Cato's ability to spread libertarian ideas. A professor who is a leading authority in his field recently approached me to ask if Cato would publish his book on free-market health care. It's a fantastic proposal, and I leapt at the chance. On the day your lawsuit hit the wires, he backed away from the offer — citing the threat to Cato's credibility.

A few days later, I received an email from a journalist at a mainstream newspaper. He frequently quotes Cato scholars but said that will stop if you prevail in court. A think tank controlled by a single financial interest, he wrote, "would have no value to me as a reporter."

Some have asked whether I would join [P.J. O'Rourke](#) and other [Cato scholars](#) who have vowed to resign if your lawsuit succeeds. The more important question is this: If Cato shows the world it does not value its own credibility, is there anyone who could do my job?

A great libertarian [once called](#) it an offense against "the common law of nature" to let a resource perish uselessly in one's hands. Cato's credibility is such a resource.

You both are Cato board members and shareholders, whose philanthropy and political activism have made my career possible. I am an employee. I understand and respect that relationship. I hope you will similarly respect the local knowledge my colleagues and I bring to this dispute. Because here comes the “ask.”

Preserving Cato’s credibility requires — and I respectfully ask you to help produce — a compromise that precludes any single financial interest from ever owning or having a controlling interest in the Cato Institute. That compromise cannot come after the courts rule in your favor. By then, this resource will have perished.

Is it too much to ask you to settle for less influence over Cato than you feel you are due? I don’t think so. Gen. George Washington would have been well within his rights to serve out his commission, as well as to run for president just one last time. What made him great was that he walked away from power — because he saw that exercising those rights might have destroyed what he had labored to build.

With admiration,

Michael F. Cannon

Michael F. Cannon (@mfcannon) is the director of health policy studies at the Cato Institute. In addition to Cato and Citizens for a Sound Economy, he has worked at another Koch-funded group. He wrote this letter without his employer’s knowledge.