

Emperor Soros

A closer look at the man who would be philosopher-king

by Ron Arnold

Summary: In February and April 2003 Foundation Watch opened a window on George Soros' radical agenda for America. We followed his money, which supports programs intended to push the U.S. legal system, media, and society far to the Left. Our report looked at Soros' support for activists who work to eliminate the death penalty, make imprisonment an unacceptable crime control measure, push for absolute abortion rights, legalize marijuana and hard drugs, give entitlements to immigrants regardless of legal status, and shift public opinion to approve physician-assisted suicide. But this does not begin to encapsulate Soros' left-wing politics.



George Soros (right) claims as an early influence the philosopher Karl Popper, author of *The Open Society and Its Enemies*.

George Soros is a billionaire currency trader and hedge fund investor who bankrolls anti-capitalist groups; an active supporter of campaign finance reform who poured millions into the 2004 election in the hopes of defeating President Bush; and a philanthropist whose network of foundations has been linked to the fall of governments. Such a complex and eccentric a figure seems like a ripe target for scrutiny. But the media have yet to examine carefully the man and his seeming contradictions.

The public knows next to nothing of Soros the meddler in campaign finance reform, much less of Soros the anti-capitalist capitalist, Soros the government-toppler, and Soros the global philosopher-king. Recently rumors surfaced that Soros has been organizing some 70 mega-rich "progressives" in a secretive "Phoenix Group" to fund a fifteen-year, hundred-million-dollar left-turn in society. Regrettably, the media has shown little

interest. A search of the Lexis-Nexis database turns up very few stories about Soros' plans to build up a network of funders who will support an intellectual infrastructure of pro-Democratic think-tanks, media outlets and leadership schools to rival conservatives.

The Paper Trail

Soros will not divulge the game plan of the still developing Phoenix Group, but his own books give a clear enough outline of his agenda. *The Bubble of American Supremacy* (bashing George W. Bush for the "misuse of American power") and *The Crisis of Global Capitalism* (arguing that free enterprise "threatens democratic governance and international stability")—clearly admit that Soros wants to subordinate U.S. national sovereignty to a "global system of political decision-making."

Soros' New York City-based Open Society Institute (OSI) is likewise forthright. It makes no excuses for its controversial promotion of left-wing activism. Its annual IRS reports detail OSI's grants to the far Left, and its website posts a representative sampling of its grants at www.soros.org.

August 2005

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Similarly, the far-flung Soros Foundations Network maintains very informative websites. One can consult any of the Soros foundations in 31 countries, including the former Soviet Union and Central Eurasia, as well as Haiti and Guatemala, plus 2 regional foundations donating to 27 countries in Africa for insight on Soros' intentions.

Soros Fund Management, the hedge fund that administers \$13 billion in assets, files all the proper forms with the U.S. Securities and Exchange Commission for its frequently successful investments.

There is no shortage of documentary evidence for what he's thinking. The problem is that most of George Soros' goals seem so eccentric that we are tempted to dismiss them. That's a mistake—Soros' decisions have a way of becoming reality.

Origins

George Soros was born in Budapest, Hungary in 1930 as György Švarc, or George Schwartz, of parents Tivadar (Theodore) and Erzebet (Elizabeth). Both were nonobservant Jews. His mother was from a wealthy family and his father a lawyer from humble origins. Tivadar served in World War I, was captured by the Russians, and spent five years in Siberia before he escaped

back to Hungary. Once married, Tivadar managed some of his wife's properties and made her and their two sons, Paul and George, a handsome living.

To understand George's anti-nationalism we must look to his father, who was a leading proponent of Esperanto, the invented trans-European language promoted by those who dreamed of a world free of nationality. Tivadar taught Paul and George to speak it as toddlers and even founded an Esperanto literary magazine. When his sons were still young, he changed the family name to the Hungarian-sounding but actually Esperanto Soros. It means "soar" (in the future tense). Globalism is embedded even in his name.

World War II had little effect on the privileged Soros family until 1944, when Hitler sent Adolph Eichmann to oversee the extermination of Hungary's Jews. Tivadar obtained false identity papers for his family and they each fled to separate homes, hidden as Christians. All four survived the Holocaust. But life under Nazi rule sharpened George's distaste for nationalist ideologies.

With the Soviet takeover of Hungary in 1947, the impoverished Tivadar sent George, then 17, to stay with cousins in London, where he worked odd jobs and studied at the London School of Economics (LSE)—and preached Esperanto at Hyde Park's soapbox on Sundays.

At the Fabian socialist LSE Soros met the man who changed his life: Prof. Karl Popper, teacher of logic and scientific method, towering intellect, and author of *The Logic of Scientific Discovery*. An Austrian Jew forced to flee the Nazi *Anschluss*, Popper was also a distinguished social philosopher whose passionate denunciation of all forms of totalitarianism in *The Open Society and Its Enemies* (1945) gave Soros a lifetime belief system and a brand name for his future charities.

Soros came into contact with Popper while pursuing his Master's degree. Although he never studied under Popper, Soros read his works, particularly *The Open Society and Its Enemies*, and submitted essays for the philosopher's review and comment.

From an American viewpoint, Popper's admirable two-volume *Open Society* contains a flaw that might not have mattered much had

Soros not fallen so completely under its spell. Throughout 480 pages of text and 258 pages of notes, the U.S. is mentioned only in three short paragraphs that do not touch on our constitutional republic.

The U.S. system of checks and balances with a Bill of Rights simply wasn't part of Popper's discussion. He focused on closed societies that suppressed reason—ones he classed as "magical, tribal or collectivist"—but didn't say as much about the open society itself. Popper emphasized freedom for scientific inquiry and the freedom to dissent as the essence of an open society, but said little that might have kept Soros from later making a fetish of dissent at the expense of the rule of law and the sovereignty of nations.

When his sons were still young, Tivadar Švarc changed the family name to the Hungarian-sounding but actually Esperanto Soros. It means "soar" (in the future tense). Globalism is embedded even in his name.

Soros the Capitalist

After graduation in 1952 the British investment bank Singer and Friedlander took Soros on as a trainee. In 1956 he emigrated to New York City, where he worked as an arbitrage trader for F.M. Mayer (1956–59), Wertheim & Company (1959–63), and the small private bank with high-level European connections, Arnhold & S. Bleichroeder (1963–73). He married in 1960, and became a United States citizen in 1961.

In 1969, when Soros was 39 and still managing money at Arnhold, he started what would become the Quantum Fund with \$6 million. The name of the fund came from the uncertainty principle of quantum physics—

Editor: Joseph de Feo

Publisher: Terrence Scanlon

Foundation Watch

is published by *Capital Research Center*, a non-partisan education and research organization, classified by the IRS as a 501(c)(3) public charity.

Address:

1513 16th Street, N.W.
Washington, DC 20036-1480

Phone: (202) 483-6900

Long-Distance: (800) 459-3950

E-mail Address:

jdefeo@capitalresearch.org

Web Site:

<http://www.capitalresearch.org>

Reprints are available for \$2.50 prepaid to Capital Research Center.

the observer of quantum phenomena affects their behavior. It's a principle Soros extends to just about everything, giving it the clunky name "reflexivity." He uses it to explain "boom-bust cycles." He argues that when any social enterprise is doing well—whether a market, a business, a movement, or a nation—it affects the "observers" (investors or executives, or movement leaders or statesmen). They create a bandwagon effect, predictably overvaluing or overreaching, which creates an artificial "bubble" that eventually bursts.

The Quantum Fund was registered in Curacao in the Netherlands Antilles, a Caribbean tax haven beyond U.S. regulation. All its investors and board members were also beyond U.S. regulation: very rich non-U.S. citizens. Soros, who stayed in New York, was only its "investment advisor." Neither an investor nor a board member, he was untouchable.

He took huge risks, spending mostly borrowed money and selling stocks the fund did not yet own. His success was astonishing: throughout the dismal bear markets of the 1970s, when most investors lost money, Quantum was profitable every year, sometimes paying double-digit returns. (He was accused of "hit-and-run" tactics, quietly buying into a market, deliberately leaking his "secret,"

some: he had earned a curmudgeonly reputation for telling reporters he didn't believe in philanthropy. The fund was what the law calls a "charitable lead trust," which Soros described as "a very interesting tax gimmick" allowing him to pass large sums to his heirs untaxed.

Why Soros started the Fund has been chalked up to self-doubt. Reportedly he wondered if he had any purpose in life other than making money. He tried his hand at philosophy, producing a thick manuscript called *The Burden of Consciousness* that Popper read and encouraged. But Soros gave it up when he discovered one day that he could not understand in the morning what he had written the evening before. Things got worse in 1981 when the Quantum Fund lost money and both his wife and his junior partner left him.

But the slump didn't last. Soros remarried and he renewed his philanthropy, building a string of Open Society Foundations in communist countries: his native Hungary in 1984, China in 1986, the Soviet Union in 1987, and Poland in 1988. His announced intent was to help those societies become more open by paying for such things as photocopiers, travel, theaters, filmmaking, sociological research, newspapers and magazines.

My foundation in Hungary, which I established in 1984, contributed to this revolution. A joint venture between my New York-based Open Society Fund and the Hungarian Academy of Sciences, it was an unusual undertaking exempt from many of the constraints which bedevil foundations. We were not a normal foundation; we were an institution of civil society engaged in a subversive battle against an oppressive state and party system. We played a subtle game with the authorities, in which each of us tried to take advantage of the other; but the dice were loaded in our favor because we believed in our cause and we knew what we were doing while our opponents did not.

Our aim was simple: to demonstrate the falsehood of communist dogma by fostering alternatives. We did not need to decide on priorities or the merits of particular projects; by permitting people to engage in non-party, non-governmental activities every project served an important function. With small individual grants and a budget of about \$3 million a year, we supported a huge number of projects. The Ministry of Culture complained bitterly that we had more influence on cultural life in Hungary than they did. We took it as the greatest accolade.

One phrase in this passage is key to understanding the entire Soros philanthropic venture: "civil society engaged in a subversive battle." The battle may be against any opponent Soros doesn't like at the moment—communist society in one decade, capitalist society in another—but it's always subversive and it always uses civil society as a surrogate.

Despite the many complicated and conflicting definitions of "civil society" now in circulation, Soros takes a simple, direct approach and gives money to any non-government, non-business, non-profit organization

Soros claims to have twice contributed to the collapse of Soviet communism: once before the Soviet breakup in the late 1980s, and again in the early 2000s.

watching the bandwagon drive the price up, then bailing out before the bubble burst.)

His original dream of earning just enough to devote all his time to intellectual pursuits—he fancied himself Popper's successor—dimmed with the dollars. Quantum had only one losing year in its first two decades and George Soros began to get very rich.

Soros the Philanthropist

Soros had kept in touch with Popper (now Sir Karl, knighted in 1965). Soros wanted to establish his first charity to better the lot of his fellows, and he wanted to call it the Open Society Fund. Sir Karl approved. Soros registered it in New York in 1979, which surprised

To the communist leaders of those countries it looked like a foreign capitalist was trying to erode the ruling party's monopoly over art, culture, and education. They accused him of promoting dissent to weaken their regime. As became evident in the Soviet collapse of 1989, they were right.

Soros the Government-toppler

Soros claims to have twice contributed to the collapse of Soviet communism: once before the Soviet breakup in the late 1980s, and again in the early 2000s.

In the website of his Open Estonia Foundation he wrote of the anti-communist revolution:

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or individual likely to be useful for a battle he chooses to fight. A small investment in civil society can mobilize big pressure on government or business or both and move society in the direction he wants.

But Soros' promotion of dissent around the world is not always as successful as in Hungary. In China the authorities won the subtle game, and the foundation became a branch of the security police; Soros closed it. In Poland, the foundation couldn't even get a telephone; it didn't start functioning well until after the Soviet collapse.

When Soros began his philanthropic efforts in Russia in the late eighties, everything was falling apart. Soros faced the greatest difficulties there (including, initially, KGB

each year massively lucrative. Even though he failed to predict the stock market crash of '87 and took a \$300 million hit, Quantum was actually up 14 percent for the calendar year—and his personal compensation of \$75 million made him the second-highest-paid man on Wall Street.

In 1992, Soros made a billion dollars overnight when he won a huge gamble betting \$10 billion that the European Exchange Rate Mechanism would panic the Bank of England and force it to devalue the British pound. Soros' personal compensation that year was \$650 million, the highest for any individual in Wall Street's recent history.

In 1993, Soros made \$1.1 billion, more than the gross national product of 42 nations.



The 2003 Soros-sponsored Rose Revolution in Georgia brought Mikhail Saakashvili, 2002 Open Society Honoree, to the presidency

interference), but he persevered, continuing to donate huge sums for years after the Soviet collapse. He gave \$100 million to support science in a country that had no money to maintain laboratories or pay scientists' salaries. He gave another \$100 million to reform teaching, buying non-Marxist textbooks that had been banned. Another \$100 million wired all 33 regional universities to the Internet. Ultimately, Soros gave more than a billion dollars and became so familiar to Russians that they turned his name into a generic verb, "sorosovat"—as in, "I see that the university is going to *sorosovat* the Ford Foundation for a big grant."

Meanwhile, Soros' fortune was expanding rapidly. By the millennium, Soros had been a king of Wall Street for a dozen years,

From then on, he mixed with chiefs of state as if he were one of them. A well-known story from that year has him dining with the heads of Moldova and Bulgaria in the same day and telling journalist Michael Lewis: "You see, I have one president for breakfast and another for dinner."

In June 1994, Soros hosted his idol, Sir Karl Popper, at the Central European University in Prague (which Soros founded), where the 92-year-old philosopher delivered a lecture and accepted the first Open Society Award. Sir Karl died that September.

Soros, ever impatient, began to see other uses for his wealth. Once he decided that leaders in former Soviet states were corrupt

and blocking economic development, he funded revolutions to unseat them.

Best known is the so-called Rose Revolution in Georgia that removed Eduard Shevardnadze as president in 2003 and installed American-educated Mikhail Saakashvili. Soros' Open Society Georgia Foundation had given millions to civil society groups that became instrumental in the revolution, including \$500,000 set aside for an "Election Support Program" to "promote vigorous debate."

"It's generally accepted public opinion here that Mr. Soros is the person who planned Shevardnadze's overthrow," said Zaza Gachechiladze, editor-in-chief of *The Georgian Messenger*, an English-language daily based in the capital, Tblisi.

Observers of Georgia's November 2, 2003 parliamentary elections denounced them as grossly rigged. Opposition leader Saakashvili claimed he won, supported by several exit polls, including one funded by Soros (who paid \$19,300 to the International Society for Fair Elections and Democracy).

The main opposition parties demanded the ouster of Shevardnadze and a rerun of the elections. From early to late November, massive anti-government demonstrations filled the central streets of Tblisi and spread through most of the nation.

Three Soros-funded groups mobilized that revolution: Liberty Institute, Rustavi-2 television station and the youth group *Kmara* (Georgian for "Enough!").

As the Canadian newspaper *Globe and Mail* reported on November 26, 2003:

All three have ties to Mr. Soros. According to Georgian press reports, *Kmara* received a \$500,000 (U.S.) start-up grant in April, some of which may have been used during the three weeks of street protests when it bused demonstrators in from the countryside and set up loudspeakers and a giant television screen amid the crowds surrounding the parliament building.

Rustavi-2 got start-up money from Mr. Soros when it

launched in 1995 and more funding a year ago when it began the anti-Shevardnadze newspaper *24 Hours*....

It was back in February that billionaire financier George Soros began laying the brickwork for the toppling of Georgian President Eduard Shevardnadze.

That month, funds from his Open Society Institute sent a 31-year-old Tbilisi activist named Giga Bokeria [co-founder of the Liberty Institute] to Serbia to meet with members of the Otpor (Resistance) movement and learn how they used street demonstrations to topple dictator Slobodan Milosevic. Then, in the summer, Mr. Soros's foundation paid for a return trip to Georgia by Otpor activists, who ran three-day courses teaching more than 1,000 students how to stage a peaceful revolution.

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On November 22, opposition supporters led by Saakashvili with roses in their hands to symbolize their peaceful intent seized the parliament building, interrupting a speech by President Shevardnadze, forcing him to flee with his bodyguards. It wasn't long before he signed resignation papers. Saakashvili was elected president in early

2004. Soros had given him the Open Society Award in 2002.

The same pattern of "Flower Revolutions" deposed sitting governments in the Orange Revolution (Ukraine, 2004) and the Tulip Revolution (Kyrgyzstan, 2005). Each time massive street protests followed disputed elections and led to the resignation or overthrow of leaders considered authoritarian by their opponents.

Soros was somewhere behind them all. Uzbeki officials knew this, and accordingly in 2004 denied registration to its national Open Society Institute. Igor Sattarov, the foreign ministry's information chief, said, "After Ukraine and Georgia we have certain concerns about the activities of these western democratic promotion organizations."

Soros the Campaign-Finance Meddler

The part Soros played in Soviet and post-Soviet political events colors his late-1990s attempt to change America's election laws to favor "progressive" candidates.

Beginning in 1997, the Open Society Institute gave substantial funding to left-wing activist organizations to promote the campaign finance reform called "Clean Money, Clean Elections."

The "clean money" idea came from a coalition of New England groups that passed a ballot measure in Maine to provide taxpayer funding to candidates for state office who agree to spending limits. To qualify for public funding, candidates are required to collect a specific number of \$5 contributions—50 for the State House of Representatives, 150 for the State Senate and 2,500 for candidates for governor—and forgo any further private funding. In return, candidates receive government campaign money distributed according to elaborate formulas that differ for primaries and the general election.

The publicly stated purpose was to get big money out of politics and give the little independents and minor parties a chance to be competitive. The activists who pushed the law saw it as a blow to corporate influence and a way to get chronically underfunded progressives into office.

The Open Society Institute gave a total of \$593,000 to eight organizations for campaign finance reform purposes in 1997, and followed up with similar amounts thereafter.

Soros even pledged \$1 million to a new group called Public Campaign, headed by veteran "clean money" advocate Ellen Miller, who had just stepped down from her long-time position as executive director of Washington, D.C.'s Center for Responsive Politics. The organization had the blessing of Bill Moyers—and \$5 million of his foundation's money. The left-wing PBS television icon was president of the Schumann Foundation, and had funded "clean money" campaigns since 1992.

Soros invited Moyers to sit on the board of directors of his Open Society Institute. The two influential grantmakers then tried to pass the Maine "clean money" bill into federal law and convinced Senators Paul Wellstone and John Kerry to co-sponsor the Clean Money, Clean Elections Act of 1997. Soros had contributed to both their 1996 reelection campaigns. The bill never reached the Senate floor.

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The more realistic Pew Charitable Trusts, pursuing the “raging incrementalism” of its president, Rebecca Rimel, trumped Soros and Moyers. Perhaps Rimel and her staff realized that the “clean money” concept looked to average Americans like welfare for politicians. Pew had as much money as George Soros, and could exert as much influence. What’s more, it took a more opportunistic view of American politics. (Pew’s creation of the illusion of grassroots support for campaign finance reform is detailed in the June 2005 *Foundation Watch*.)

Beginning in 1995, Pew began to deploy a multi-pronged campaign finance reform program to support the less ambitious McCain-Feingold bill, with its ban on soft-money to political parties. Ironically, the McCain-Feingold ban, which became law on Novem-

ber 6, 2002, enabled George Soros to become the biggest individual campaign donor of the 2004 Presidential election: Soros contributed almost \$24 million to eight non-party 527 political committees, including MoveOn.org (\$2.5 million), AmericaComingTogether (\$7.5 million) and the Joint Victory Committee (\$12 million).

Soros the Anti-Capitalist Capitalist

Soros openly announced his anti-capitalism at about the same time that he began pushing the clean money campaign finance reform. He made his position crystal clear in one short paragraph in a 1997 article for *Atlantic Monthly*:

Although I have made a fortune in the financial markets, I now fear that the untrammelled

intensification of laissez-faire capitalism and the spread of market values into all areas of life is endangering our open and democratic society. The main enemy of the open society, I believe, is no longer the communist but the capitalist threat.

The evolution of George Soros from Buccaneer Bookie to Cassandra of Capitalism puzzles many but is not that surprising. An anti-nationalist upbringing, Fabian socialist education, and the gradual realization that great wealth buys enormous political influence when leveraged through grant-making foundations explains his political trajectory. Given the quirks of human nature, it’s not unusual for people who soar to great heights to forget what holds them up.

Soros the Global Philosopher-King

Soros recently made headlines for funding opponents of President George W. Bush’s Supreme Court nominee—even before there was a nominee. It is part of what has become the Soros pattern: if it’s George W. Bush, conservatives, America, or capitalism, swat it hard.

As reported in last month’s “Philanthropy Notes,” Soros is among the many figures on the Left involved in the International Freedom Center at the World Trade Center’s Ground Zero. The proposed Center is an exhibition hall that minimizes the importance of the 9/11 attacks by focusing on multi-cultural intolerance. The actual 9/11 memorial will be stuck in an underground space one-sixth the size of the Center’s 300,000 square feet. To reach it visitors will have to walk through the Center. The Open Society Institute’s communications coordinator, Sarah Miller-Davenport, confirmed that Soros has pledged substantial funding to the IFC, but would not disclose the amount.

Many families of 9/11 victims are outraged and fear the Center will become a gallery of moral equivalency. Debra Burlingame, sister of a 9/11 pilot killed when terrorists crashed his plane into the Pentagon, wrote a scathing op-ed in the *Wall Street Journal* exposing the Center’s ideologically tainted plans. She noted, “Mr. Soros has stated that the pictures of Abu Ghraib ‘hit us the same way as the terrorist attack itself.’”

The Global Soros Empire

Soros has established autonomous institutions around the globe. The specific activities of each foundation are determined by a local board of directors and staff in consultation with George Soros and OSI boards and advisors.

Albania: Open Society Foundation for Albania

Armenia: Open Society Institute Assistance Foundation—Armenia

Azerbaijan: Open Society Institute Assistance Foundation—Azerbaijan

Bosnia and Herzegovina: Open Society Fund—Bosnia and Herzegovina

Bulgaria: Open Society Institute—Sofia

Croatia: Open Society Institute—Croatia

Czech Republic: Open Society Fund—Prague

Estonia: Open Estonia Foundation

Georgia: Open Society Georgia Foundation

Guatemala: Fundacion Soros—Guatemala

Haiti: Fondation Connaissance et Liberte

Hungary: Soros Foundation—Hungary

Kazakhstan: Soros Foundation—Kazakhstan

Kosovo: Kosova Foundation for Open Society

Kyrgyzstan: Soros Foundation—Kyrgyzstan

Latvia: Soros Foundation—Latvia

Lithuania: Open Society Fund—Lithuania

Macedonia: Foundation Open Society Institute—Macedonia

Moldova: Soros Foundation—Moldova

Mongolia: Open Society Forum

Montenegro: Foundation Open Society Institute—Representative Office Montenegro

Poland: Stefan Batory Foundation

Romania: Open Society Foundation—Romania

Serbia: Fund for an Open Society—Serbia

Slovakia: Open Society Foundation—Bratislava

South Africa: Open Society Foundation for South Africa

Southern Africa: Open Society Initiative for Southern Africa

Tajikistan: Open Society Institute Assistance Foundation—Tajikistan

Turkey: Open Society Institute Assistance Foundation—Turkey

Ukraine: International Renaissance Foundation

United Kingdom: Open Society Foundation

Uzbekistan: Open Society Institute Assistance Foundation—Uzbekistan

West Africa: Open Society Initiative for West Africa

Soros has a history of treating 9/11 lightly, even using it to attack President Bush. In *The Bubble of American Supremacy* (2003) he wonders, "How could a single event, even if it involved three thousand civilian casualties, have such a far-reaching effect?" The answer, he says, lies "not so much in the event itself but in the way the United States, under the leadership of President George W. Bush, responded to it." Soros' dislike of Bush is obvious; but when he told the *Washington Post* that Bush "reminds me of the Germans," (referring to the Nazis) he offered a chilling glimpse into his own outlook.

Soros seems to have elevated dissent above any other commitment to political principle. Whatever he may believe, it is undeniable that that he is interested in effecting "regime change" in the U.S., as he has done elsewhere. And he has the ego to carry out his plans. According to his biographer, Michael Kaufman, Soros has said he has "godlike, messianic ideas" and that he sometimes thinks of himself as "superhuman." He also told Kaufman that his goal "is to become the conscience of the world." *The Wall Street Journal* reported that when Soros speaks of the string of influential foundations he has financed throughout Central Europe, he of-

ten boasts, "the former Soviet Empire is now called the Soros Empire." Soros admits he has "carried some rather potent messianic fantasies with me from childhood, which I felt I had to control, otherwise they might get me in trouble."

Karl Popper offers an apt warning in *The Open Society and Its Enemies*:

Our greatest troubles spring from something that is as admirable as it is dangerous—from our impatience to better the lot of our fellows.

The Left in America claims to be of the people. The wonder is that in 2005 it is letting a figure of great wealth and supreme self-confidence call its shots. **FW**

Ron Arnold is the Executive Vice President of the Center for the Defense of Free Enterprise, a free-market think tank headquartered in Bellevue, Washington.

The Politics of Peace

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By John J. Tierney

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PhilanthropyNotes

What's the difference between 501(c)(3) and 501(c)(4) organizations? **People for the American Way** (PFAW) may not be the best place to find an answer. **National Review's Byron York** has been investigating donations to the group from such major corporations as the **Sony Corporation of America**, the **New York Times**, and **20th Century Fox Television**. PFAW explained that such gifts were often fees for banquet tables at media awards benefiting the PFAW Foundation, an educational organization. Donations to the foundation are tax-deductible because it is a 501(c)(3) charity prohibited from political lobbying, unlike PFAW itself. PFAW is a tax-exempt 501(c)(4) organization, donations to which are taxable because of the group's lobbying. But PFAW vice president **Elliot Mincberg** admitted to York that the Foundation paid for, among other things, select television ads in the fight over **President Bush's** judicial picks, a letter campaign supporting Democratic filibustering of nominees, and a yearly report attacking the Bush administration's policies, entitled "Courting Disaster."

Speaking of the fight over judicial nominees, **Gara LaMarche**, vice president and director of U.S. Programs at **George Soros' Open Society Institute**, wants to widen the scope of the battle. In a sprawling rant titled "The Crisis of Democracy in America" in the Open Society's online magazine, openDemocracy.net, LaMarche proposes that a successful coalition to keep the judiciary "independent" will include not just pro-choice and civil liberty groups (already active in the fight) but also "the broader civil-rights and environmental communities." He adds, "We need to organise with colleagues in the field of philanthropy who want to use the special status of our institutions to protect the interests we represent, and to advance broader social-justice issues."

Last month's **Foundation Watch** noted the **World Trade Center Memorial Foundation's** decision to lease space to a left-leaning exhibit on the history of freedom, the **International Freedom Center**. The **New York Daily News** reports that donations to the Memorial Foundation have lagged since the story broke. John Whitehead, chairman of the World Trade Center Memorial Foundation, recounted a typical donor reaction: "When you get things sorted out, come back to us and we'll tell you what our gift will be." Recently the foundation expanded its board of directors; among the new members is **Judith Rodin**, head of the **Rockefeller Foundation**.

The Rockefeller Foundation has given a \$350,000 grant to the **Center for Urban Economic Development** at the **University of Illinois at Chicago** to fund a study of low-wage employment, focusing on the extent to which low-wage, low-benefit jobs cost the public money. **Nik Theodore**, director of the Center, told the **Chicago Tribune** that the study would examine costs such so-called low-road policies may add to Medicaid, child care and other government assistance programs. He said the study will seek to identify "low-road" companies and industries. In other words, expect to see some new arguments for raising the minimum wage and healthcare requirements, accompanied by statistic-backed finger-pointing.

In July the **Center on Alcohol Marketing and Youth** (CAMY), established by the **Robert Wood Johnson Foundation**, released a study paid for by the **Pew Charitable Trusts: Striking a Balance: Protecting Youth From Overexposure to Alcohol Ads and Allowing Alcohol Companies to Reach the Adult Market**. Current industry guidelines forbid ads in publications in which the underage audience is more than 30% of the total; CAMY's study proposes lowering this to 15%, since this is roughly the percentage of 12- to 20-year-olds in the population, calling it "simple math." It's so simple that CAMY neglects to note that teenagers actually account for a disproportionate percentage of the audience of most media, and the stricter guidelines could amount to a prohibition of most alcohol ads.

To commemorate its 75th anniversary, the **W.K. Kellogg Foundation** has published a coffee-table book featuring photographs and profiles of some of its grant recipients. Over the years Kellogg has given millions to the **Tides Center**, which has funded anti-war activists, abortion rights groups, and violent, radical environmentalists. No word on whether there will be pictures of any of those in the Kellogg Foundation's book.

