

POLITICO

Soros considers his options

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For Democrats hoping George Soros will write an eight-figure check to boost their 2012 efforts, conservatives seeking to [use Soros as a bogeyman](#) to rally their base and market analysts trying to predict his next play, a top Soros aide has some advice: Read Karl Popper.

The 20th century Austrian philosopher's theory that ultimate truth is unattainable undergirds Soros's ideology, "to the extent that he has one," said Michael Vachon, Soros's political advisor and spokesman. "Soros's investment style and his philanthropy reflect that. It is very responsive to reality."

And Soros's assessment of political reality could have a lot to do with shaping the political landscape in 2012 and beyond. Political operatives from across the ideological spectrum have become increasingly fixated on the question of whether the Hungarian-born billionaire investor will once again reprise the role he played in the 2004 election, when he contributed [more than \\$20 million to Democratic causes](#), or whether he will continue to focus his domestic philanthropy elsewhere.

In a brief interview Thursday, Soros did not clarify his intention, begging off a question about whether he intended to make large contributions to outside advertising groups.

"Since I don't know what I'm going to do, I can't tell you," he told POLITICO.

Last October, [Soros suggested](#) he may be permanently shifting his giving away from electoral groups like those he supported in 2004, characterizing his involvement that year as "an exception."

But Democratic political professionals have been buzzing about the implicit blessing bestowed this month by the Democracy Alliance, a Soros-linked donor network, on a coalition that hopes to spend tens of millions of dollars boosting President Barack Obama and congressional Democrats in 2012 – though Vachon suggested it's unlikely Soros will come close to matching his 2004 investment.

Conservatives, meanwhile, [seized](#) on two conferences put on this month by Soros-funded groups – an international economics forum in Bretton Woods, N.H., and a media reform conference in Boston – as yet more evidence that he's trying to "remake the financial order and the media," with one group blasting out a fundraising email declaring "we cannot allow these kinds of reprehensible events to go unchallenged."

During a Thursday afternoon speech at an unusual setting – the libertarian Cato Institute in Washington – Soros bemoaned political polarization as "endangering our open society," hinted at his growing interest in media reform and challenged his portrayal as a knee-jerk liberal.

"As I see it, the two sides in the current disputes have each got hold of one half of the truth which they proclaim to be the whole truth," Soros said at the Cato forum [celebrating Friedrich August Hayek](#), an Austrian free-market economist and philosopher who is a hero among

libertarians.

Hayek and Popper were friends and colleagues at the London School of Economics – where Soros studied under Popper in the late 1940s – though the two Austrians diverged on scientific methodology and, to some extent on the role of government.

“The political controversy on the role of the state in the economy is raging in full force today, but the standards of political discourse have greatly deteriorated,” said Soros, whose Open Society Foundations are named for the “open society” philosophy developed by Popper.

“Although I am often painted as the representative of the far left and I am certainly not free of political bias, I readily recognize that the other side is half right in claiming that the government is wasteful and inefficient and ought to function better,” Soros said Thursday, at one point referring to “the so-called left, in so far as it exists.”

Some Democrats, though, charge that, if the left is in a weakened state, it’s partly because Soros and his fellow Democracy Alliance donors ceased funding outside advertising campaigns after their 2004 efforts failed to stop George W. Bush from being reelected as president.

Erica Payne, who was involved in the creation of Democracy Alliance, said wealthy liberals have simply not had the long-term commitment of conservatives such as the industrialist brothers Charles and David Koch, who – perhaps ironically – have in the last few months [become symbols for the left](#) in much the same way Soros is for the right.

“There is not a single liberal donor in the country who has displayed the same combination of resources, multifaceted investment strategy, ideological focus, and stick-to-itiveness we have seen by Koch - and that includes George Soros and all the other so-called ‘liberal billionaires,’” said Payne, who now heads a donor-advisory group called the Agenda Project.

“Most liberal funders see funding as a hobby, not as an investment. As such they fund at the hobby level rather than the investment level.”

In 2004, motivated by a deep and abiding opposition to the Iraq War and other Bush administration policies, Soros, along with insurance magnate Peter Lewis and other major liberal donors, combined to contribute a total of nearly \$200 million to [two liberal groups](#), America Coming Together and the Media Fund , that paid for get-out-the-vote efforts and aired ads boosting Democrat John Kerry’s unsuccessful campaign against Bush.

But after Kerry’s defeat, Soros – of all the big donors – “was probably the most disappointed in the 2004 effort, wondering how progressives could spend all that money and not achieve success,” said one Democratic consultant involved in a fledgling coalition of outside advertising groups hoping to raise tens of millions of dollars to counter a network of big-money [Republican-allied groups](#) conceived before the 2010 midterm elections by Bush-era GOP strategists Karl Rove and Ed Gillespie.

Not long after the 2004 election, Soros became one of the original members of Democracy Alliance, which had the goal of shifting major liberal donor cash from non-profits that focused on campaign advertising to those centered around policy, issue advocacy and voter mobilization, with the goal of building more permanent intellectual infrastructure that transcends any given election cycle.

The Alliance model was patterned in part on the giving of wealthy conservatives to a well-established network of think tanks like the Cato Institute, American Enterprise Institute, the Heritage Foundation and the Hoover Institution, which have long been the beneficiaries of huge checks from major conservative donors like the Koch brothers.

It is within that context that Soros's foundations since the 2004 election have given \$7.3 million to the [Center for American Progress](#), which seeks to shape Washington's messaging and policy battles, \$1.4 million to the media reform group Free Press, which sponsored this month's conference, and \$1.1 million to Media Matters, which is prosecuting a war on conservative-leaning [Fox News Channel](#).

After his speech at Cato, Soros dismissed as "a sideshow" former Fox News host Glenn Beck, who hosted a three-part series attacking Soros as a puppet-master. But he asserted Beck's departure from Fox this month "hasn't changed anything at Fox really," explaining his grants to Media Matters were an effort to hold the network accountable, but stressing that media slant on both sides is a problem that adds to the polarization of the national discourse.

"Neutralizing" Fox can't be accomplished he said, "because it has an audience. But I think holding its feet to the fire is appropriate. Not only for Fox (but) the other side also in so far as they use techniques which are deceptive."

Though Soros and other donors continued giving in smaller amounts to political advertising groups after 2004, the shift away from that type of giving was abetted by Obama himself. His 2008 presidential campaign [discouraged big donors](#) from giving to outside groups, partly as an effort to prove the candidate's commitment to changing the political system, but also because his campaign [raised a record-shattering \\$750 million](#) and didn't need the help – or the risk that outside groups would step on his message.

At a Democracy Alliance meeting in Washington a few days after the 2010 election (not long after the White House gave a [clear green light](#) to big-dollar ad campaigns by independent groups), [Soros expressed frustration with Obama](#) to a small group of donors on the sidelines of the meeting and made the case that, even in light of conservatives' advantage in outside spending, liberals should continue to focus their cash on groups that pressure Democrats from the left on issues.

Even as Republican-allied independent groups – [emboldened by a January 2010 Supreme Court decision](#) allowing corporate and anonymous donations [to be spent on campaign ads](#) - last year helped launch a handful of new big-spending [outside advertising groups](#), Soros and his cohort stayed on the sidelines.

Shortly before the election Soros said that though the prospects of a GOP Congress concerned him, "I'm not in a position to stop it. I don't believe in standing in the way of an avalanche."

But at a conference this month in Laguna Beach, Calif., Democracy Alliance seemed to point in a different direction by facilitating contributions from its wealthy members – who are required to contribute a total of at least \$100,000-a-year to recommended groups – to groups like those that Soros funded in 2004.

The conference featured a panel at which representatives from four groups in the new Democratic coalition – including an as-yet unnamed group run by former White House aides Bill Burton and Sean Sweeney that hopes to raise \$100 million to boost Obama's

reelection bid – explained their missions to donors.

Soros, a founding member of the alliance, didn't attend the conference. But Vachon, who sits on the Democracy Alliance board, was there.

The conference, which was closed to the public and media, was revealed this week by the investigative journalism non-profit [Center for Public Integrity](#) (to which Soros's foundations have contributed \$3.7 million since 1999 and at which [this reporter](#) worked in 1999 and 2000).

And Democratic operatives who regard Soros as a bellwether of sorts for the intentions of other major donors, emerged from the conference hopeful that Democracy Alliance members and other major donors would open their wallets to the independent expenditure efforts.

The conference was “the beginning of a series of conversations. And certainly we hope that something will come out of it, but it's too early to put a dollar figure on it.”

Vachon said the groups probably shouldn't expect another \$20 million from Soros, but he also didn't shut the door to Soros becoming seriously involved. “I would be surprised if he got involved at the same levels as in 2004,” he said, “but the election is a long way off and it's not his focus right now.”

Soros's high-profile spending and inflammatory rhetoric starting in the 2004 campaign – when he compared the Bush administration's rhetoric to that of the Nazis (a comparison he also in February applied to Fox News) and described defeating the Republican president as “the central focus” of his life and “a matter of life and death” – has made him a favorite target of the right, which has continued to portray him in fundraising appeals as [an anti-American puppet master](#) steering the Democratic Party and the nation towards socialism.

In fact, most of Soros's philanthropy focuses on international efforts fostering human rights and civil society building, and fighting poverty corruption. And – like Koch brothers' philanthropy – the recipients of Soros's largesse do not all fit into neat liberal-conservative constructs.

Soros's Open Society Foundations, for instance, have contributed \$431,000 since 1996 to the Cato Institute to fund its drug reform, civil liberties and anti-corruption programs. And the [Kochs have contributed tens of millions](#) to the arts and cancer research.

Still, the left's increasing targeting of the Koch brothers seems to have only further fueled the right's targeting of Soros, and vice versa.

“Soros wants to radically transform this country, while the Kochs represent capitalism and have a libertarian bent,” said Andrew Breitbart, the conservative Internet entrepreneur, who last year [spoke](#) at the winter installment of the twice-a-year Koch-sponsored [donor conferences](#) that are similar in some ways to the Democracy Alliance meetings.

Vachon, though, rejected the Koch comparison, asserting “many on the right seek to compare Soros to the Koch brothers because it suits their partisan or ideological purposes, but in truth this is not an apt comparison. Soros is completely transparent about his funding, both in philanthropy and politics. And he funds activities and advocates for policies that would hurt his bottom line.

Both sides need to chill out, said David Boaz, executive vice president of the Cato Institute,

which was co-founded by Charles Koch in 1977.

“There is a tendency to put people in either a red or a blue box and to polarize the debate, and to accuse one side of being socialist and the other side of being anarchist or fascist, which are actually opposites, so that’s a confused argument to begin with,” he said. “It would be better to talk about ideas and argue about policies...If people don’t like what the Kochs believe or what they support, they should argue with those ideas and the same thing is true with Soros.”

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