

Left, Right, and Soros

The billionaire philanthropist says he wants to stay out of politics, at least for now.

By David Weigel

Posted Friday, April 29, 2011, at 1:53 PM ET

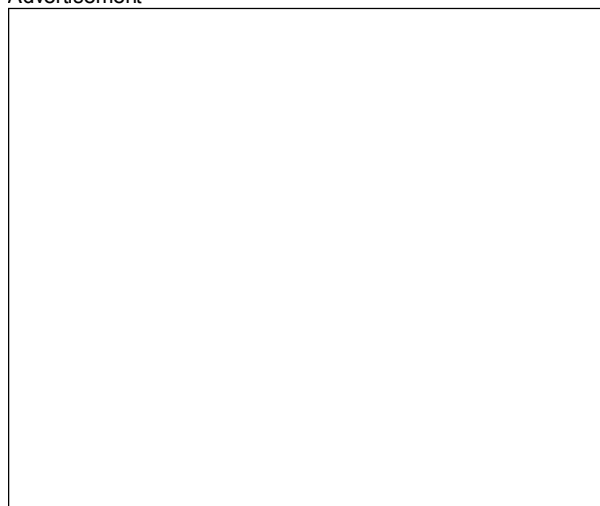


The Cato Institute opened its doors to George Soros on Thursday, and he came in peace. The 35th wealthiest man in the world arrived at the libertarian think tank, evaded a question about Donald Trump from a video-camera-wielding reporter, and relaxed in a back room as a crowd gathered for his speech.

It wouldn't just be his speech. Soros was one of three panelists speaking about a new edition of *The Constitution of Liberty*, the most enduring book by the libertarian economist Friedrich von Hayek. The editor of the new edition, Ronald Hamowy, was tasked with introducing the experts, moderating questions, and keeping the whole thing from becoming a circus. He eyed the audience warily, hopefully.

The worry was that someone would show up at the panel and decide to confront George Soros, philosophical dabbler, with George Soros, the nightmare figure who shows up on Fox News prime time the way Emmanuel Goldstein showed up at the Two Minutes Hate. Soros, who made his billions in international finance, has funded many of the new institutions of the professional left since George W. Bush started seeking re-election. He seeded ACT, a get-out-the-vote project that didn't quite work in 2004, and then he helped fund the Center for American Progress (\$3 million) and Media Matters for America (\$1 million, only last year). Entering politics, he became a political target. He's the sort of billionaire whose website has to include a FAQ about where he was when the Nazis invaded Eastern Europe, because someone who

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Googles his name and "collaborator" gets a lot of false results.

That problem might have reached its natural conclusion. As Soros walked into the Hayek Auditorium, his spokesman Michael Vachon told a couple of reporters that the man really wasn't paying attention to American electoral politics. "The truth is, he's not really thinking about that right now," said Vachon. "He's doing a lot of work in New Guinea, and on transparency. The election's a long ways away."

Soros' speech and comments reinforced that view. He stuck to his topic—the debate in the 1940s between Hayek and Karl Popper, the philosopher Soros cites the most (his Open Society Institute is named for Popper's work). Popper argued that "the incontrovertible truth is beyond the reach of the human intellect."

"While I was admiring the elegance of Popper's theory, I was also studying elementary economics," said Soros. "I was struck by a contradiction between the theory of perfect competition, which postulated perfect knowledge, with Popper's theory, which asserted that perfect knowledge was unattainable. The contradiction could be resolved by recognizing that economic theory cannot meet the standards of Newtonian physics. That is why I sided with Hayek, who warned against the slavish imitation of natural science and took issue with Popper, who asserted the doctrine of unity of method."

Soros was wistful. The debate between Hayek and Popper had been enlightening. The current debate, the one in the media,

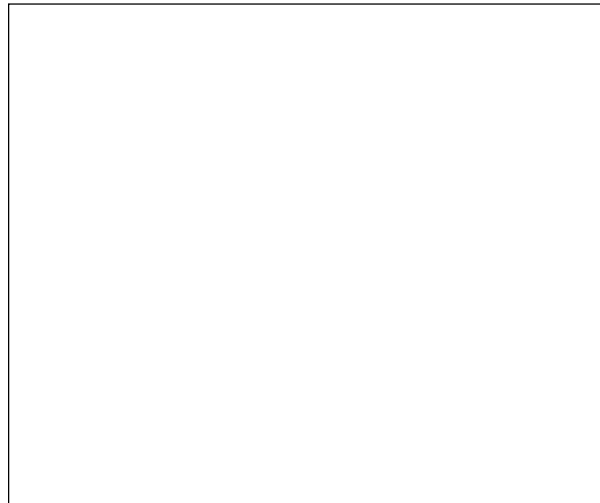
was anything but.

"The political controversy on the role of the state in the economy is raging in full force today," said Soros, "but the standards of political discourse have greatly deteriorated since then." The two opposing sides in politics "have each got hold of one half of the truth."

"Although I am often painted as the representative of the far left and I am certainly not free of political bias," said Soros, "I readily recognize that the other side is half right in claiming that the government is wasteful and inefficient and ought to function better. But I also continue to cling to the other half of the truth, namely that financial markets are inherently unstable and need to be regulated. Moreover, I am profoundly worried that those who proclaim half truths as the whole truth, whether they are from the left or the right, are endangering our open society."

Soros said all of this to an audience whose chairs were marked with plaques, thanking some donor or another who'd

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helped build the auditorium. Among the names on the plaques were "Charles Koch." The left that Soros didn't quite want to be lumped in with has become obsessed with the Kochs, and with conservative and libertarian donors in general, and as Soros was speaking, some liberal donors were putting the finishing touches on Priorities USA and Priorities USA Action, which aim to raise \$100 million to play in the 2012 election. There is an outright panic among some liberals about conservative money, and a sense that Their billionaires are more loyal than Our billionaires.

At Cato, as the questions started coming, it got harder to imagine Soros getting involved again at that level. Richard Epstein, a University of Chicago professor who shared the stage, ended his remarks by criticizing the Dodd-Frank financial reform bill, and challenging Soros to live up to his talk about government waste and abuse.

"I want you, George, to come out on the record now to say that you're in favor of the repeal of the National Labor Relations Act," said Epstein. "Then we'll have something we can talk about!"

Soros didn't answer that, but he did criticize Dodd-Frank. "I look at the way the Dodd-Frank bill, and its failure to address the issues, how it was lobbied into incomprehension and inconsistency by special interests of various kinds," he said.

Hamowy mostly prevented the audience from taking the conversation from Hayek to politics. A question about the Affordable Care Act slipped in anyway.

Soros didn't love the new law.

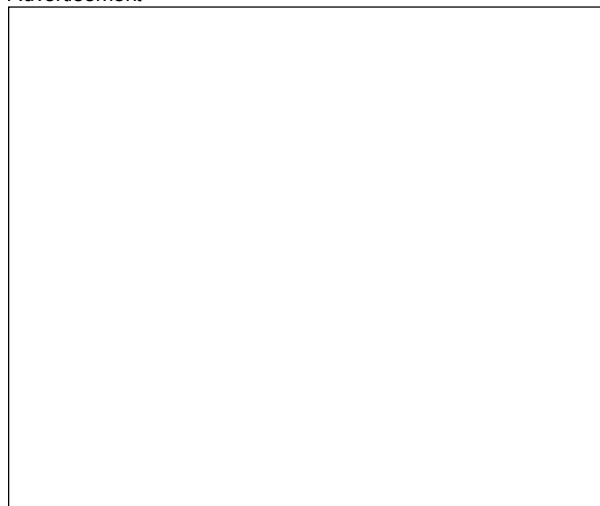
"The pharmaceutical companies made a fabulous deal," he said, "when they voted off any reduction in further costs for medicines, and then the insurance companies destroyed the core of the reform, which would have provided a public option."

The speeches ended, and Soros eluded more questions about politics. One reporter tried to ask him about the Koch brothers; Vachon quickly assured Soros that he didn't really know them, and that the question needn't be answered. He did take a question about Hayek.

Was his dream of a high-minded political/economic discussion possible?

"Stop proving your point by proving the other side wrong," he said. "Once you recognize that principle, you have a reasonable base for discussion. Get to some new basis for discussion instead of effectively tearing the country apart, which is what right now the political parties are doing."

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But how did that happen? One reason for the renewed interest in Hayek, after all, is the newfound interest in *The Road to Serfdom*, his best-selling but least serious work. Glenn Beck's viewers haven't read much about Hayek's rejection of conservatism or even his economic theories. They've read about how any and all social welfare leads inexorably toward fascism.

"[Hayek] has, perhaps, allowed himself to be used by some extremists without him being an extremist," shrugged Soros. With that, he headed out of the building.

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