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THE MONEY MAN

by JANE MAYER

Can George Soros's millions insure the defeat of President Bush?

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On August 6th, a week after the Democratic Convention, a clandestine summit meeting took place at the Aspen Institute, in Colorado's Rocky Mountains. The participants, all Democrats, were sworn to secrecy, and few of them will discuss the event. One thing that is certain, however, is that the guests formed a tableau that not many people would associate with the Democratic Party of the past. Five billionaires joined half a dozen liberal leaders in a lengthy conversation about the future of progressive politics in America. The billionaires were not especially close socially, nor were they in complete agreement about politics or strategy. Yet they shared a common goal: to use their fortunes to engineer the defeat of President George W. Bush in the 2004 election.

"No one was supposed to know about this," an assistant to one participant told me, declining to be named. "We don't want people thinking it's a cabal, or some sort of Masonic plot!" His concern was understandable: the prospect of rich men concentrating their wealth in order to sway an American election was an inflammatory one, particularly given the Democratic Party's populist rhetoric. This private meeting of plutocrats was an unintended consequence of the McCain-Feingold campaign-finance-reform law of 2002. Previously, wealthy donors had contributed "soft money" to the political parties, which controlled how the funds were spent. The reform legislation had banned such gifts, forcing donors to find new ways of influencing the political process.

The meeting's organizer was Peter B. Lewis, the seventy-year-old reclusive chairman of the Progressive Corporation, an insurance company based in Cleveland, Ohio. He has spent much of 2004 discreetly directing millions of dollars to liberal groups allied with the Democratic Party, such as America Coming Together and MoveOn.org, while cruising the Mediterranean Sea on his two-hundred-and-fifty-foot yacht, Lone Ranger. The yacht has communications equipment that allows Lewis to monitor political developments in America while

sunbathing off the coast of Italy. Lewis, a major backer of efforts to decriminalize marijuana, has helped underwrite campaigns to hold referenda on decriminalization in Arizona and California. (In 2000, he was arrested in New Zealand for possessing marijuana.) According to Lewis's friends, he concluded that it would be best to remain a shadow figure in the 2004 campaign; he has declined all requests for interviews.

Flying in from Arizona was John Sperling, an octogenarian businessman who in 1976 created the for-profit University of Phoenix. Sperling is also the co-author of a recent book, "The Great Divide: Retro vs. Metro America," which suggests that the 2004 election is a contest between "'God, Family, and Flag' folks"—who live in the South, the Great Plains, the Rockies, and Appalachia—and forward-thinking metropolitans who support "economic modernity," "religious moderation," and "excellence in education and science."

Herb and Marion Sandler, a California couple in their seventies, came to Aspen looking for ways to give back to a country that had allowed them to prosper. The founders of Golden West Financial Corporation, a savings-and-loan company worth seventeen billion dollars, the Sandlers are devoted to the idea of preserving progressive income taxes and inheritance taxes.

The wealthiest participant at this meeting of hard-core partisans—and the one whose presence was the most surprising—was George Soros, the seventy-four-year-old Wall Street speculator turned philanthropist. Soros, who was born in Budapest in 1930, is short, with a crest of gray hair, owlish glasses surrounding blue eyes, and a hearing aid in one ear. At Aspen, his deep Hungarian accent, and his taste for abstract ideas, made him seem like a European professor who had walked into the wrong seminar. "The participants kind of talked past each other," a person who attended the meeting told me.

To the distress of some of the strategists present, the billionaires spent much of the time bemoaning the superior powers of the G.O.P. In exasperation, one participant, Harold Ickes, Bill Clinton's former deputy chief of staff, attempted to rally the group with a look back at liberalism's legacy of achievement, from the civil-rights era to the feminist movement. Much remained to be accomplished, he suggested.

Sperling proposed a potential new project for the group: unionizing Wal-Mart workers. Soros, however, had no interest in union drives. He wanted to stay focussed on the main objective—ousting Bush. Yet he also warned the group against the idea of combatting right-wing propaganda with leftist demagoguery. "I do not have an interest in replacing one extremist movement with another," he said.

Andrew Stern, the president of the Service Employees International Union, a

holdover from the traditional working-class base of the Democratic Party, was also at the summit. In an interview not long ago, he conceded that consorting with billionaires had become a strange but increasingly common part of his job. “I have to admit, I used to think I was doing well when I met millionaires,” he said. “I’m glad we’ve got the billionaires with us. But it did feel a bit odd.”

George Soros immigrated to America from London in 1956, then went on to launch the Quantum Fund, one of the world’s first private hedge funds. For the past two decades, he has been among the wealthiest men in the world. *Forbes* currently ranks him as America’s twenty-fourth-richest person, and estimates his fortune to be \$7.2 billion. Soros’s Wall Street background makes him a relatively rare figure in the world of Democratic donors. Hollywood liberals and trial lawyers have long made large contributions to liberal causes, but financiers are less often associated with a desire to upend the status quo. Soros himself is new to campaign politics: this is his first large-scale involvement in an American Presidential election.

Equally surprising is Soros’s willingness to join forces with other liberals—he has always been a loner, an independent, restless, and eccentric thinker who is determined not to be stuck in a fixed position for long. The Quantum fund, a pool for hugely wealthy investors that profited by anticipating and exploiting price swings in foreign currencies, is famously iconoclastic. Soros recently passed much of the fund’s management to his two grown sons, Robert and Jonathan, but under his direction it rejected the prevailing orthodoxy about the rationality of the market in favor of the notion that markets were prone to chaos and distortions stemming from human error. The fund, which is registered in the Netherlands Antilles, turned an original investment of six million dollars, in 1969, into five and a half billion dollars by 1999.

Soros’s political history is unorthodox as well. When he first arrived in America, a friend of his told me, Soros was hardly an enemy of conservative politicians. He had seen Hungary crushed by the Soviet bloc, and his political thinking was shaped primarily by his bitterness toward Communism. He held Ronald Reagan in high regard for his contributions toward breaking up the Soviet empire.

In the nineteen-eighties, Soros became a major philanthropist. In 1993, he created the Open Society Institute, a New York-based foundation that has supported intellectual freedom, human rights, and civil liberties in oppressive regimes around the world. Soros’s philanthropy is animated by a central idea: that the free expression of critical thought, such as he has practiced in his financial career, is the wellspring of democracy, or an “open society.” Soros has financed every kind of

project imaginable in promoting this goal, from supporting dissidents such as Václav Havel, of the Czech Republic, to providing water-filtration systems for city residents during the siege of Sarajevo. Since he began his philanthropic efforts, Soros has given away more than four billion dollars—an amount that places him in the ranks of Andrew Carnegie and John D. Rockefeller. He has been nominated for the Nobel Peace Prize.

On September 11, 2001, Soros was in Beijing; he watched the Twin Towers fall on television. “It touched me,” he said in one of several recent interviews. But he soon began to feel that the country was “heading way off the rails.” The statements of Attorney General John Ashcroft, he said, “reminded me of Germany, under the Nazis. It was the kind of talk that Goebbels used to use to line the Germans up. I remember, I was thirteen or fourteen. It was the same kind of propaganda about how ‘We are endangered’ and ‘We have to be united.’”

Soros supported the military strikes against the Taliban in Afghanistan, but, after the passage of the U.S.A. Patriot Act and the Bush Administration’s decision to invade Iraq in a preëemptive strike, he came to believe that the American government was itself becoming an oppressive regime. “I decided the most important thing I could do to foster global open societies was to get Bush out of the White House,” he told me.

America, as Soros sees it, is poised at a dangerous intersection. The Bush Administration, he said, has exploited the terrorist threat to consolidate its own power, in ways that threaten the country’s core democratic values. “Ancient Rome was a great democracy, too, but it turned into an empire,” he said. “Caesar crossed the Rubicon. We may be at the Rubicon. Terrorism, like the barbarians at the gate, may become a permanent threat that never disappears. If we always have to rely on troops to protect us from the terrorists, and we can never criticize the Commander-in-Chief without undercutting the troops, then that’s the end of our open society.”

According to Soros, the war in Iraq attempted to spread democracy in precisely the wrong way—at gunpoint. “Democracy can only be built if local forces are eager to see it established,” he said. More broadly, he feared that the detention of terrorist suspects in Guantánamo Bay, and the mistreatment of Iraqi prisoners at Abu Ghraib prison, would undermine America’s ability to champion human rights. (Soros suggested that the Bush Administration’s meek reaction to Vladimir Putin’s recent retreat from democracy in Russia was a consequence of our compromised credibility.) Soros’s increasingly strident opinions, he admitted, “put me at odds, somewhat, with the general public. But I didn’t worry. I am old! I don’t have much to lose. It’s a luxury, a reward for having been successful, that I can now risk that

success.”

In May, 2003, Bush had what seemed like intimidatingly high popularity ratings, and there was overwhelming public support for the war. But Soros had one of his anticipatory hunches that the President’s support was a bubble that could burst. Moreover, he had the ego and the audacity to think that he could pop it. He commissioned two political researchers, Mark Steitz and Tom Novick, to determine whether it would be possible for Soros himself to exert political impact.

The following July, Soros invited a group of top Democratic activists to join him in the salmon-colored drawing room at El Mirador, his weekend estate in Southampton, Long Island, for the presentation of the consultants’ report. Steitz and Novick indicated that the 2004 election would probably be very close. The electorate was polarized, with only ten per cent of likely voters undecided. The best strategy, they said, would be to mobilize the Democratic base and persuade undecided voters with a state-of-the-art field operation. The plan was projected to cost at least seventy-five million dollars. As the researchers gave their presentation, Steitz recalled, “Soros was very engrossed. He leaned forward when we were talking about getting out the vote, and asked, ‘You mean you actually go door to door?’ All the practical aspects caught his imagination.”

Under the new campaign-finance law, supporters could no longer give unlimited funds directly to the Democratic Party—but according to the consultants’ interpretation of the law they could funnel private contributions into allied “independent” groups. As the discussion proceeded, it was proposed that Soros provide enough funds to these groups to pay for field operations in six or seven of the seventeen states that were expected to be the most contested. Soros, Steitz recalled, insisted that funds be offered for all seventeen. “He said, ‘I don’t want to build half a bridge! I want to do what’s necessary to effect the outcome!’”

When I asked Soros why he hadn’t just written a check for the whole seventy-five million, he said, “I thought ten would do.” Peter Lewis had agreed to match each donation—and, Soros hoped, their example would get others to join in. “They were doing what rich old guys should do when they think things have gone awry,” Peter Lewis’s son, Jonathan, told me. “They’re like a married couple,” he said of the two men. “If they have differences of opinion, they work it out.”

David Magleby, a dean at Brigham Young University, who studies politics and money, said that Soros’s decision had a catalytic effect. “He made himself highly visible in a way that was surprising,” Magleby said. “He became a lightning rod. It was a conscious decision to energize the Democrats. And Soros was right. Soros launched a counterattack that surprised the Republicans, and probably even the Democrats. The money was particularly important because it was so early. It’s

investment banking applied to politics.”

In concert with Peter Lewis, Soros made large donations to ostensibly independent groups such as America Coming Together and the Young Voter Alliance. By this October, Soros had become one of the largest political-campaign contributors in American history, having spent an estimated eighteen and a half million dollars to defeat Bush.

Critics of Soros see his donations as brazenly hypocritical, considering that, until recently, he was a leading crusader for campaign-finance reform in America. Starting in the late nineteen-nineties, he donated eighteen million dollars to groups that supported the cause, and he is credited with having contributed significantly to the passage of the McCain-Feingold law. When Soros was asked about this reversal, he said, “This is the most important election of my lifetime. These aren’t normal times. The ends justify every legal means possible.”

For someone as rich as Soros, eighteen and half a million dollars is almost a negligible amount of money. I recently asked him if he even felt it when he gave away nearly twenty million dollars to the Democrats. He shook his head and shrugged no. He noted that he typically gives away more than four hundred million dollars a year.

Considering that over-all spending in the 2004 campaign may well surpass a billion dollars, Soros’s contribution is clearly too small to be determinative. Nonetheless, it is large enough to have made him a favorite target of conservative critics. Earlier this year, the Bush campaign, eager to deflect charges that the G.O.P. is the party of the rich, made a lengthy anti-Soros dossier available to any reporter willing not to disclose the sourcing. The *Wall Street Journal* ran a mocking editorial describing Soros as “the new Daddy Warbucks of the Democratic Party.” Bill O’Reilly, the Fox News talk-show host, has devoted several shows to Soros, characterizing him as a “sleazoid” and a “far-left radical bomb-thrower.” In an interview on Fox, Newt Gingrich, the former Republican Speaker of the House of Representatives, falsely accused Soros of wanting “to spend seventy-five million dollars” in the current campaign—almost quadrupling the true sum. Soros, who had long been considered emotionally aloof, was only spurred on by such attacks. “I’ve never seen him so partisan,” Robert Boorstin, an executive at the Center for American Progress, a progressive think tank, said.

Originally, Soros had planned to keep quiet about his personal political agenda until after the election. Late this summer, he jettisoned this strategy in favor of waging his own media-grabbing political campaign. He hired a publicist for a twelve-city,

three-million-dollar speaking tour. He sponsored a two-page ad containing a lengthy summary of his views in the *Wall Street Journal*, and set up a blog on which he promised to answer strangers' e-mails.

Soros also asked his publisher, Public Affairs, to print an additional fifty thousand paperback copies of his recent book, "The Bubble of American Supremacy," a polemic against what Soros saw as the Bush Administration's doomed efforts to force other nations into military and economic submission. Though the book attacked the President's actions, Soros's decision to go on tour was also a slap at Bush's opponent, John Kerry. In early October, Soros told me, "I feel that Kerry hasn't gone far enough about Iraq." What had the candidate failed to say? "We need to convince the people of Iraq that we're going to leave," Soros said. Hadn't Kerry said precisely that, during his first debate with Bush? "Yes, well, he did, but we have to make clear under what conditions we'll leave, and what we'll leave behind. We have to put in place systems for allocating the oil revenues."

As Soros has toured the country, he has transformed himself from a lordly patron of powerless political dissidents into a dissident himself. He has not heard a word from the Kerry campaign about his efforts. "The professionals have told me not to get mad but to get even," he said. Some fellow-activists on the Democratic side, such as Wes Boyd, the founder of MoveOn.org, had cautioned him about becoming a distraction in the campaign. Privately, some Democratic officials were more scathing. One worried that the Party's top funder was getting "kooky," and said, "He should shut up!" Another suggested acidly, "Why doesn't he just run for President himself?" Soros, his critics said, seemed about to become the Democratic Party's answer to the conservative movement's largest bankroller—the reclusive Richard Mellon Scaife.

"I hope I am more open, and more public-spirited," Soros said of the Scaife comparison. "But I recognize that what I've done has raised eyebrows, not just among the right wing but with ordinary people, too." Soros's fervor has sparked some ridicule even within his own family. According to a family friend, George's brother, Paul, a global investor who lives in Connecticut, once joked of his sibling, "He was perfectly normal until he made his first hundred million."

Richard Medley, a former partner at Soros's hedge fund, was more sympathetic. "It's much deeper for him, in terms of his personal life, than most people realize," he said, adding that Bush "poses a massive threat" to everything that Soros values. The President's resistance to contemplating his own errors, for instance, was anathema to Soros, who regards self-criticism as the beginning of wisdom. "George is a creature of the Enlightenment," Medley said. "He believes in rationality, science, the discoverable truth, and in relentless honesty. He's not a fundamentalist

about markets or anything else. The problem for him is that Bush is kind of the first anti-Enlightenment President we've had."

In our conversations, Soros argued that for eighteen months after September 11, 2001, the Bush Administration had managed to "suspend the critical process" and "suppress all dissent" by labelling any criticism unpatriotic. It's an argument that not every Bush critic accepts. "I disagree with him," Michael Kazin, a progressive American historian at Georgetown University, said. "In the days after 9/11, the overwhelming majority of Americans obviously backed Bush's tough stand against terrorism and the invasion of Afghanistan. He didn't need to 'silence' them. And a small but vocal minority—Noam Chomsky, Katha Pollitt, Tariq Ali—were quite capable of making their views known." Since 2003, Soros acknowledges, dissent has become more widespread, and the best-seller lists are filled with anti-Bush books. Still, he pointed out, Bush recently tried to stigmatize dissent by claiming that Kerry's critique of the war in Iraq could "embolden an enemy"; Vice-President Dick Cheney, he noted, went even further, by proclaiming that a vote for Kerry could invite another attack.

One of Soros's former associates, whose political views are more conservative, and who asked not to be identified, suggested that the financier, encouraged by like-minded liberals in New York, was mired in the same kind of fallacious group thinking that he had seized upon during his hedge-fund days. "He's lost his bearings," she argued. "How can he credibly compare America to a police state?"

At El Mirador on a sparkling day in late summer, Soros spoke darkly about the future. "I find it really difficult to conceive of a Bush victory," he said. "It would be so detrimental to the world, to the U.S., and to me personally."

It was hard to feel too worried in those surroundings. We sat on the brick patio of a Mediterranean-style pavilion; the velvety green lawns were dotted with magnificent specimen trees, meticulously tended flower beds, and lily ponds. El Mirador is known for being occupied by mismatched house guests, who spend summer weekends dipping into the pool and playing chess in the drawing room, amid upholstered wicker chaises and Cubist paintings. The poet Allen Ginsberg used to visit El Mirador; on the day I visited, Joseph Stiglitz, the Nobel Prize-winning economist, was due to arrive soon. Soros's social set also includes the rock star Bono and the United Nations Secretary-General, Kofi Annan.

For now, however, El Mirador felt empty. The compound was surrounded by tall white plastered walls, and monitored by a security system. The only immediately visible threat was the presence of a man swinging lethargically in a distant

hammock. “Is he with you?” Soros asked, a little nervously, as the man got up and began to approach, apparently intent on joining our alfresco meal. Only when the man came within ten feet or so did Soros recognize him—he was the local tennis pro, and he had come to play a game with Soros, who is a fiercely competitive player, on the wrong day.

Considering the hatred that Soros’s activism has aroused, worries about security were no joke. He has received physical threats, prompting Soros’s firm to hire an armed security guard. “They’ve turned me into some kind of a devil, a golem!” he said. Vicious and sometimes anti-Semitic smears—Soros was born into a Jewish family—have appeared on the Internet. One screed, entitled “Satan Lives in George Soros,” compared him to Shylock and said that “Jews rule the world by proxy.”

Some of these wild attacks came from people not associated with the lunatic fringe. In August, Dennis Hastert, the Republican Speaker of the House, gave an interview on Fox News in which he insinuated that Soros, who, like Lewis, favors the decriminalization of marijuana, was funded by “drug groups”—a falsehood that the Speaker could not substantiate. When he was challenged by the show’s startled host to explain his charge, Hastert compounded the smear by saying, “The fact is, we don’t know where this money comes from.” (Hastert’s press secretary, John Feehery, declined to set up an interview for Hastert to comment.) The Speaker’s insinuation that Soros was tied to the illegal-narcotics trade was soon echoed on the state-run television news in Kazakhstan, where the Open Society Institute has been working to fight corruption.

“I asked for it,” Soros said, with a wry smile. The Hastert attack reminded him of politically orchestrated smears that had been made against him in the countries of the former Soviet bloc. During the nineteen-nineties, Soros spent an estimated billion dollars in Russia; he became a hero and benefactor to countless civic and cultural institutions, funding everything from literary journals to democracy-building groups. Masha Lipman, an analyst with the Carnegie Moscow Center, said that members of the Russian media had accused Soros of “basically being a spy.” The nationalist newspaper *Zavtra* called him “an enemy of humanity” whose “checks are infected,” and whose “gendarmes are local Jews.” Lipman added, “The allegation was that he couldn’t possibly be doing this out of philanthropy—he must have had an evil design.” Hard-line Communists and nationalists accused Soros of trying to influence the course of Russian history in order to benefit himself financially. And when the ruble collapsed, in the summer of 1998--a catastrophic moment in the attempt to rebuild the economy--Soros was blamed as a main source of Russia’s problems. Lipman said, “It’s not that Soros didn’t do the right thing. Russia’s legacy simply proved too strong for anyone to push it on a sustainable democratic path.”

More recently, Soros endured similar attacks in Ukraine. He recalled, “The government sent out messages about me, telling the media what to say. It’s the same with the Republican National Committee and Fox. They denigrate me personally in order to avoid the substance of my ideas.”

Yet Soros’s analysis of the Bush White House did not always rise above the personal. He dismissed the President as an ignorant fool. “Bush was just chosen as a figurehead, an acceptable face for a sinister group,” he said, adding, “Cheney is the Capo.” Pressed on how so much of the country could support Bush and Cheney, given his dismissive assessment, Soros cited the German scholar Erich Fromm’s landmark study of totalitarianism, “Escape from Freedom,” suggesting, “In uncertain times, people want to escape to safety. They seek a father figure, who acts with conviction.” He added, “Bush does have conviction. He practically claims a link to God.”

Soros, who describes himself as an agnostic, contended that Bush’s religious beliefs are in conflict with America’s democratic traditions. “The separation of church and state, the bedrock of our democracy, is clearly undermined by having a born-again President,” he said. “Our concern about Islamic fundamentalism is that there’s no separation between church and state, yet we are about to erode that here.” He lamented that, in the current climate, most American politicians could not risk making such politically incorrect statements. “You can see it, but you can’t say it,” he said.

During our lunch, a spare, low-carb entrée of grilled swordfish on sautéed greens served by a young man in a white polo shirt with the name of the estate emblazoned on the pocket, Soros was so engrossed in his thoughts that he ate absent-mindedly. A crew of gardeners mowed the large, empty lawn.

In our conversation, Soros tiptoed around his personal feelings for John Kerry, although he has known him socially for a number of years. Throughout the campaign, Soros has maintained a careful distance from Kerry, since the independent political groups he had funded are legally required not to coordinate their activities with the candidate. But both Soros and Kerry own houses in Sun Valley, Idaho, and they spent an afternoon in December, 2001, together, discussing Kerry’s ambition to run for President. At the time, Kerry was preparing a major foreignpolicy statement. “I helped him with it,” Soros told me. Yet Soros’s description of Kerry as “very acceptable”—the same ranking that he gave to Howard Dean and Wesley Clark—had all the warmth of a corporate personnel office. “I would have backed any of them over Bush,” he said.

Soros seemed rather isolated in his political adventure. Although he often chatted with Peter Lewis, Soros said that there was no Brain Trust advising him of political developments. He talked from time to time with Bill Moyers and with Harold Ickes, whom he described as “a real pro.” But, he said, “I am a political neophyte. I get most of my information from the newspapers.” Democratic partisans, he said, “send me books of polls, but, frankly, they’re not of much interest. I don’t read them.” He hadn’t attended the Democratic Convention, and he had decided to stay away from a large fund-raising event held the night before at a nearby beach house, even though Kerry had attended. He made no pretense of being a Washington insider. During one conversation, he mistakenly assumed that the conservative columnist David Brooks, of the *Times*, and the anti-conservative activist David Brock were the same person.

“This is not my strength,” he confessed. “I’m eager to get out of this partisan position that I’m pigeonholed into. I heartily dislike it.” He added, “I’ve always been against dividing the world into ‘us’ versus ‘them.’ So this ‘us’-versus-‘them’ campaign is very uncomfortable for me.”

Soros expressed so many reservations about partisan politics that it was almost difficult to understand why he had got so enmeshed. The Republicans had explained Soros’s involvement with simpleminded shorthand, suggesting that he wanted to own the White House. But Soros’s buying habits, like nearly everything else about him, were complicated. El Mirador, for instance, was large and elegant, but it wasn’t perched on the beach, and it barely had a view of the Atlantic Ocean. Soros was said to be a man of relatively modest tastes, given the possibilities. “I’m not very materialistic,” he said. “I don’t really have a talent for shopping.” He has tried. An admirer of modern art and, in particular, of the delicate abstractions of Paul Klee, Soros once found a dealer who sold him a miniature Klee canvas, on approval. But, as it hung on his wall, Soros told me, “I couldn’t really see it anymore. All I saw was the forty-thousand-dollar check I had written. I couldn’t enjoy it. So I returned it.”

Soros spent years in therapy, and was undoubtedly familiar with psychoanalytic theories that the wealthy bought art as a means of assuaging their guilt, by transforming filthy lucre into objects of beauty. But he didn’t seem particularly afflicted with this neurosis. He said, “I’m not one of those rich people who pretend they’re not rich, or try to live that way. I just happen to have a more abstract bent.” A friend who asked not to be identified said that Soros was so uninterested in money that he often travelled with an empty wallet, forcing friends to loan him cash for cab fare, which he invariably forgot to pay back. Women, the friend said, flocked to him, “because they expect him to leave hundred-dollar bills in their

pocketbooks. But he never does.” Soros’s second wife, Susan, from whom he is separated, sumptuously decorated the couple’s Fifth Avenue apartment and an estate in Bedford, New York. But Soros spoke with indifference of the Sargent and Whistler paintings they owned.

“Money is just a tool for him,” the friend said. “It’s how he manipulates a lot of things in his life.” Indeed, when I asked Soros to name one thing in the world that he wished he could have, he replied with a laugh, “If I want it, I own it.” He paused. “But I do want something,” Soros finally said, his smile fading. “I want my ideas to be heard.”

Soros explained that he had been trying to influence American policy since 1989. “On my own, I was trying to do things, but if I could influence American policy I could be much more effective,” he said. Soros said that he tries to maintain a strict separation between his financial and his philanthropic work. Yet he acknowledged, “There are occasionally symbiotic moments between political and business interests.” He cited one example: an attempt to set up a public-policy think tank in England which had at first looked like a fruitless venture; it had landed him in what promised to be one of the most boring conferences of his life. But, chatting with British notables, he caught a serendipitous glimpse of a way to break into the closed world of the British bond market, which he soon did. It became “one of the most rewarding weekends of my life,” he said. “I made many millions.”

A number of Soros’s previous efforts to influence American policy had been frustrated. After the Berlin Wall fell, he met with the Secretary of State, Lawrence Eagleburger, in an attempt to get the first Bush Administration to provide more support for Mikhail Gorbachev, whose reform instincts Soros took more seriously than the Administration did. “They told me that we can never help Russia so long as it is allied with Cuba,” he recalled. In the mid-nineties, Soros had also tried, with mixed success, to influence the foreign policy of the Clinton Administration, in favor of intervening against Slobodan Milosevic in Yugoslavia. After donating fifty million dollars to the relief effort in Bosnia, and a hundred thousand dollars to Clinton’s reelection effort, Soros expected a warm welcome. But Clinton’s chief of staff, Thomas (Mack) McLarty, kept him waiting for so long in his empty office, Soros said, that he walked out. Aides ran after him, telling him that the President wanted to see him. But, Soros said, Clinton seemed less interested in Soros’s thoughts on Yugoslavia than in the stock market. “He just wanted to please me as a donor,” Soros said, sighing. “It happens a lot.”

During the fight over Yugoslavia, Soros developed an amiable rapport with Paul Wolfowitz, who shared his view on the necessity of intervening. Wolfowitz, who was then the dean of Johns Hopkins University’s Paul H. Nitze School of Advanced

International Studies, invited Soros to deliver an address on his theories of open societies. When Wolfowitz later became the Deputy Secretary of Defense in the Bush Administration, and emerged as a key figure arguing for the invasion of Iraq, Soros told me that he had proposed to debate Wolfowitz publicly. “I got no reply,” he said. Soros clearly hopes that a Kerry White House would be more receptive to his views. “I put my money where my mouth is,” he said.

To his disappointment, however, his money often seemed to attract more admiration than his ideas did. He was humiliated in 1988 when foreign-policy dignitaries in Germany openly laughed at a speech he made advocating extensive aid for Eastern European countries. Although his most recent book received respectful reviews, a polemic that he wrote in 1998, “The Crisis of Global Capitalism,” which predicted imminent global economic collapse, was not only wrong—it was ridiculed as the work of a dilettante. In *The New Republic*, Robert Solow, the Nobel Prize-winning economist, dismissed Soros’s book as “embarrassingly banal”; the review was titled “The Amateur.”

George Soros was born George Schwartz, the second son of a well-to-do, nonobservant Jewish family. His bourgeois father, Tivadar, who loomed large in Soros’s young life, was a lawyer and a charmer in Budapest. Tivadar, an urbane freethinker, was philosophically opposed to the idea of working too hard; raising his two sons became his main project. Soros’s mother, Erzebet, whom Tivadar married in 1924, came from a family that owned a thriving silk shop, where the fashionable ordered their clothes. According to an authoritative 2002 biography by Michael T. Kaufman, “Soros: The Life and Times of a Messianic Billionaire,” Soros’s father had survived Siberian imprisonment during the First World War and emerged with a keen eye for human folly, a sensibility that he passed on to his sons.

The war had left the elder Soros skeptical about nationalism and all forms of sectarianism. He became an ardent internationalist, learning Esperanto and changing the family’s surname to the Esperanto-inspired palindrome “Soros.” He told his sons, “Money is a means to an end, but not to be taken that seriously.” More important, he taught them that while quaint ideals of heroism and the rule of law were admirable in normal times, there were moments, such as during war, when society was so traumatized—so “far from equilibrium,” as George Soros later put it—that survival required that ordinary conventions be suspended.

Soros did poorly in the strictly conformist schools he attended. Nonetheless, he confessed to his biographer that “I always considered myself exceptional.” He has even admitted that, at times, his self-regard bordered on “God-like.”

As an adolescent during the Second World War, Soros had a chance to test his father's precepts. Critics of Soros, who include a number of Jews angered by his religious indifference and by his aversion to donating money to Israel, note with distaste that he once described 1944—the year that Adolf Eichmann directed the Nazis to deport half a million Hungarian Jews to death camps—as “the happiest year of my life.” According to his biographer, Soros's comment referred to his excitement that his father had acted as a hero that year, saving the members of his immediate family by supplying them with false identity papers. Soros's father helped rescue many other Jews, too, but while he devised false documentation for his family and friends for free, he evidently profited from selling such papers to others.

I asked Soros about this in September, while travelling with him on a private Hawker-800 jet that he had chartered for a trip to deliver a speech in Chicago. Reclining in a beige leather club chair, Soros told me, “I was lucky to have a father who understood that this was not normalcy, and if you go by the normal rules you are going to die. Many Jews did not take evasive action. My family did. What I learned during the war is that sometimes you can lose everything, even your life, by not taking risks.”

Risk-taking, in the form of huge and often highly leveraged bets, had been a major factor in his financial success. (These gambles, he admitted, had at times made him so dizzy from the stress that he could barely walk.) Now, he said, he felt impelled to risk his reputation in the Presidential campaign, because he thought that inaction was more dangerous. “The people in the Weimar Republic also thought everything would stay the same,” he said, gazing out the plane's windows. “They didn't think those things could happen. But I have a particular sensitivity to these matters, because I lived under both Nazi and Communist occupation.”

In truth, Soros did not live long under Communism. In 1947, when he was seventeen, his father arranged false identity papers for him, so that he could emigrate to London. His family, by then, had lost most of its fortune, and Soros was relegated to living in rooming houses, scrounging together money for his education by working as a busboy and a railroad porter. As a friendless foreigner in a clubby society, he resorted to standing at Speakers' Corner, in Hyde Park, and holding forth about the importance of internationalism—in Esperanto, no less.

After several attempts, Soros was accepted to the London School of Economics, where he studied under the eminent political philosopher Sir Karl Popper, the author of “The Open Society and Its Enemies” (1945). Popper's theories have taken on an iconic meaning for Soros, despite his dogma against dogma. Popper's ideas helped Soros make sense of Fascism and Communism. These two seemingly opposed

ideologies, Popper argued, were actually quite alike, for they both falsely claimed absolute truth—which, he held, was unattainable. Popper championed the idea of a society defined by rational debate, where false ideas would lose out to stronger ones.

Soros dreamed of becoming a philosopher, but he got scant encouragement. Frustrated by an unsuccessful effort to write a philosophical treatise in his spare time—he abandoned it one morning after being unable to comprehend what he had written the night before—Soros instead applied his own abstruse interpretation of Popper’s thinking to the world of finance, emphasizing what he called “reflexivity,” or the interplay of investors’ assumptions in the markets. Others who have analyzed Soros’s success have pointed to less rational explanations for it. Soros’s son Robert has joked that his father simply buys when he’s feeling good, and sells when his back hurts. Stanley Druckenmiller, his former partner at Quantum, was even more blunt. “The ugly way to describe it would be ‘balls,’” he told Soros’s biographer.

By the time Soros was fifty, he had exceeded his most extravagant financial goals, but he was miserable, for he felt his life lacked a greater “meaning.” He decided to set up a foundation devoted to promoting Popper’s ideal of open societies. It didn’t hurt that a provision in the American tax code offered a significant tax incentive to individuals who formed “charitable lead trusts.” During our lunch, Soros beamed when he told me that, upon launching his foundation, he had exploited this provision to pass on to his heirs hundreds of millions of dollars—and, in the process, saved untold millions in taxes.

The astonishing amount of cash that Soros has poured into the Presidential race is nonetheless dwarfed by Republican efforts to influence public policy through private donations. Perhaps the best perspective has been provided by Rob Stein, a Democratic strategist based in Washington. After the 2002 election, the G.O.P. controlled the Presidency, both houses of Congress, and most state legislatures; Stein worried that the country was in danger of succumbing to one-party rule. In an effort to figure out how the Republicans had emerged so victorious, he spent months studying the public tax records of right-wing nonprofit groups. He then put together a PowerPoint presentation that, in certain Democratic circles, has taken on the aura of the Rosetta stone. It showed that, since the nineteen-seventies, wealthy conservative backers had poured between two and a half billion to three billion dollars into financing a war of ideas to tilt mainstream thinking in America rightward.

Stein identified nine hugely wealthy families who had anchored the effort, all of

whom were sustained by corporate fortunes; the list included the Olins, the Bradleys, the Coorses, the Kochs, the Smith-Richardsons, and the Mellon Scaifes. Between 1985 and 2001, the nine families had collectively given half a billion dollars to charitable foundations promoting policies that were in their immediate self-interest, such as lowering income taxes and deregulating industry. Scaife's foundations have reportedly spent at least three hundred and forty million dollars supporting the conservative cause. Money from conservative donors hasn't simply gone to Republican campaigns; it has been dispersed more broadly, to a startlingly effective array of institutions that market the conservative message to the average American. Stein told me that such groups, which he called a "conservative message machine," had a budget of four hundred million dollars in 2002 alone. "There is not an analogous capacity on the Democratic side," Stein said. In fact, he said, the right wing had turned this machinery against Soros himself—even though Soros's campaign expenditures were a pittance by comparison. "What they're doing to him is an example of the dark side of the message machine. They will use the machinery to denigrate anyone who is competitive with them."

Unlike Soros, Scaife prefers to operate behind the scenes; he has never written an article under his own name or given a public speech. Based in Pittsburgh, where his Mellon forebears made the steel fortune that he inherited, he has been fighting liberalism much longer than Soros has been defending it. Notorious for funding the "Arkansas Project" during the Clinton years, which paid investigators to dig up dirt on the Clintons and their associates, Scaife recently invested in *NewsMax*, a magazine that features rambling, pointed investigations of Soros. One *NewsMax* cover story, "George Soros's Coup," was written by Richard Poe, a forty-five-year-old author of motivational books. In October, Poe co-wrote "The Shadow Party," another critique of Soros, for an online magazine run by the Center for the Study of Popular Culture, which receives funding from Scaife. This summer, Poe appeared on "The O'Reilly Factor" to lambaste Soros. The gist of his argument, Poe recently told me, was that Soros was "using his philanthropy to gain influence globally." What Soros wanted, Poe said, was "to get control of the Democratic Party for a relatively cheap price . . . put his own President in, and, behind the scenes, tell him what to do." He concluded that Soros was "a definite type . . . the self-hating Jew." Another investigator into Soros's activities who indirectly receives money from Scaife—and who also appeared on O'Reilly's program this summer—is John Carlisle. He recently wrote a report for the Scaife-funded Capital Research Center, in which he claimed that Soros considered President Bush to be a greater menace than Osama bin Laden.

"I don't oppose other views, even right-wing ones," Soros told me, "because I think in an open society a variety of points of view should be heard. But, by giving this money, I was trying to level the playing field. The Republicans have so much more

money, the debate had become lopsided.”

Soros’s outsized financial role in the election has also stirred alarm in some traditionally liberal circles. Even people who share his views on Bush worry about what sort of influence so much money might buy. Frank Mankiewicz, a former aide to George McGovern and Robert Kennedy, told me, “It’s tough when you realize guys like Soros have so much money. Billions! I can’t believe there’s an election that can’t be won for that kind of money.”

Fred Wertheimer, the president of Democracy 21, an advocacy group whose stated mission is to help “eliminate the undue influence of big money in American politics,” told me, “I understand how important this election is, but when George Soros puts eighteen million dollars in it’s creating the image that there’s a special right that the very rich have to determine the outcome of elections. Most wealthy people have interests pending in front of the government—regulatory or tax issues, or something. Even if George Soros is only looking for influence to get out of Iraq, that’s not appropriate. These laws were designed to insure that influence over government decisions is not bought and sold, and that applies to areas that are economic and ideological.” Wertheimer then alluded to Soros’s past support for campaign-finance reform. “Soros is in an odd position,” he said. (Soros donated money to Democracy 21 during his days as a campaign-finance-reform advocate.)

When Soros was asked about Wertheimer’s comments, he said, “I am *not* a turncoat. I play by the prevailing rules, and our lawyers said that what we did this year was legally permissible.” Soros acknowledged that, “after this election, there will be a need for further reform.” He suggested that it was unrealistic to expect that money wouldn’t find some other way into future campaigns, but he added that with more public financing there might be ways to dilute its influence. As the situation stood this year, though, Soros conceded, “I think it’s unhealthy.”

It won’t be known until Election Day if Soros’s extreme measures will pay off. Conceivably, if the election is very close, the get-out-the-vote operation he paid for could make a decisive difference. (According to a recent analysis by the *Times*, in the battleground state of Ohio voter registration in Democratic precincts is up by two hundred and fifty per cent from 2000.) But even the best delivery system in the world needs a product to sell, and in this case the product—John Kerry—is beyond Soros’s control.

If Kerry wins, Soros will be in a unique position. He told me that he would not accept any offers of a government appointment. “I’m not looking for a job,” he said, then joked, “I don’t believe in working.” But, he added, “I would be very happy to advise Kerry, if he’s willing to listen to me, and to criticize him, if he isn’t. I’ve been trying to exert some influence over our policies, and I hope I’ll get a better

hearing under Kerry.”

Soros had already compiled a list of specific notions about how to solve the crisis in Iraq which he'd like the next President to consider. He and Leslie H. Gelb, the president emeritus of the Council on Foreign Relations, had worked out a plan calling for summit talks on Iraq, under U.N. auspices, which would include neighboring countries. The two men envisioned that Iraq could be divided along ethnic lines into largely autonomous regions, united by a federal government that would distribute oil revenues. “It’s purely an idea, but one I’d support, and advocate,” Soros said. He also told me that he would push for eliminating Bush’s tax cuts.

Such an outcome is a pleasing scenario for Soros to contemplate—but if the President is reëlected, he acknowledged, he may well find himself in an “uncomfortable” situation. As he put it, “After all, I regard Bush as danger. And I am sure he holds the same opinion of me.”✦

