

XI Conferencia Anual Francisco Fernández Ordóñez

“Impulsar sociedades abiertas: Un enfoque distinto al del Presidente Bush”

George Soros

Fundador y Presidente de *Open Society Institute*

Diego Hidalgo

Buenas tardes a todos. En primer lugar me gustaría agradecer a Ana Atienza, sobrina de María Paz García Mayo y Paco Fernández Ordóñez y a Óscar Fanjul por sus generosas aportaciones a la Fundación. Y quisiera decir que la conferencia de este año ha sido posible gracias a Pilar Sánchez Millas y Sergio Vicente del Pino de la Conferencia Anual Francisco Fernández Ordóñez y en FRIDE quisiera dar el agradecimiento a Fernando Espada, Belén Galindo, Olga Hornero y Ana Martiningui, y de DARA a Marta Fernández Santo. Estas notas me las ha preparado nuestro querido Pablo de la Cueva, el Secretario General, y él no se ha puesto, pero yo lo recuerdo también muy cariñosamente.

Muy rápidamente, la actualidad de la Fundación Francisco Fernández Ordóñez, que va progresando cada año. El archivo tiene por fin una sede física y continúan los trabajos de catalogación en una sala cedida por FRIDE. Segundo, se va a constituir la Asociación de Amigos de la Conferencia Anual Francisco Fernández Ordóñez y distribuiremos una carta pidiendo que ustedes se hagan socios de la Fundación. Tercero, la figura de nuestro añoradísimo y querido Paco sigue teniendo una presencia en los medios de comunicación. Este año, con la reforma del divorcio, se recordaron los esfuerzos que tuvo que hacer para conseguir la aprobación de esta ley que entonces resultó tan polémica y que ahora la encontramos tan normal. Y resulta curioso leer los periódicos de entonces y comprobar las cosas que se decían desde la derecha y desde el centro. Y por otra parte, no debimos ir desencaminados cuando hace más de diez años, hace once años casi, deseamos constituir esta Fundación con el nombre de Francisco Fernández Ordóñez. El año pasado, la revista Magazine hizo una consulta experimental curiosa donde a un nutrido grupo de historiadores se les propuso formar el mejor gobierno de España, eligiendo a personajes históricos españoles, una especie de Dream Team de la política española de todos los tiempos. Este gobierno, que a lo mejor lo presidiría Canalejas o Cánovas, o tal vez Felipe, contaría con Fernando de los Ríos en Educación, Largo Caballero en Trabajo, Alejandro Mon en Hacienda y a nuestro Paco como ministro de Asuntos Exteriores. Me acuerdo una vez en que por casualidad tuve la fortuna de viajar al lado de la señora Thatcher, en un avión, y me dijo que bajo la presidencia de Felipe González, a quien ella por cierto adoraba personalmente a pesar de tener una ideología distinta, y bajo el ministerio de Francisco Fernández Ordóñez, España había sido durante muchos años el tercer país más influyente en la Unión Europea, después de Alemania, y Francia y por delante del Reino Unido y de Italia.

En el formato de la conferencia, como ven, hay una innovación. Van a estar Guillermo de la Dehesa, que va presentar a George Soros y después de la intervención del señor Soros se abrirá un turno de preguntas, que ustedes pueden formular por escrito y que se trasladarán a Guillermo de la Dehesa. Espero que disfruten de la conferencia. Muchas gracias. Ahora va a hablarles Leire Pajín.

Leire Pajín

Buenas tardes, amigos y amigas. La verdad es que mi papel esta tarde aquí se reduce simplemente a anfitriona como presidenta de turno de la Casa de América y por tanto es para mí un placer recibirlos a todos y a todas esta tarde en una conferencia tan interesante como la que vamos a escuchar dentro de unos minutos. La verdad es que para alguien que tiene el honor de ocupar ahora la Secretaría de Estado de Cooperación Internacional en el Ministerio de Asuntos Exteriores y Cooperación es un placer estar hoy aquí en una conferencia que lleva el nombre de quien a todos y muchos de los que estamos aquí admiramos y a quienes todavía seguimos en su estela de un recuerdo que fue una brillante carrera en la política exterior y que a día de hoy todavía seguimos mirando con orgullo y que seguimos incluso muy de cerca a quienes nos toca ahora la responsabilidad de llevarla a cabo. Por tanto para mí, el tener hoy la oportunidad de presentar esta conferencia que lleva el nombre de Paco Fernández Ordóñez para mí es un honor que quería resaltar. Pero además es un placer poder abrir las puertas una vez más de la Casa de América a tantas fundaciones que están desde su pensamiento, su reflexión y su apuesta, creando un debate plural, de ideas y en definitiva creando un pensamiento que es sin lugar a dudas como se mejora la democracia y también como aprendemos los unos de los otros para poder seguir dando respuestas ante este mundo complejo en el que vivimos y donde tenemos la obligación moral de responder ante los retos que nos plantea el futuro. Antes se hablaba de un *Dream Team* que en algún momento se había pensado para gobernar este país. Quizá yo añadiría alguna mujer que la historia también se ha conocido como mujeres que podían estar en ese *Dream Team*, sobre todo a las vísperas del 8 de marzo, pero en definitiva lo que indica es que este país ha tenido una historia política gloriosa y espero que la siga teniendo en el presente y en el futuro. Así que no me cabe a mí nada más que agradecer a la Fundación FRIDE y a las fundaciones colaboradoras como La Carolina, de la que tengo el honor de ser la presidenta de la junta rectora, que hayan tenido la oportunidad y la visión de organizar este debate hoy aquí por que estoy segura que de las reflexiones de esta noche todos aprenderemos y contribuirán más a esa apuesta por el diálogo y la reflexión que es, en definitiva, la vocación de esta casa y la vocación también del gobierno. Muchas gracias.

Guillermo de la Dehesa

Muy buenas tardes. Es para mí un gran placer y también un privilegio poder estar hoy aquí en esta Conferencia Anual.

En primer lugar porque guardo una memoria imborrable de Paco Fernández Ordóñez al que conocí como ministro de Hacienda. Yo entonces estaba en el Banco de España e hicimos varios viajes juntos al extranjero. Después como presidente del Banco Exterior, que yo fui consejero durante varios años. Y posteriormente como ministro de Asuntos Exteriores. Y realmente, siempre pensé que era una persona extraordinaria. Recuerdo su rapidez mental, realmente increíble. Y también su capacidad para saber que era lo importante en cada momento y la velocidad también en la toma de decisiones.

Y también porque a George Soros lo conozco desde ya hace muchísimos años. Nos conocimos trabajando juntos en un plan económico que se llamaba *The Blue Ribbon Commission for Hungary* en 1989. La idea era hacer un plan económico para el gobierno que saliese elegido de las elecciones libres después de la caída del muro. Desde entonces trabajé con él luego en Polonia, cuando dirigía el equipo Jeffrey Sachs y también en la ex Unión Soviética, donde estuvimos en Moscú juntos valorando los dos tipos económicos, el de Yeltsin y el de Gorbachov. Y realmente es una persona a la que admiro y por lo tanto mis palabras pueden parecer muy favorables a todo lo que ha hecho.

Pero George es una persona que nace en el año 30 en Hungría y que de pequeño sufre el nazismo, de joven sufre el comunismo. Y ya a los 17 ó 18 años decide irse a Londres. Estudia en la *London School of Economics*, consigue graduarse en el año 52 y ahí es donde recibe su principal o una de sus principales influencias, ya que tuvo de profesor a Karl Popper. Y naturalmente la lectura de *Open Society and Its Enemies* y la lectura de *The Logic*

of Scientific Discovery, etc... le conformó su pensamiento que ha seguido, por supuesto, siendo muy importante para él a lo largo de su vida. Posteriormente ya, en el año 56, fue a vivir a Estados Unidos y poco a poco empezó a trabajar en gestión de fondos realmente con un éxito muy importante, que le ha llevado a ser uno de los financieros más importantes que ha tenido esta última parte del siglo XX. Ya desde muy pronto, en el año 74, estableció la *Open Society Fund*, y empezó a financiar una serie de centros en los países del este, para desarrollar la democracia y la apertura de estos países y la transición. Y como dije ya, trabajé con él en esto. Yo diría que en George hay cuatro aspectos que son muy importantes. Primero, que ha sido un financiero de éxito. Muy importante, con el *Quantum Fund*, con el *Soros Fund*. En segundo lugar, que es un intelectual, puesto que ha tenido un gran interés siempre en todos los temas importantes de cada momento del mundo, políticos, económicos. Ha publicado nueve libros, todos ellos de gran interés. Es al mismo tiempo, y esto es muy importante, un gran filántropo. Un gran filántropo. Estaba mirando en el *Business Week*, que una vez al año publica los filántropos más importantes del mundo, y George Soros figura en tercer lugar, detrás de Bill Gates y de la familia Moore, que fueron fundadores de Intel. Y a lo largo de su vida ha dado a la filantropía 4.700 millones de dólares. 4.700 millones de dólares de su bolsillo. Y claro, esto es muy importante y yo creo que esto le hace ser una persona a la cual hay que respetar enormemente ya que dedica la gran parte de toda su fortuna a la filantropía. Y por último se está convirtiendo, poco a poco, en un líder de la sociedad civil. Puesto que ha tomado posiciones, incluso políticas, tajantes en EEUU. Presionó mucho a la administración de Clinton para que interviniese en Bosnia y en Kosovo. Sin embargo, se ha opuesto apasionadamente a la guerra de Irak. Y se ha opuesto a la guerra de Irak porque ha considerado que era arbitraria, unilateral y que estaba basada en premisas falsas. Y él ha puesto todo su intelecto y también su dinero, o parte de su dinero, para apoyar las campañas de organizaciones que no querían que Bush saliese elegido. Esto ha sido una decisión muy valiente por su parte y respetable. Y por lo tanto yo creo que es una persona que concita una serie de atributos en su persona que le hacen ser, como decía, enormemente interesante y lo van a poder ustedes ahora escuchar de sus propias palabras. Muchas gracias.

George Soros

Well, I'm very honoured to be asked to give this lecture, and if I may confess, I'm slightly intimidated by the size of the audience. What has brought me primarily to Madrid is the conference organized by the Club of Madrid on Terrorism, Security and Democracy. And I think probably the most interesting thing would be for me to tell you what attracted me to that conference and what I expect from it. Because I think it is a very... or it could be a very important conference which is posing the right subject at the right time and in the right place. To juxtapose terrorism and security to democracy, it really takes us to the core of the problems that confront us today. And it's a very interesting relationship. Because there are two possibilities. On the one hand, terrorism and the concern with security can undermine democracy and civil rights and defeat discussion that is characteristic of an open society. On the other hand, democracy can be a powerful tool to deal with and defuse the threat of terrorism. So there are these two possibilities.

And actually, when we look at the History since September 11 2001, it is largely the first alternative that has dominated. But I see a real opportunity and the prospect of bringing about a reframing of the problem and using democracy as a way of dealing with the threat of terrorism. The debate was framed in terms of the war on terror. And the way it was... On September 11, President Bush said that September 11 changed everything. But It wasn't really the terrorist attack itself that changed everything, but the way that President Bush responded to it. And I have been a very outspoken critic of the President on that score because I strongly believe that the way he framed the issue, the way he waged war on terror, was counterproductive and contrary to the values that America stands for as an open society. It was a natural reaction to a terrible atrocity to say that we have to wage war on terrorism. But when you wage war, you inevitably have innocent victims. It is in the nature

of war that it creates innocent victims. And terrorists are, by definition, not visible. They don't have a fixed address. So you have to find some target that you can attack which is not necessarily where the terrorists are. As it happened, of course, Afghanistan was a very appropriate target, because that's where Bin Laden lived and that's where Al Qaeda had its training camps. And in fact the United States had the support of the world in its invasion of Afghanistan. But that of course was not the case in the case of Iraq. And the way the war against terror was waged was different from normal wars. The normal rules of war, laws of war, were disregarded. And that was another reason why this was so counterproductive. Because the methods that were used, alienated the people of Iraq. There's no question that Saddam was a tyrant and many people in Iraq were very happy to be rid of him. But even those people turned against the occupation forces because of the way the war was carried on. And this has also continuing consequences, because once you use extra-legal methods, it's very difficult to bring the people whom you have captured into the legal system. So actually we are facing a problem, what to do with the people in Guantanamo and other places. Because they cannot really be brought to justice.

But I don't want to delve too much on the errors of the past because I think that there is a new situation that is emerging. Because having had to abandon the various justifications for the invasion of Iraq, President Bush was left with one last justification, namely bringing democracy to Iraq. And he has built on that and in his inaugural address he made the spreading of democracy his high priority and the mission for his second term. And that I think is a very hopeful development. There are those who disregard it saying it is merely rhetoric. But rhetoric can be very, very important. And I have been engaged in fostering democracy and open society, in particular in the former Soviet empire, but throughout the world in a very active way and I very much welcome this new rhetoric. I would say that I have to qualify it a little bit, because I'm a little bit ambivalent about it because I'm afraid that President Bush doesn't have very good credentials for this agenda. Because it is partly an excuse for invading Iraq, because the methods used in spreading democracy and also because there is some... because of his opposition for instance to the International Criminal Court and his disregard for the Geneva Conventions. And also because he tends to confuse property rights with human rights. He puts them in the same category and I think that that is not justified. I'm all for property rights, but it's a different kind of right than human rights. So, as I say, I have these reservations and I remain a critic of President Bush, I haven't changed my position on that. But yet I see a great opportunity to take President Bush at his word and to build on it. And that is where the alternative way of looking at the relationship between terrorism and security on the one hand and democracy on the other hand comes into play.

In the year 2000, before September 11, there was a Warsaw Declaration signed by some hundred and sixteen countries that claimed to be democratic. In fact, more countries signed it than there are democracies in the world. And this declaration said that it is of vital interest to the democracies to foster the development of democracies in other parts of the world. And it was actually explicit in saying that it is also in the security interests that are involved. And we live in an interdependent world and what happens inside a country is... can be of vital security consequences for other countries. And that was the point that was proven by September 11 and March 11. So this point was brought home, that we have to be concerned about what goes on inside countries. And the old idea that sovereignty prevents any kind of intervention in the internal affairs of other countries is superseded by globalisation and the increasing economic interdependence and political interdependence and particularly by the threat of terrorism. And that is the idea that now needs to be developed. And I think that Madrid, the time and the place, is the right one to develop it. Because the response of the Spanish people to a similarly traumatic event was very different from the response of the American people and this is the time that we can elaborate this.

Now, how to elaborate? This is where... I think it is very, very important to reframe the problem of terrorism. The frame that President Bush established was the wrong frame. And I think there is this other frame of democracy that can help to deprive the terrorists of the support that they would have, because the people have a way of expressing themselves

and being represented and will therefore not approve and not support the terrorists. That will contain terrorism. The other way, the way we've been waging war on terror, has actually meant the victory of terrorists. Because the terrorists I think were trying to undermine our open society, and the way we responded to the terrorists actually had that effect. Partly by constraining civil liberties, and even more, by making it difficult to engage in that critical process that is necessary for a democracy. After September 11, the critical process in America was more or less suspended for about 18 months. And it's only because it was not possible to question the actions of the President that the President could lead us into an attack on Iraq which had nothing to do with the events of September 11. So we need to reframe the issue and that is what I think we have an opportunity to do now. The principle that it is of interest, of security interest, for everyone what happens in countries that have repressive regimes, failed states can be... are a security risk for the rest of the world is the principle that should prevail.

Now, the Warsaw Declaration, when it was signed in the year 2000, was really just empty words, like so many other declarations. But I think it is time to fill it with content and that is what I hope that this conference here will help to do. Because there is an organisation called the Community of Democracies, it meets every two years. It's about to meet in Chile at the end of April. And at the moment it doesn't do very much, but I think it could do a great deal more and that is what I think we need to develop. It could do a great deal more both inside the United Nations and outside. Within the United Nations there is now in formation a democracy caucus. If the members of that caucus resolve that they'll only vote for members of that caucus when it comes to membership in the Security Council, in the Human Rights Commission and the other commissions, I think it would make a real difference to the way the United Nations functions. It would not require a change in the Charter. There is a report before the Secretary General from a panel proposing a number of changes, including a change in the composition of the Security Council. It would be very difficult to implement. There have been many, many proposals for reforming the United Nations and none of them have been successful because the United Nations is an association of states and states always put their own interests ahead of the common interest and therefore will not abandon whatever privileges they have. But to introduce this change doesn't require a change in the Charter, it just requires an agreement among the democracies of the world. Now, outside of the United Nations if you just look at the prevailing world order, what to do with the likes of Saddam Hussein is the great... one of the great unresolved problems of that world order. I argue that the way President Bush went about removing Saddam makes the problem worse, but nevertheless there is that problem. And now that President Bush has accepted the fostering of democracy as the objective of his second term, maybe we can make some progress in devising the right kind of response and treatment to the various tyrants, and there are many of them in the world. If we do that, and if we work with the United States in elaborating these rules and methods, we will actually overcome the worse aspects of the past four years, namely that the United States was unilateral and arbitrary. If in fact there is a community of democracies that becomes active, that's infused with life, then it will go a long way to overcome that difficulty.

There is a parallel in my mind. The Helsinki Declaration in 1975. The Helsinki Declaration, at the time, was a bunch of empty words and the Soviet Union agreed to the third basket which had the human rights aspects because they felt it could never be implemented. And yet, the Helsinki Declaration became the beginning of a really powerful human rights movement. So I think that this Warsaw Declaration of 2000 which really passed most of us by... it hardly made the newspapers except for the fact that France refused to sign it because it was proposed by or pushed by the United States under Clinton, that's the only reason it made it in the newspapers so it was a non event. But I think that it could be infused with life. And I hope that this Madrid conference will come up with some concrete proposals for maintaining cooperation in dealing with the likes of Saddam.

I would say that there are basically three elements of promoting democracy. One is to deal with the offenders. The other is to reinforce the countries that are moving towards democracy, because they need to succeed for democracy to take roots. And the third is to establish the rules and the legitimacy for these actions. I think that there is a groundswell of

aspiration for freedom and democracy in the world. Look at what happened in Georgia, what happened in Ukraine. How it has spread to the Middle East what's going on in Lebanon. There is something really moving and it isn't America imposing, it's really something indigenous that is coming from the people themselves. And it is actually more that; there is such a movement that has inspired President Bush to now adopt the spreading of democracy as his goal rather than the other way round. So, I have been engaged in this effort and I welcome President Bush's interest and I can already see that some of his actions, the fact that he did raise the issue with Putin, that Putin had to say "Well, I'll think about it", is very helpful because I think that there is great concern in Russia about the return to a more authoritarian regime. And any kind of support like the one that President Bush gave it helps to keep the flame of freedom alive. Because America is after all, still the most powerful nation on earth, it does set the agenda. President Bush set Iraq as the agenda in the last... if it sets democracy on the agenda, I think we can make a lot of progress and the world will be safer for it.

It's really what I wanted to say on this occasion since I came to Madrid. Thank you.

Guillermo de la Dehesa

Now a few questions.

Las preguntas que quieran hacer las tienen que pasar por favor por aquí. Les han dado unos papeles. Yo mientras tanto voy a hacer la primera pregunta a George Soros.

I fully agree with you that the speech at the State of the Union for the second term is very promising. Not only that, I think that President Bush has made some warnings that are very important. He's warned the two closest allies of the US in the Middle East, Saudi Arabia and Egypt to take the lead towards democracy in their region, in the Middle East. He's warned Putin. He's asked the Iranian citizens to raise against their clerical regime because the United States will stand up for them.

George Soros

Well...

Guillermo de la Dehesa

And he has promised to give 350 million dollars for reforms in Palestine. So I think it's a big change and I would like to know from you how this happened, because the same let's say hawk-eyed people that were in the first term are still in the second term. It is just a question of new pragmatism, or, what do you think that is behind this change, important change, from the first to the second term? In foreign policy, mainly.

George Soros

Look, I think that President Bush is not in the habit of admitting any mistakes. But the reality of how counterproductive his policies were, has to register somewhere. When you think of the consequences of the policies of the first term, he and some of his people believed that military power is all-dominant and America has that military power, has to use it more effectively and show the world its supremacy. And it was a false conception of what power really in the world is. You know, power is a metaphor adopted from natural science. In natural science, power is quantitative and you can really measure it and so on. In social science, there are different kinds of power. Joseph Nye talks of hard power and soft power. I like to invoke the children's game: rock, paper and scissors, you know the scissors can cut the paper, the rock can break the scissors and the paper can cover the rock. So there are different kinds of power and we went very wrong in using military power and we actually have lost the military power that we had. You know, we could project overwhelming power

[to] any part of the world at the time we went into Iraq. We can't do it anymore because we are bogged down in Iraq. So we have to adjust our policy. That's why President Bush came, and Condi Rice came to Europe to mend fences and so on. So there is an opening and that is, I think one has to respond to that and one has to test it.

Now, you mentioned Iran. And there I part company, because I think that inviting people in Iran to rebel against the mullahs is very irresponsible and it's a mistake that America has made in the past. Made it in 1956 in Hungary. And it's also counterproductive because it really... There is a very genuine opposition to the mullahs in Iran. I think the people of Iran, many people in Iran are greater believers in an open society than many people in America, because they know what it is like not to have it. But when they get this kind of encouragement from America, they are then branded as lackeys of America. It actually hurts the opponents of the regime, so that is not the right way to do it.

Guillermo de la Dehesa

Well, I have a few questions here from the floor. Many regarding some comments about your speech. One says that in his views you have a naïve image of fighting against terrorism, because do you think that open societies can prevent terrorist movements such as the International Islamic Front, supported by Al Qaeda?

George Soros

No, look, I don't think that having an open society or democracy will necessarily get rid of all forms of extremism, including terrorists, but I think that it will deprive them of the support of the populations, because that is the crucial element. You have had various forms of terrorism in the world and you continue to have them, but what kind of impact they have depends on whether they have the sympathy of the people or not. So this is the old cliché about, you know, hearts and minds. And I think, for that, open society is the answer.

Guillermo de la Dehesa

I have two journalists that have asked the following questions. One is: Despite September 11th, Bush won the elections. Wasn't Kerry good enough?

And the other one is: Is there any real solution for terrorism? Democracy is a big word but Islamic people seem not to care.

George Soros

Now, I think on the first question, yes, Kerry did not offer a credible alternative. President Bush regards his victory as an endorsement of his policies but actually it was really the lack of a credible alternative that led to his victory. And the reason there was no credible alternative, I think, is because of the framing of the issue in terms of the war on terror. That in order to be secure you've got to be strong and defend. And that I think is a misconception that is prevalent among democrats as well as republicans. And I think that it's necessary to reframe the issue of terrorism. As long as you think in terms of war and by war you mean literally the use of military means, you are in a trap because you effectively reinforce the terrorists whom you are trying to get rid of.

Now, the other thing was also a very valid point, that democracy does not have strong roots in the Middle East and having elections won't necessarily bring you a democratic government. So, democracy doesn't necessarily preserve democracy. That is why I prefer to speak in terms of open society. You know, if you had free elections in Egypt, you would probably have an Islamic government. In Algeria you had open elections and you were about to elect an Islamic government until... an army intervened and stopped it and created a tremendous ongoing disaster in Algeria. So, elections by themselves, when half

the population doesn't know how to read and write, is not necessarily the answer. So that's why I prefer open society rather than democracy as the criteria.

Guillermo de la Dehesa

There are some questions also about your views on if there is a trade-off, a real trade-off between liberty and security. Because now some governments are establishing measures that reduce liberty for the sake of security. What are your views on that?

George Soros

Yeah, I think that there are certain constraints that may be imposed. And maybe you need some more effective means of attracting terrorists and so on. But I think it is extremely important to maintain the civil liberties, the rule of law. And this going beyond the law, going outside the confines of the law is understandable but reprehensible and counterproductive. I conducted a focus group among the leaders of Wall Street in 2002, in the summer. And I asked them "Would you condone torture if it could prevent the next terrorist attack?" And the basic answer was "As long as we don't know about it". "Yes, as long as we don't know about it". So there is a basic sentiment in favour of torture. Now, the use of torture is far more widespread and systemic than has come out so far. But the public actually is not that distressed about it. And, you know, I said that, if we re-elect Bush I have to ask what's wrong with us. And I think this is the answer. There is something wrong with us because we have allowed fear to dominate our thinking and we are losing reason because the kind of information that torture gives is useless information, that's not the right way, that's not the professional way to do it. And, nevertheless, the public actually tolerates it and supports it.

Guillermo de la Dehesa

There are a few questions about the relationships, present relationships, between Spain and the United States. And they ask you if you think that they will eventually turn into a good relationship or that they have never been bad before or that it's just a temporary issue, it's more a structural issue.

George Soros

Well, I can only speak for myself. And from my perspective, I admire the way Spain responded to the terrorist attacks. It sets an example for the United States. But I don't think that I necessarily represent the Bush administration in that regard.

Guillermo de la Dehesa

And I think we're going to have two more and then we will adjourn. Let's see... Some of them are very interesting, but too interesting. Too interested. Very interesting and too interested. Because I have questions about, you know, where to invest now and what is going to happen tomorrow with interest rates and the dollar and oil and so on. So I don't think...

George Soros

I know exactly what's going to happen to the dollar, I'm not at liberty to disclose it.

Guillermo de la Dehesa

No... Protecting democracy is a good aim in fighting democracy but isn't the right question. Why do wars and terrorism start? And what pushes them?

George Soros

Well I think that is a subject that will be addressed by experts who are much better qualified than me. What are the motivations and the mentality of the terrorists. I mean, the only thing I will say as regards to Al Qaeda, Bin Laden, that he seems to have sort of touched the... found the Achilles heel of American society. Or Western society for that matter. Because we are afraid of death. We have a tremendous, deep down fear of death in most of us. And that's where they are superior, because they have no hesitation killing themselves to make their point. So, that's one element that I can see.

Guillermo de la Dehesa

Another question is about China. China is a great economic success without democracy. They ask you, a few of the people in the floor, what are your views about the case of China that has been closed when they wanted, and open when to reap the benefits of globalisation.

George Soros

It's very interesting and I think that if you use the concept of open society you get a somewhat different answer than using democracy as the touchstone. Because in terms of open society, China is actually opening up. There's a lot of opening up going on without any movement as far as... Well, very little movement in terms of elections, democratic elections. And since I see a lot of opening up, I take a more positive view of the developments in China. China is the main beneficiary of globalisation and the economic progress is also associated with much greater freedom of discussion, of thought. Interestingly, it comes from the top down. At the highest level there is almost complete freedom, but the further down you go the more restrictions there are. And I think that China could move towards a more open society and eventually become a democracy. What I'm afraid of is because of the basically nationalist policies of the Bush administration, the Chinese are also becoming increasingly nationalist. And the weakness of America has caused a somewhat excessive strengthening of China's political opposition, And that is liable to lead to, you know, since America sets the agenda, the Chinese might respond also by becoming sort of military... spending more money on military and looking for a military great power position rather than becoming members of a global open society. But I think China is moving in a rather positive direction.

Guillermo de la Dehesa

And, finally, another question that has been very persistent is: Do you really think that America will eventually support the Kyoto protocol and really stand behind the Millennium Goals of the United Nations?

George Soros

Well, I think that it will require a change of government. In the meantime, I think that the pressures are such that the administration has to pay some attention to those issues because global warming is really sort of crowding in on us. Every indication is that it's not a linear process, but it's an accelerating process. And every year that goes by without addressing it, the more inevitable it becomes. Because there is the melting of the polar ice

cap, that is happening. The melting of the Greenland ice cap is going to raise the level of the sea by, I don't know, various estimates, a meter and a half or something. The melting of the Antarctic ice cap would raise it by, I don't know, five meters. So, it is a very, very real problem and it is gaining more and more recognition. So even the Bush administration has to pay some attention. But I think that... I do think that people in America really realize that this approach is not the right approach, it's nationalistic, pro-business, *laissez faire*. It will be, in my opinion, rejected and then you will have a different... And you already have some changes which is the ones that I would like to respond to in a positive way. Because by responding positively you accelerate the change.

Guillermo de la Dehesa

Thank you very much.

Perdonen, ha habido más de 50 preguntas, se han podido sólo contestar unas cuantas, pero yo creo que ha sido una excelente conferencia la que nos ha dado el señor Soros y debemos agradecersele con un gran aplauso.