

The Revolutionary Socialism of Soros Adviser Joseph Stiglitz

By Cliff Kincaid

The Soros plan in terms of global economics is quite simple: He wants to phase out the U.S. dollar as the international reserve currency and bring the U.S. into a system of international socialism, with new and more powerful global agencies deciding our economic and financial fate. It will mark the end of the American system of self-government.

Nobel Prize-winning economist Joseph E. Stiglitz, perhaps the most prominent economic thinker in the Democratic Party, is the point man. A chairman of the Council of Economic Advisers in the Bill Clinton Administration, Stiglitz has been described as a "real Democrat" and possible candidate to head the Federal Reserve in a Democratic Administration. He supported and contributed to Obama's presidential campaign and advises Congressional Democrats on economic policy. He is a close friend of and adviser to George Soros and a member of the Socialist International.

Other members of the Socialist International Commission that investigated the financial crisis headed by Stiglitz were: Anatoly Aksakov, Member of the Board of the Russian Federation Central Bank and Member of Russian State Duma, For a Just Russia Party; Dr Héctor Alexander, Minister of Economy and Finances of Panama, Democratic Revolutionary Party, PRD; Cuauhtémoc Cárdenas, Founder of the Party for Democratic Revolution, PRD, Mexico and Honorary President of the Socialist International; Elio Di Rupo, Leader of the Socialist Party, PS, Belgium, and SI Vice-President; Alfred Gusenbauer, Chancellor of Austria and SI Vice-President; Eero Heinäluoma, Finnish Social Democratic Party and SI Vice-President; Ibrahim Boubacar Keita, Former Prime Minister of Mali and Leader of the Assembly for Mali, RPM; Pia Locatelli; President of Socialist International Women; Fathallah Oualalou, Former Minister of Finance, Socialist Union of Popular Forces, USFP, Morocco; Professor Shri Arjun K. Sengupta, Member of Parliament, Indian National Congress Party; Antolin Sánchez Presedo, Member of the European Parliament, Spanish Socialist Workers' Party, PSOE, Spain; Peer Steinbrück, Federal Finance Minister of Germany and Deputy Chair of the Social Democratic Party; Andres Velasco, Minister of Finance, Chile; and Fozia Wahab, Member of the Pakistan National Assembly and Chair of the National Finance Committee of the Parliament.



This is a photo of the first meeting of the Socialist International Commission on Global Financial Issues, held in Vienna, Austria, on November 3, 2008. The Commission, established by the Socialist International Presidium at its meeting at the United Nations, New York, at the end of September, 2008, brought together “political leaders, ministers and experts from all continents.” The chairman was Professor Joseph Stiglitz from the United States.

His first book, *Globalization and its Discontents*, was praised by George Soros as “Penetrating, insightful.... A seminal work that must be read.” In it, Stiglitz suggested that while a global tax on currency transactions, the so-called Tobin Tax, was being seriously studied in Europe, it might involve serious “implementation problems.” But with his subsequent book, *Making Globalization Work*, those problems vanished, as he argues for a variety of global tax schemes that would cost American taxpayers billions of dollars. He and Soros are among those proposing the creation of new currencies to finance more foreign aid spending.

Stiglitz says in the book, “George Soros has shown that the assistance provided by a single individual can make a difference; surely the concerted efforts of the West, if well directed, could do even more.”

One never finds any criticism from Stiglitz of the hedge fund short sellers who destabilize the global economic system and move the U.S. and other nations toward a global system of government control of our lives.



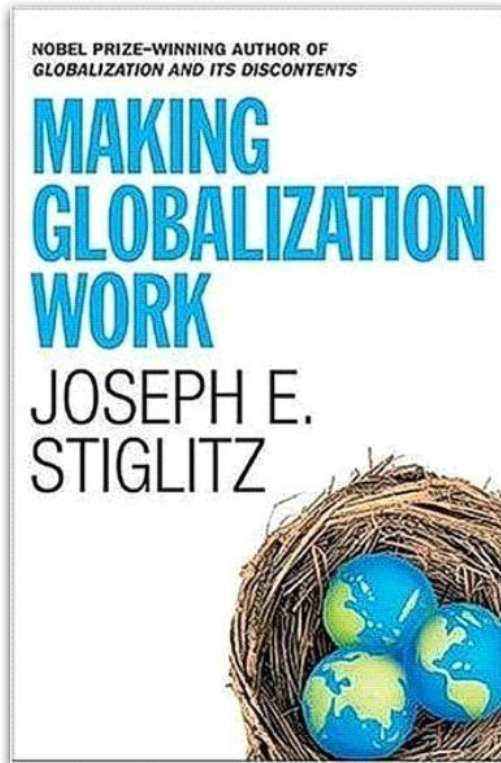
This is a photo of the SI Commission on Global Financial Issues meeting in New York on March 31, 2009. Stiglitz is in the middle.

For his part, Stiglitz wants to generate hundreds of billions of dollars in what he calls “global greenbacks.” This is a new form of “global money,” he says, constituting one of several “innovative approaches to financing economic development [which] need to be tested.” The phrase “innovative approaches” or “innovative sources” is code language for global taxation schemes.

“Who would receive the annual emissions of global greenbacks?” he asks. He suggests various approaches:

- “...to allocate funds to different countries on the basis of their income and population (consistent with principles of social justice, poorer countries would get a larger allocation per capita).”
- “...funds would be distributed through international institutions, either existing ones or newly created ‘special trust funds’ established under the auspices of the United Nations...”
- “A portion might be used to help achieve the Millennium Development Goals – the goals the international community set for itself in reducing poverty by 2015...”

In *Making Globalization Work*, he specifically proposes several global tax schemes,



arguing that:

“Taxation on global negative externalities, such as arms sales to developing countries, pollution, and destabilizing cross-border financial flows, can provide a third source of revenue for financing global public goods.”

The term “global public goods” is part of a U.N. effort to claim there are certain matters beyond the ability of any one state to address and that the international community, including the U.N., must get involved in solving them.

As Stiglitz puts it:

“Globalization entails the closer integration of the countries of the world; this closer integration entails more interdependence, and this greater interdependence requires more collective action. Global public goods, the benefits of which accrue to all within the global community become more important. These include, for instance, health (funding a vaccine against malaria or AIDS, and the environment (reducing greenhouse gas emissions, maintaining biodiversity in rainforests). These should be first priorities for the funds.”

All of these ideas, which have been extremely popular at the United Nations, involve global taxes of some kind. Exploiting AIDS patients in order to generate global tax revenue is the most popular current idea.

While he embraces global taxation as one important source of revenue, Stiglitz identifies two other sources of international revenue as resulting from reform of the global monetary system and the "management of global resources."

In the first instance, he says that the global monetary system of the world should be reformed in order to produce funds to "promote development, fight poverty, and provide better education and health for all," he says. He says that global currency reserves, U.S. dollars held by various nations, especially China, should be transformed into "a new international currency" that can solve global problems. In the second instance, that of "management of global resources," Stiglitz argues that revenue can be generated "for providing global public goods" through "auctioning off fishing rights, or the right to extract natural resources beneath the sea

At the "Second Annual Global Colloquium of University Presidents," with then- United Nations Secretary-General Kofi Annan in attendance, Stiglitz gave a talk entitled, "Innovative Sources of Funding for Global Public Goods," in which he presented these ideas in some detail.

While Annan was a big backer of global tax schemes, so is the current Secretary-General, Ban Ki-moon, whose South Korean government "had put forward a draft bill for the creation of an air ticket solidarity contribution..." This is the international tax on airline travel now being implemented, some of whose proceeds are being provided to UNITAID, an international agency designed to purchase and distribute anti-AIDS drugs.

Soros also happens to figure in the financial underwriting of the non-governmental organization (NGO) that Stiglitz has created to carry his ideas forward. It's called the Initiative for Policy Dialogue, based at Columbia University. His funders include:

- Open Society Institute.
- Ford Foundation.
- Charles Stewart Mott Foundation
- John D. and Catherine T. MacArthur Foundation
- United Nations Development Program.

At an event at Columbia University, Stiglitz appeared on a panel with Soros to discuss globalization. "People who write books generally don't have time to read them. I

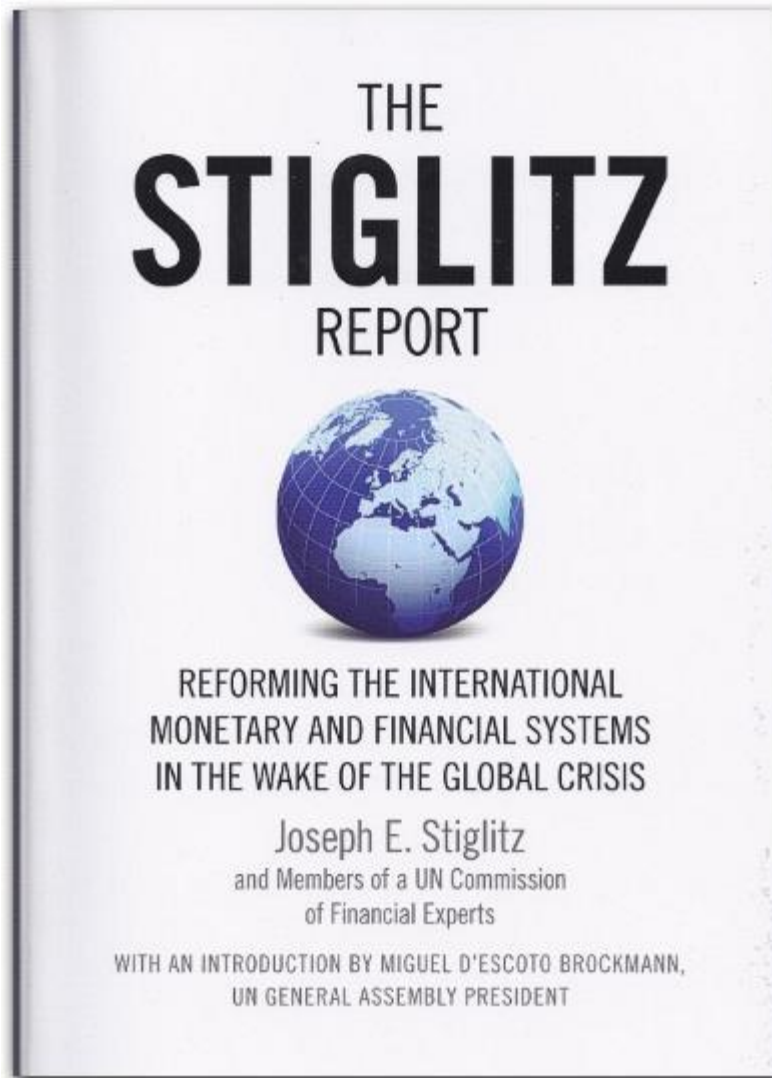
actually read this book [Making Globalization Work] ... and I'm glad I did," Soros said. The panel moderator, Tina Rosenberg of the New York Times, declared:

"Professor Stiglitz is on a **revolutionary track**. But there so far is no revolution, and that part is up to you." (emphasis added).

On October 23, 2008, at a U.N. meeting, U.N. Secretary-General Ban Ki-moon met with Stiglitz to discuss the financial crisis and the November 15 global summit. One of the other economists in attendance was Jeffrey Sachs, also of Columbia University, and the head of the U.N. office that supervises foreign aid commitments and contributions to the U.N.'s Millennium Development Goals (MDGs).

Sachs has estimated that the U.S. is short by \$65 billion-a-year in foreign aid, which adds up to \$845 billion over the 13-year period during which nations are supposed to attain the MDGs. Through references to various U.N. resolutions and conferences, as well as the MDGs, Obama's Global Poverty Act is designed to make the U.S. comply with the requirement of .7 percent of GNP being provided for "official development assistance." Sachs has stated openly that a global tax will be necessary to force the U.S. to come up with the money.

Stiglitz was appointed by U.N. General Assembly President Miguel D'Escoto to chair a high-level U.N. task force to review the global financial system. D'Escoto is the renegade Catholic Priest and former foreign minister of Communist Sandinista Nicaragua who advocates Marxist-oriented liberation theology and won the Lenin Peace Prize from the old Soviet Union. D'Escoto also claims a Master's of Science from Columbia University's School of Journalism.



The New York Times noted that D'Escoto believes the way out of the global financial crisis "should be lined with all manner of new global institutions, authorities and advisory boards," including the Global Stimulus Fund, the Global Public Goods Authority, the Global Tax Authority, the Global Financial Products Safety Commission, the Global Financial Regulatory Authority, the Global Competition Authority, the Global Council of Financial and Economic Advisers, the Global Economic Coordination Council, and the World Monetary Board.

The Times interviewed Paul Oquist, D'Escoto's senior adviser for the conference, who sat beneath portraits of Fidel Castro of Cuba, Hugo Chavez of Venezuela and Daniel Ortega of Nicaragua, among others.

The problem is that the Times, in its story, "At U.N., a Sandinista's Plan for Recovery," didn't mention until the 13th paragraph that the official U.N. list of "experts" behind the

plan included Stiglitz. His name appeared on a separate list of 15 “special advisers” to D’Escoto obtained from the U.N. by Inner City Press. Another name on the list was Noam Chomsky-is on the board of the Communist Party spin-off, the Committees of Correspondence for Democracy and Socialism.

Aides to D’Escoto “point out repeatedly that the president got many of his ideas from a distinguished panel of experts led by an American economist and Nobel laureate, Joseph E. Stiglitz,” the Times noted.



Another one of the “experts” the Times neglected to mention was Robert Johnson, former managing director at Soros Fund Management and board member of the Institute for America’s Future, a sponsor of the annual “Campaign for America’s Future” conferences. Johnson was on the board of the Democracy Alliance, a wealthy liberal group that includes Soros and is committed to “fostering collaboration among progressive leaders and institutions...” But he then moved on to help establish, with \$50

million from Soros, the Institute for New Economic Thinking. Johnson is the executive director.

The Governing Board of the group includes:

- Erik Berglof, European Bank for Reconstruction and Development
- Robert Dugger, Hanover Investment Group
- William Janeway, Warburg Pincus
- Anatole Kaletsky, Times of London
- Drummond Pike, Tides Foundation
- John Shattuck, Central European University

The advisory board consists of:

- George Arthur Akerlof, University of California, Berkeley, Nobel Prize in Economics, 2001
- Erik Berglof, European Bank for Reconstruction and Development
- Tom Bernes, Centre for International Governance Innovation
- Markus K. Brunnermeier, Princeton University
- Willem Hendrik Buiter, Citigroup
- Wendy Carlin, University College London
- Bruce Caldwell, Duke University
- Paul Davidson, Journal of Post Keynesian Economics
- Robert Dugger, Hanover Investment Group
- Barry Eichengreen, University of California, Berkeley
- Thomas Ferguson, University of Massachusetts
- Duncan Foley, New School for Social Research
- Roman Frydman, New York University
- Ian Goldin, James Martin 21st Century School, University of Oxford
- Charles Goodhart, London School of Economics
- Andy Haldane, Bank of England
- James Heckman, University of Chicago, Nobel Prize in Economics, 2000
- David Hendry, University of Oxford
- William Janeway, Warburg Pincus
- Paul Jenkins, Centre for International Governance Innovation
- Simon Johnson, MIT Sloan School of Management
- Anatole Kaletsky, Times of London
- John Kay, Financial Times
- Richard Koo, Nomura Research Institute
- Axel Leijonhufvud, University of California, Los Angeles
- Perry G. Mehrling, Barnard College, Columbia University

- Sir James Alexander Mirrlees, FBA, University of Cambridge, Nobel Memorial Prize in Economic Sciences, 1996
- Drummond Pike, Tides Foundation
- Yaga Venugopal Reddy, Formerly, Reserve Bank of India, and currently, University of Hyderabad
- Carmen Reinhart, Peterson Institute for International Economics
- Hélène Rey, London Business School
- Kenneth Rogoff, Harvard University
- Jeffrey D. Sachs, The Earth Institute, Columbia University
- Amartya Sen, Harvard University, Nobel Memorial Prize in Economics, 1998
- John Shattuck, Central European University
- Robert Skidelsky, Warwick University
- Andrew Michael Spence, New York University Stern School of Business, Nobel Prize in Economics, 2001
- Joseph E. Stiglitz, Columbia University, Nobel Prize in Economics, 2001
- Andres Velasco, Former Minister of Finance, Chile
- William White, Bank for International Settlements
- Yu Yongding, Institute of World Economy, CASS
- Zhu Min, International Monetary Fund

The Institute for New Economic Thinking sponsored a “Bretton Woods II” conference, in order to lay the groundwork for new global institutions. The speakers were:

- Anat Admati, Professor of Finance and Economics, Stanford University
- Phillipe Aghion, Professor of Economics, Harvard University
- George Akerlof, UC Berkeley
- W. Brian Arthur, Fellow, Econometric Society
- Jim Balsillie, Founder and Chair, CIGI
- Eric Beinhocker, Senior Fellow, McKinsey and Company
- Erik Berglöf, Chief Economist and Special Adviser, European Bank for Reconstruction & Development
- Tom Bernes, Executive Director, CIGI
- Paul Blustein, Brookings Institute
- Claudio Borio, Bank for International Settlements
- James Boughton, Historian, IMF
- Richard Bronk, London School of Economics
- Gordon Brown, Former Prime Minister, United Kingdom
- Wendy Carlin, University College London
- John Cassidy, The New Yorker

- Ha-Joon Chang, Reader, Political Economy of Development, University of Cambridge
- Barbara Craig, Oberlin College
- Marcello De Cecco, Professor of Monetary and Financial History, Scuola Normale Superiore di Pisa
- Charles Dallara, Institute of International Finance
- Brad DeLong, Professor of Economics, University of California at Berkeley
- Barry Eichengreen, Professor of Economics and Political Science , University of California Berkeley
- Alex Evans, Head of Research Program on Climate Change, Resource Scarcity and Multilateralism, Center of International Cooperation, NYU
- Niall Ferguson, Professor of History, Harvard University
- Thomas Ferguson, Professor of Political Science, University of Massachusetts
- Jean-Paul Fitoussi, Professor of Economics, Institut d'Etudes Politiques de Paris
- Duncan Foley, Professor, New School of Social Research
- Jeffrey Frankel, Professor of Capital Formation and Growth, Kennedy School of Government, Harvard University
- Chrystia Freeland, Editor at Large, Reuters
- Roman Frydman, Professor of Economics, New York University
- Ian Goldin, James Martin 21st Century School
- Andy Haldane, Executive Director, Financial Stability, Bank of England
- Carl-Ludwig Holtfrerich, Professor of Economics and Economic History, Freie Universitat Berlin
- Kevin Hoover, Duke University
- Thomas Homer-Dixon, Director, Waterloo Institute for Complexity and Innovation, University of Waterloo
- Yasheng Huang, Sloan School of Management, MIT
- Joyce Jacobsen, Wesleyan University
- Harold James, Professor of History, Princeton University
- William Janeway, Senior Advisor, Warburg Pincus
- Marleen Janssen Groesbeek, Policy Advisory, Eumedion
- Paul Jenkins, Distinguished Fellow , Centre for International Governance Innovation
- Robert A. Johnson, INET Executive Director
- Simon Johnson, Professor of Entrepreneurship, Global Economics and Management, Sloan School of Management, Massachusetts Institute of Technology, Senior Fellow at the Peterson Institute for International Economics in Washington, D.C
- Peter Jungen, Peter Jungen Holding GmbH
- Anatole Kaletsky, Associate Editor, The Times

- Henry Kaufman, President, Henry Kaufman & Co., Inc.
- John Kay, Columnist, Financial Times
- Richard Koo, Chief Economist, Nomura Research Institute
- Louis Kuijs, Senior Economist, World Bank (Beijing)
- William Lazonick, Professor, Economics, University of Massachusetts
- Robert Litan, Vice President for Research and Policy, Kauffman Foundation
- Barry Lynn, New America Foundation
- Wolfgang Munchau, Associate Editor, Financial Times
- Dalia Marin, Professor of International Economics, University of Munich
- Felix Martin, Thames River Capital
- Richard McGregor, Financial Times
- Perry Mehrling, Professor, Barnard College, Columbia University
- Zhu Min, Special Advisor, International Monetary Fund
- Alan Murray, Wall Street Journal
- Daniel Neilson, Bard College, Simon's Rock
- Kevin O'Rourke, Professor of Economics, Trinity College (Dublin)
- Jean Pisani-Ferry, Director, Bruegel, Brussels
- Y.V. Reddy, Former Governor, The Reserve Bank of India, currently University of Hyderabad
- William Rees, Professor, University of British Columbia
- Carmen Reinhart, Dennis Weatherstone Senior Fellow, Peterson Institute for International Economics
- Kenneth Rogoff, Professor of Economics, Harvard University
- Andre Sapir, Professor of Economics, Université Libre de Bruxelles
- Orville Schell, Director, Center on US-China Relations
- Garry Schinasi, Visiting Fellow, Bruegel, Brussels
- Mario Seccareccia, Professor of Economics, University of Ottawa
- Andrew Sheng, Chief Adviser, China Banking Regulatory Commission
- Victor Shih, Assistant Professor of Political Science, Northwestern University
- Robert Skidelsky, Emeritus Professor of Political Economy, The University of Warwick
- John Smithin, Professor of Economics, Schulich School of Business
- George Soros, Chairman – Soros Fund Management and Open Society Foundations
- Joseph Stiglitz, University Professor, Columbia University, Nobel Laureate
- Larry Summers, Harvard University
- Jomo Kwame Sundaram, Assistant Secretary-General for Economic Development, United Nations Department of Economic and Social Affairs (DESA)
- Alan Taylor, Director, Center for the Evolution of the Global Economy at UC Davis
- Gillian Tett, US Managing Editor, Financial Times

- Niels Thygesen, Emeritus Professor of International Economics, University of Copenhagen
- Camilla Toulmin, International Institute for Environment and Development
- Adair Turner, Chairman, Financial Services Authority
- Leanne Ussher, Assistant Professor of Economics, The City University of New York
- Andrés Velasco, Chile's Former Minister of Finance
- Paul Volcker, Former Chairman, Federal Reserve
- Christian Westerlind Wigstrom, PhD Candidate, University of Oxford
- Martin Wolf, Chief Economics Commentator, Financial Times
- Yu Yongding, Director, Chinese Academy of Social Sciences
- Steve Ziliak, Professor of Economics, Roosevelt University