

EIRFeature

Drive To Stop Bush's 'Pinochet Plan' To Loot Social Security

by Paul Gallagher

A monstrous delusion, in the service of saving a falling U.S. dollar and a bankrupt international monetary system, was presented by George W. Bush's so-called Economic Summit on Dec. 15-16. A lock-step parade of globalization ideologues, beginning with Vice President Dick Cheney, claimed a "great recovery" for the crisis-ridden U.S. economy—and then demanded to save the dollar by grabbing trillions of dollars from the Social Security benefit funds of tens of millions of Americans. Even the seldom-truthful President said, "Do it for Wall Street," in his Dec. 16 speech concluding the "summit" and calling for Social Security privatization. The summit capped a 10-day period in which Bush devoted four major public meetings and two additional Presidential addresses to a manic rush to force privatization plans on the Congress.

A mass leaflet by Lyndon LaRouche, triggering an explosion of national opposition to the Social Security grab, called it "Enron II," and featured a cartoon of a lunatic little Bush leaning on a hulking Gen. Augusto Pinochet. Pinochet is the former brutal dictator of Chile, just indicted on Dec. 14 for multiple murders of opposition leaders. This "Enron II," the Cheney/Bush plan for looting of the Social Security system, is—by Bush's own repeated account—modelled on the Pinochet dictatorship's pension privatization in Chile in 1981. It's an economic model of fascism, designed then by Friedmanite economists and bankers known as "the Chicago Boys," operating under direction of the synarchist fixer of Republican administrations, George Shultz. Shultz's pet economist, Milton Friedman, admitted then, in 1980, that such policies as this Social Security privatization could not be carried out by democratic governments, but only by dictatorships. Under the goad of synarchist bankers and financiers like Shultz—who is also directing the path of Hollywood "beast-man" governor Arnold Schwarzenegger in California—Cheney and Bush are going for fascist economic policy.

Can President George "Enron" Bush put through the Pinochet model—just as



The LaRouche Political Action Committee’s leaflet takes aim at Bush’s “Pinochet Plan” for Social Security privatization. Right: Bush addresses the White House Conference on the Economy, Dec. 16, 2004. The main item on the agenda was Social Security “reform.”

Pinochet’s crimes are again at the top of the news—and loot the Social Security payroll tax contributions, while promising “younger workers” a chance to make it back through private accounts? Not without facing a “revolutionary” ferment of opposition. LaRouche’s leaflet and interviews, websites, and publications are intersecting an immediate *institutional* rejection and opposition to the scheme, by constituencies linked to Democratic and Republican Parties alike. Its own designers admit it will lower Social Security benefits in the immediate future, and commit the Treasury to an immediate \$2 trillion in new government debt to cover the costs of diverting payroll taxes to Wall Street’s “private accounts.” It’s a huge threat not only to Social Security, but to the entire economy. Wall Street investment banks are waiting for fees, conservatively forecast at \$10-15 billion a year, from privatized Social Security accounts—just as 96% of Chile’s privatized pension funds ended up in foreign banks in New York and Madrid, exacting 12-15% of the pay-ins as fees.

But only LaRouche so far dares give the privatization its proper name—an attempted fascist “cold coup,” using a lunatic President. Americans organized into this fight by LaRouche and his youth movement quickly understand that the reason for this fascist drive is the collapse of the dollar.

Thus, only the former Democratic Presidential candidate is giving Americans instinctively opposed to this looting scheme, the sense of strategic mission they need to beat Bush. The head of the Chilean CUT labor federation, Arturo Martínez, sent through *EIR* an urgent appeal to Congress:

“Don’t do it! Don’t impose Pinochet economics on the American people” (see box).

Congress To Be ‘Electrocuted’

Key Democratic Congressional offices are coordinating with LaRouche’s representatives to stop Bush. Many Republicans are afraid of the wide opposition to the scheme, desperately asking the White House to “get some Democrats to support it,” although a few of them are publicly criticizing the manic looting plan. Former Republican Congressmen are willing to speak out: Rep. John Frenzel of Minnesota, for example, commented that “Republicans in Congress are not going to want to get electrocuted for the President” by voting against an aroused public resistance.

The broader mobilization of the Congressional Democrats was signalled in a Dec. 7 letter from Reps. Charles Rangel (N.Y.) and Robert Matsui (Calif.), which forecast “disunity within the Republican Conference [over] Social Security privatization,” and challenged fellow Democrats: “The fight to protect Social Security from privatization will be the biggest fight our caucus wages next year. Democratic unity on this issue—in stark contrast to Republican discord—will be critical to our eventual success.” Outside the Bush “economic summit,” leaders of national organizations of senior citizens, labor, and minorities—the AFL-CIO, the NAACP, the Alliance for Retired Americans, and others—held a press conference declaring war on the Bush/Cheney privatization swindle. At that event, George Kourpias, president of the

Chilean Leader: Don't Repeat Tragedy

Arturo Martínez, president of Chile's largest labor organization, the Unified Labor Federation (CUT), directed this message to members of the U.S. Congress:

I would tell them that they cannot repeat the failure of Chile; the system has failed. In Chile, we are replacing this system, because it *collapsed*. And the United States cannot try to implement a system which was imposed by blood and fire by Pinochet, who finally imposed it by force. The United States, at least, will have to debate with its people, what it is that they want to do for the future of pensions in that country, but they can't copy a fascist model, a model of individual capitalization, which only serves for the investors to make money. . . .

We're debating how to reform the pensions, because the model collapsed! I don't understand how Bush wants to install it in his country. The system only works for those who make a lot of money. It's very bad for those who receive low- or middle-level salaries, and bad for those who have temporary or transitory jobs.

Alliance for Retired Americans, forecast that the fight against Social Security privatization "will be the fight of our lives," and said, "We must resist efforts to push privatization.

The spirit to actually give Bush a thorough political beating and stop his lunatic fascist lunge, was shown when a LaRouche Youth Movement leader spoke to the Los Angeles County Democratic Party meeting the evening of Dec. 14, on the "post-election crisis." Cody Jones began by saying that the fight is not just about a lost election, but about fascism, that the networks behind Bush conducted systematic voter suppression to insure his re-election, so he will be in power as their system is disintegrating. Describing the battles against vote suppression and privatization as flanks of LaRouche's mission to stop a fascist coup, Jones was interrupted by applause and given a standing ovation by a organization he had remoralized to fight.

U.S. at the Center of a Global Battle

LaRouche emphasizes that the rapidly expanding fight against the privatization of Social Security in the United States is not only an American issue, but the central battle of a global war by constitutional forces, against fascist austerity policies. Hence the crucial significance of Cheney/Bush publicly citing "the Chile model" for their privatization drive, and the simultaneous indictment of Pinochet for human rights

violations and murder. The key ideologue of the Social Security privatization plan which Bush's commission adopted from the right-wing Cato Institute, is José Piñera—who was the Labor Minister and privatization specialist of the Pinochet dictatorship. Last month, at an international summit in Santiago, Chile, George W. Bush stated that "Chile provides an excellent example for Social Security reform."

In the United States, politically crushing Bush on this issue, coupled with the growing exposure and investigation of vote suppression and Voting Rights Act violations in Bush's re-election, can bring down his Administration.

A fight against George Shultz's "Pinochet model" puts LaRouche's American movement in the center of an international confrontation caused by a collapsing dollar-based monetary order. Faced with a worsening economic-financial collapse, there is now an attempt to impose the fascist Chilean model internationally, and increasing resistance to it. Mexico's Congress, for example, is in the midst of a full constitutional confrontation with synarchist President Fox, stopping his attempt to seize (or eliminate) Congressional budgetary powers, in order to impose austerity unprecedented in Mexican federal history. In Peru, patriotic nationalist forces are fighting attempts to impose similar budget austerity, including eliminating the last vestiges of public pensions. The Argentine government of President Néstor Kirchner is in an intensifying life-and-death policy battle against the International Monetary Fund (IMF) and the nation's ruinous creditors; again there, the privatization of social security, carried out in 1993, was bought with a huge new bubble of government debt, which helped push Argentina over the edge into general economic collapse seven years later.

Thus, LaRouche observed, there now is a continuous fight against fascist austerity policies of a failing system of globalization, up and down the Andean spine, into Mexico, in the United States—and also in Europe. In Germany, the government's "Hartz IV" program of cuts in unemployment benefits and public-sector wages, designed by the CEO of Volkswagen, has been imposed in the midst of large-scale and growing unemployment. "Monday demonstrations" initially catalyzed by the LaRouche Youth Movement under Helga Zepp-LaRouche's leadership, have been continuing for months in some German cities, intersecting increasing numbers of large industrial strikes. France faces a similar effort to impose fascist austerity on the part of Nicolas Sarkozy, the Minister of Economics and Finance who is trying to seize control of the governing party from President Jacques Chirac.

In fact, the fascist "Pinochet model" is being pushed not just by the "economic summit" of Cheney and Bush, but globally. But because of Bush's sudden manic push to overturn Franklin Roosevelt's General Welfare-based Social Security system, the key, central fight to defeat the "Chile Model," is clearly now in the United States, with LaRouche at the center of it.