

Does the President really believe the United States might default on these bonds, which were purchased with hard-earned tax dollars of millions of Americans? Does he advocate a policy that under any circumstances would not repay the debt, thereby forcing millions of beneficiaries to take a benefit cut instead of collecting the full amount they had earned during their years of work? How can the Secretary of the Treasury convince other possible purchasers of our debt that the President won't repudiate those bonds, as well?

If the President instead meant to say that it will be difficult to repay these bonds, why wasn't the same argument made about the \$43 trillion in outstanding debt held outside of the Trust Fund? Are obligations to Americans who expect to receive full Social Security benefits different from obligations to others who hold our bonds, such as the foreign entities which have purchased 91 percent of the public debt incurred since this Administration took office?

I urge you to clarify whether these bonds are real, and whether the U.S. intends to honor them. If so, Americans can rest assured that Social Security can pay full benefits for nearly 50 years, knowing it can redeem the bonds that workers have purchased over the years with their Social Security contributions.

Sincerely,  
Charles B. Rangel  
Ranking Member



*Rep. Charles Rangel calls on Treasury Secretary John Snow to set the record straight: Does the President really believe that the United States might default on the Treasury securities held in the Social Security Trust Fund, as he implied in his "photo op" in Parkersburg, West Virginia recently?*

## California Dems Must Shape National Agenda

by Harley Schlanger

*The author is the Western States spokesman for Lyndon LaRouche.*

The last time California Democrats held a state convention, in San Jose in 2004, it was more of a wake than a deliberative gathering. Dispirited delegates were given no reason for optimism, as party leaders moped through the proceedings, clearly unnerved by the apparent Arnold Schwarzenegger juggernaut, which had swept Gov. Gray Davis (D) out of office in a recall election the previous November. Many party officials expressed concern that Arnold's "charisma" and celebrity status might doom the Democrats to a marginal role for years to come.

There was a dramatically different mood April 15, when Democrats opened their 2005 State Convention in Los Angeles. For the first time, the cartoonish Schwarzenegger is in trouble, his aura of power diminished; the bullying prankster has been reduced to being the target of ridicule. He was forced to drop the key ballot initiative he was promoting for his controller, George Shultz, to privatize the state public employees' pension fund; two of the other three initiatives he is backing have lost momentum. His poll numbers are tumbling, and he is besieged from all sides.

It has gotten so bad that his wife, Maria Kennedy Shriver, went public on Oprah Winfrey's television show, to say that she wants her husband to come home, to get away from politics.

### LaRouche Versus the Terminator

Arnie's plunge from the heights of Olympus has not surprised Lyndon LaRouche and his collaborators. From the day that he announced that he would run for Governor, the LaRouche Youth Movement (LYM) has been the leading visible force mobilizing for his defeat. From the now-famous leaflet showing a photo of Schwarzenegger imitating Hitler in a Nazi salute, with his statements of admiration for Hitler and his desire to emulate him, to the production of the "Who Robbed California" pamphlet, to the present pamphlet, "Stop George Shultz's Drive Toward Fascism!" which exposes the thievery disguised as "pension privatization," LaRouche and the LYM have been on the front lines.

At each step, as the "Governator" marched toward tearing

down the protections offered by state government to the poor, the elderly, the disabled, in order to deposit greater profits into the pockets of the corporate oligarchs allied with Shultz, the LaRouche Democrats have been the rallying point for the opposition.

## No Time for Gloating

While the new-found feistiness of the Democrats is promising, there is urgent work to be done, if California is to be rescued from its ongoing descent into economic and social chaos, which has accelerated under the misbegotten Governorship of Arnold.

The present crisis buffeting the state—which includes a substantial budget deficit, growing state debt, sharp cutbacks in the level of health care, human services and education the state government can provide, and a rapidly declining infrastructure—cannot be solved by “better management” and “cutting the fat,” as “Team Arnie” asserted during the campaign, and which some “centrist” Democrats say they can implement more efficiently than Schwarzenegger.

Nor can the problems be addressed simply by raising taxes, which the hard-core anti-tax Republicans claim is the Democratic Party strategy.

Overcoming the present crisis requires, first, an acknowledgement that it is global and systemic, and second, a policy approach which mobilizes the power of government to act for the general welfare, as Franklin Delano Roosevelt did to lift the U.S. out of the Great Depression of the 1930s.

Such measures were provided to Democrats at the State Convention by members of the LYM—a number of whom were present as elected members of the State Central Committee. The LYM spoke at various caucuses and circulated the “Emergency Action by the Senate” memo drafted by Lyndon LaRouche (see last week’s *EIR*), which offers an alternative to the fascist austerity policies being pushed by President Bush and Schwarzenegger.

## LaRouche’s Solution

Though California would be the world’s fifth-largest economy if it were a separate nation, it is not, and therefore, there is no way to solve the state’s economic crisis without addressing the national crisis. This requires a shift in thinking of California Democrats, beyond mere survival, to national leadership.

The cause of the national crisis—as for the state—is the long-term effect of the transformation to a post-industrial society, initiated in 1971 by the same Shultz who selected Bush for President, and Arnie for Governor.

Post-industrial policy caused a shift in employment, due to free trade and deregulation, to low-wage, low-benefit jobs in the service sector, at the expense of manufacturing. Having lost a large percentage of its manufacturing base, the state survived during the 1990s due to revenue from the high-tech bubble. When that popped in March 2000, the revenue base

shifted to dependence on the real estate bubble and construction.

This bubble is set to pop.

The solution is in physical economy, modelled on the FDR precedent: infrastructure development; creating real jobs in transport, water, and power management; health care; public safety and education; and reindustrialization, as proposed by LaRouche in his memo to the Senate on saving General Motors’ machine-tool sector from the impending collapse of the corporation.

Defeating Shultz’s fascist stooge is not enough to improve the lives of Californians. It is time for Democrats to learn the lessons of the FDR recovery and join with LaRouche, to “Recreate Our Economy.”

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## Mervyn Dymally

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# ‘Schwarzenegger Wants To Become a Dictator’

*California State Assemblyman Mervyn Dymally addressed a LaRouche PAC town meeting in Los Angeles on April 16, 2005, which was held on the occasion of the state Democratic Party Convention. Assemblyman Dymally is also a former Lieutenant Governor of California and former U.S. Representative. He was introduced by Harley Schlanger, Western States spokesman for Lyndon LaRouche.*

**Harley Schlanger:** This is a young man, who was once the Lieutenant Governor of the State of California. And they didn’t like that, and they did everything they could to run him out. And so, he went to the Congress, and he helped the Black Caucus in Congress discover Africa, as the head of the Black Caucus. And they didn’t like that. And they did everything they could to run him out,

And he’s still fighting. He’s one of the leaders in the fight against Schwarzenegger. He’s one of the few people, that I know in Sacramento, who is not taking his eye off the ball. He’s not going to let Arnie succeed. And so, I’m totally privileged to introduce to you, for however long he wants to speak, my good friend Mervyn Dymally.

**Mervyn Dymally:** Thank you Harley. What we have—permit me to do a bit of psycho-political analysis: Most of us who come from foreign countries bring a little bit of that culture with us. Arnold brought a great deal of a political culture that was autocratic, dictatorial, fascist, and Nazi. And one has to understand that. And so, the most modern approach