

Bush's Social Security Privatization: A Foot in the Door for Fascism

The following is the introduction to the LaRouche PAC's pamphlet, released in December 2004. We also include excerpts from the pamphlet's discussion of the Chile "model," and profiles of two of the "economic hit men" behind the privatization swindle, John Train and George Shultz.

On Dec. 16, 2004, Lyndon LaRouche, former candidate for the 2004 Democratic Party Presidential nomination, and the recent founder of the LaRouche Political Action Committee, gave an interview to WVKO radio in Columbus, Ohio, in which he warned the American people about the imminent danger of a further fascist coup d'état, if the Bush Administration is allowed to get away with its plans to loot the entire Social Security Trust Fund, under the guise of the Pinochet Chilean Model of "privatization." LaRouche warned:

"If you were going to do this—or try to do it—that is, to bring in the Pinochet Plan [of Social Security privatization], which is, of course now failing in Chile after the 20-odd years it's been in effect, it would fail here. But, the point was, if you wanted to do this and some other things, you had to have a Bush re-election. Without a Bush re-election, there wouldn't be a chance, at all, of pushing this thing through.

"Now, the entire financial system is collapsing. We're on the verge of a collapse, any time now, for a major financial blowout of the U.S. and the international markets. At this point, they're counting on looting Social Security, or having a proof that they *can* loot Social Security, as a way of putting more capital into a depressed U.S. financial market, to try to bail out the gambling side of the financial-market system.

"Now, George Shultz and company, of course, who was one of the original authors of the Pinochet operation down there, is also behind the Bush campaign. And he typifies these big interests, which are behind both.

"They had to commit a fraud to get elected. . . .

"The issue here, the typical issue, right now, up front—and George Bush has made it very clear it's up front—the Chilean model of privatization of Social Security *is* the Bush model. I don't know what *he* understands, but I do know what George Shultz understands. . . .

"This was done in Chile in 1981. That is, Pinochet came in, in 1973; he was part of Operation Condor, this mass-murder operation through the Southern Cone of South America. This was done by the 'Chicago Boys'; that is, the banking

side was the Chicago Boys, of whom George Shultz was a key man. And George Shultz is the man who was the architect of the George W. Bush Administration. He's the guy who brought Condoleezza Rice into the picture. He's the one that was behind Cheney, and Cheney organized the composition of the initial current Bush Administration. This is the combination. It's the same bunch of guys.

"There's also another story behind this, you know: Back in the 1970s—and it's now been exposed since 1990, but it's coming out big now. There'll be books on this published in February and so forth. But, leftovers of the old Nazi system were brought into the European and U.S. security system. Elements of this, of the old Nazi apparatus, were run down into South America, into Mexico, into Argentina, into Chile, elsewhere. They were run down there on what was called the 'ratline' operation. They have been used, like this Della Chiaie case and so forth, they have been used as mass murderers—that is, as special hitmen—used throughout the region: They're the ones that killed the thousands of people to consolidate, in Chile in particular, to consolidate the regime down there.

"We now have an explosion, on the issue of this hitman problem, of the Nazi hitmen, and their successors today.

"This swindle on stealing Social Security funds, which is worldwide: It's not only in Chile; it's in Peru, which is under attack; Mexico; the United States; in Germany, the welfare system is under attack under 'Hartz IV'; under the current Finance Minister of France, Sarkozy, it's also under attack. So, we have a worldwide onslaught by bankrupt banking-system people, to try to grab the very large social welfare funds of governments, now. And the United States is one of the parts. And the Bush candidacy and the election, very much involved—as Bush has made clear—that his immediate, number-one target, after winning an election, was to steal Social Security. . . .

"[George Bush says he supports the dollar, but] he can't support the dollar—he *can not* support the dollar. Not under the present circumstances. Why? Because it takes \$2 billion, coming in every day, from outside the United States, to keep the U.S. dollar from collapsing—and *it is* collapsing!

"Now, that money is beginning to dry up.

"What they need the Social Security funds for now, is to try to put a stimulus into the financial market, through



A LaRouche Youth Movement rally in Washington on Jan. 6, 2005. The LYM is distributing tens of thousands of copies of the “Foot in the Door for Fascism” pamphlet in the nation’s capital.

multiple—just to build up the market, the financial market: Because they know that very soon, there is going to be a real avalanche, that’s going to hit the U.S. financial market. That’s inevitable. They want to steal Social Security—they’re going to steal *all of it*; not some of it. What they’re talking about is the shoe in the front door, but they intend to put the whole foot in.

“Once they get the first step, then you will see, as they did with the Iraq war, get the first step, get in there, and the whole thing comes.

“We are now not fighting just over an issue of welfare. We are fighting over a welfare issue. Just as the welfare issue was the issue, which was key in Europe when Mussolini and Hitler came to power: We’re faced with a threat of dictatorship. And if we can not mobilize political resources, especially in the United States, to *stop this thing now*, we will have given up our Constitution and our rights. And when these guys come after us, they’re going to come all the way—because they are faced with a broken-down system, and they’re going to go for a dictatorship. . . .

“This *nutty* President is out to *steal* the Social Security of the American people. Not just a few poor people. We’re talking about the majority of the American people who will be looted by this thing—and many *will be killed* by it. When you combine this with the effect on the health-care situation, people will be *murdered*, by this kind of policy.

“If we combine these issues, which involve the *intent* of the American people to vote for a government—do they want a government that kills them?

“ ‘Well, I voted Republican!’

“ ‘Did you vote for them to kill you?’

“ ‘No, I didn’t do that!’

“ ‘Well! Let’s take a look at this thing, then. Maybe we can do something about it.’

“You have to get at it this way. You have to get it with brass knuckles, on issues. You have to get out and fight—not namby-pamby, not maybe-so, not this doubletalk. And get out there and mobilize the people.

“The problem is, we have not been giving the people leadership. Now, as you know, small people who don’t have much power, are not going get out there and fight, generally. They’re going to look for leadership. And they do not trust the people who are their leaders.

“We have to—we who are willing to lead—we have to prove to them, that they have leaders that they can trust.”

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LaRouche’s call to action—to *your* action, now that you have this pamphlet in your hands—comes not a moment too soon.

Right now, the Bush Administration is on a manic drive to sell its plan for “Social Security privatization,” a plan modelled on the one implemented by the Chilean dictator Gen. Augusto Pinochet back in 1981. On the face of it, the plan is Grand Theft of the sort that makes Enron look like petty larceny. Bush is proposing to steal trillions of dollars in hard-earned retirement funds to bail out a hopelessly bankrupt monetary system. He’s prepared to throw the old and sick on the scrapheap. And the very same propaganda machine that brought you the Iraq war disaster is already gearing up a new Big Lie campaign, to convince you that it is in your interest to turn over your hard-earned retirement funds to the biggest gang of Wall Street swindlers and fools ever to walk the planet.

What Bush is planning to ram through is nothing less than a full-scale fascist austerity regime, the Hitlerian kind that the Synarchist bankers were unable to put in place in the U.S. in 1933, because of Franklin Roosevelt, but *were* able to install in Chile in 1973.

That plan can be stopped again—as FDR did 70 years ago. Under LaRouche’s leadership, Americans can be mobilized to turn Bush’s manic drive to privatize Social Security, into his Waterloo. Bush *can* be stopped, and this pamphlet is the critical political ammunition to do so.

The fact is that the Chile privatization of social security was never the bankers’ main objective. The real prize was always the United States. The very same cast of characters that orchestrated the Chile project—a fascist coup to loot an economy into bankruptcy, and then to resurrect the corpse and loot it again by stealing the social security fund—this same crew is pushing the U.S. project today.

The Chilean Labor Minister who personally sponsored

the pension fund heist was José Piñera. Today Piñera is a close advisor to Bush, and the leading spokesman for the global Social Security privatization project, and has been for decades. He functions out of the Washington-based Cato Institute, and travels the world over promoting the Chilean model of theft.

But even more significant is the role of George Shultz. Shultz has been there every step of the way for the Chile project. From the Nixon Administration he helped orchestrate the Pinochet coup. And he justified it on the basis of the University of Chicago economic policies, of which he is a leading light.

In his autobiography, he put it this way: “General Augusto Pinochet came to power, bringing dictatorship and repression to the political scene. But he did restore prosperity to the economy. Chileans trained in free-market economics at the University of Chicago applied the ideas of classical economics, opening the Chilean economy to international competition, eliminating subsidies, relying on market signals to direct investment, seeking fiscal balance and a stable monetary policy. These policies worked.”

Then, from his role as an advisor to the incoming Reagan Administration, in 1981, Shultz visited Piñera and asked the former Chilean Labor Minister to provide him with a one-page memo on the pension privatization plan, for Shultz to try to sell the scam to Reagan. *Shultz’s Chicago Boys in Chile had barely implemented social security privatization there, and Shultz was already trying to ram it down the throat of the U.S.—23 years ago!*

Now today, Shultz is an *eminence grise* of the George W. Bush Administration, and he wants to finally get his policies through.

The lesson should be clear. From 1971 on, the bankers’ Leporellos in the United States and elsewhere have known full well that they must either junk their financial system, or move to “save” it with global fascism. For the past 30 years they have sought to wipe out the opposition to fascism, including most prominently Lyndon LaRouche, and to create the conditions under which a broken American population would welcome its imposition, first in the rest of the world, and finally, at home. After Sept. 11, 2001, they thought they had their coup, but they have been unable to consolidate it, again in large part due to the leadership of the resistance exercised by LaRouche.

Now, with the virtual coup carried out through voter suppression which led to George W. Bush’s being declared the winner of the Nov. 2 Presidential elections, the Synarchist bankers think they have the opportunity they’ve been waiting for.

They are wrong. Bush’s manic drive to push through Social Security privatization may be the biggest mistake of his political life—and lead to his downfall. As Lyndon LaRouche put it: “This may be the end of George Bush. This may turn him into a cooked, lame duck, because of this desperation to plunge ahead with this swindle on Social Security.”

Chile: A Synarchist Showcase

by Dennis Small and Cynthia Rush

If President George W. Bush and his controllers have their way, the United States will soon be following in Chile’s footsteps—straight into hell. Bush himself has been explicit. In Santiago, Chile for a Nov. 19-21, 2004 summit of APEC, he stated that “Chile provides a great example for Social Security reform.”

They may not have told the President yet, but it is more than Social Security privatization that his synarchist controllers seek to replicate from the Chilean model. Chile is their test-tube case for:

1. The untrammelled looting of the country’s physical economy and labor force, under three decades of the lunatic doctrine of free trade, as concocted by the notorious “Chicago Boys” disciples of George Shultz and Milton Friedman.
2. The bankruptcy meltdown of the national banking system under a mushroom cloud of financial speculation, and its resurrection based principally on a gigantic captive income stream, coming from the privatization of Social Security.
3. The use of cold, political terror and police-state repression against all potential opposition to these measures, including “the formation of special teams from member countries who are to travel anywhere in the world to non-member countries to carry out sanctions—up to assassination—against terrorists or supporters of terrorist organizations.”

These are the words used in a declassified 1976 FBI memo, to describe the functioning of the assassination squads that had been set up by Chile’s Pinochet dictatorship, along with five other South American governments, under the code name *Operation Condor*. If reading this quote made you nervous, because it sounds just like one of Vice President Dick Cheney’s latest press conferences or a recent Donald Rumsfeld rant, then you are starting to get our point:

These are the same synarchist forces, intent on carrying out the same fascist policies, in order to defend the same bankrupt economic system. Chile isn’t “over there”; it’s here.

Social Security: ‘But It Worked In Chile. . .’

No, Social Security privatization did *not* work in Chile—except for the foreign bankers who stole the money.

Social Security was privatized in Chile in 1981, as per the specifications of Harvard-trained economist and Mont Pelerinite ideologue José Piñera, who had been Labor Minister for Pinochet from 1978-80. After 23 years in operation, the Chilean system is such a flop that almost all political forces in the country—labor, business, government, thinktanks—now