

# 'Privatizer' Draculas Are From a Common Crypt

by Richard Freeman

On Jan. 1, Stephen Moore, head of the Club for Growth, speaking for the bankers who seek to steal Social Security's multitrillion-dollar cash flow by "privatizing" it, told the *Washington Post* that a major campaign is being mounted. "It could easily be a \$50-100-million cost to convince people this is legislation that needs to be enacted. It's going to be expensive, because it's the most significant public policy fight in 25 years," Moore said.

The privatizers will rely on a single integrated network, one coordinated apparatus, both to run the media barrage, and to direct the on-the-ground organizing in the Congress, in the districts, etc.: a tight-knit system of think-tanks, banking networks, lobbying machines, "grass roots" advocacy groups, all reciting from the same script. The attempt will be made to appear to field dozens of different groups, but they are all one merry-go-round, where people appear to leave their places, but never leave the same machine.

There will be examples, like the young mother, Sandy Jacques, who spoke on national television at the Bush "Economic Summit" Dec. 16 about how she wanted privatization for her child. It turned out Sandy worked for a pro-privatization group, and had been coached on what to say. It is the same for Charles Blahous III, who was the executive director of George Bush's official 2001 Commission to Strengthen Social Security, and who now serve as the Special Assistant to the President for Economic Policy, with emphasis on Social Security. Despite appearances, the 41-year-old Blahous—the right age to appeal to younger workers about private accounts—doesn't make policy; it is made several levels above him.

In 1947, the same wealthy oligarchical families that had financed and steered the world-wide fascist-Synarchist movement from 1921-45, decided to relaunch that Nazi movement at a meeting in Mont Pelerin, off Lake Geneva in Switzerland. A few oligarchs and some trusted ideologues, like the fascist proponent of shock therapy, Friedrich von Hayek, and Milton Friedman, created the Mont Pelerin Society for that purpose. Special objects of hatred were President Roosevelt's Bretton Woods monetary system, and the Social Security system in the United States. The secretive Mont Pelerin Society decided to create, cookie-cutter style, a series of public entities, starting in 1955 with the London-based Institute for Economic Affairs of Lord Harris and Sir An-

thony Fisher, and then several in the United States, including the paradigm, the Cato Institute.

This Mont Pelerin network, drawing on the same sources of financing and interchangeable personnel, is running the Social Security privatization campaign. It is the same network that ran the Pinochet dictatorship, and the 1970s-80s Chilean model of privatization, through individuals such as George Shultz. As Milton Friedman acknowledged then, such plans don't work in democracies.

## **Cato Institute**

*Founded in 1977; headquartered in Washington, D.C.*

*Chairman:* William Niskanen

*President:* Edward Crane.

The Cato Institute has a staff of 40-plus persons, and over 75 adjunct Cato scholars and fellows. One of the biggest promoters of speculation in the world, heavily funded by Wall Street, it championed the destructive deregulation of the airline and rail industries; and openly promotes the legalization of cocaine and heroin (Cato executive vice president David Boaz is a board member of the Drug Policy Foundation). At Cato's headquarters, its main auditorium is named after the fascist Friedrich von Hayek.

In 1995, the Cato Institute established the Project on Social Security Choice, which functions as the national coordinating center for Social Security privatization. Fascist José Piñera is the co-chairman of this Project. As Chile's Minister of Labor and Social Security from 1978-80 in the government of dictator Gen. Augusto Pinochet, Piñera privatized Chile's Social Security system at the point of a bayonet in 1981. As *EIR* has documented, this privatization is a crushing failure: half of Chile's workforce retires without even receiving a minimum retirement benefit. Cato calls its U.S. legislation "the 6.2% solution." It "would place the entirety of the employee's 6.2% Social Security payroll tax" into an Individual Account, managed by a Wall Street firm which would take a 10-20% management fee.

Wall Street firms, anticipating the riches of this proposal, have funded Cato's Social Security Project. These firms include JP Morgan Chase, Citibank, American Express, and Fidelity Investments.

In 1977, the Cato Institute was set up by the wealthy brothers Charles G. and David H. Koch, who own the Wichita, Kansas-based Koch Industries, an energy producer and speculative-trading company which is the second-largest private company in America, with more than \$30 billion in annual sales. For decades, Charles G. Koch has been a leading member of the Mont Pelerin Society, and he shaped the Cato Institute as a Mont Pelerin Society outpost. The Koches' three foundations have put \$15 million into Cato since 1986. Charles Koch exemplifies the interconnections of this single apparatus: He chairs two leading pro-Social-Security-privatization groups, the Citizens for a Sound Economy (see below), and the Institute for Humane Studies at George Mason University.

### **Club for Growth**

*Founded in 1999; based in Washington, D.C.*

*President and Founder:* Stephen Moore. For years, Moore held the top post of Director of Fiscal Policy at the Cato Institute, where he was a leader for privatization. In 1999, the controllers of Cato Institute created a spin-off, the Club for Growth, placing Moore at the helm. The Club for Growth receives contributions from thousands of wealthy individuals, and funnels them to hand-picked neo-con candidates for Congress—usually in close consultation with House Majority Leader thug Tom DeLay—including many of the new neo-con freshmen in the 109th Congress. The Club also does grass-roots and mass media propaganda and lobbying. It has announced that it will spend \$15 million on behalf of a campaign for Social Security privatization, although the figure could go much higher.

*Leading Figures:* CFG board member Art Laffer, who is a house pet of George Shultz, having served as the assistant to Shultz in the Nixon and Ford Administrations, when Shultz was OMB director and then Treasury Secretary; CFG board member Lawrence Kudlow of the dirty-money-laundering Bear Stearns investment bank; and CFG Founders Committee member Brent Bozell, a William F. Buckley in-law involved in black intelligence operations.

The Buckleys' *National Review* and the Club for Growth coordinate their activities, with *National Review* being an outlet for Club for Growth views. CFG Founders Committee member Kudlow is the economics editor for *National Review Online*, while CFG president Stephen Moore is a *National Review* contributing editor.

### **Citizens for a Sound Economy**

#### **Empower America**

#### **FreedomWorks**

*The Citizens for a Sound Economy (CSE) was founded in 1984; Empower America (EA) in 1993; both headquartered in Washington, D.C.. On July 22, 2004, CSE and EA merged, forming FreedomWorks, headquartered in Washington, D.C.*

The three co-chairmen of FreedomWorks shows the scope of its undertaking:

*Co-Chairmen:* Dick Armey—Between 1995 and his retirement in 2002, the Texas Republican Congressman was the iron-fisted House Majority Leader, who helped draft the Conservative Revolution's 1994 Contract with America, and saw to it that much of it was rammed through. He also led the treasonous move to impeach President William Clinton. Speaking of Mont Pelerin's fascist founder Friedrich von Hayek, Armey ranted in the Summer 1994 issue of the Heritage Foundation's *Policy Review* magazine that, "Once this shift takes place—by 1996, I predict—we will be able to advance [in America] a true Hayekian agenda." Armey trained a generation of assistants to share his hatred of Roosevelt's Social Security system; one such was Stephen Moore, chief economist and assistant to Armey when Armey chaired Congress's Joint Economic Committee.

C. Boyden Gray—an heir to the R.J. Reynolds tobacco fortune, Gray is the patrician son of Gordon Gray, National Security Adviser to President Dwight Eisenhower. C. Boyden Gray was White House Counsel for President George H.W. Bush, and was at the center of the Get LaRouche Task Force. Gray became co-chairman of Citizens for a Sound Economy in 1993.

Jack Kemp—Kemp is a follower of Mont Pelerin Society's Robert Mundell's insane supply-side economics. When Kemp, a nine-term Republican Congressman from New York State, introduced and passed the infamous Kemp-Roth Act in 1981, as part of supply-side economics, it proceeded to produce record Federal budget deficits and collapse the economy. Kemp founded Empower America.

CSE was founded in 1984 by the same Koch family that created the Cato Institute (see above). The Koch family's three foundations have contributed more than \$15 million to the CSE since 1986. Other funding came from Cato's banking, corporate, and foundation funders.

### **The Institute for Policy Innovation**

*Founded in 1987; headquartered in Lewisville, Texas.*

*President:* Tom Giovanetti

The Institute for Policy Innovation (IPI) was founded and is controlled by Dick Armey, also the co-chairman of FreedomWorks (see above). The chief writer on Social Security privatization for IPI is Peter Ferrara, who used to work for the Cato Institute. The IPI drafted the radical Ryan-Sununu bill to privatize Social Security.

### **The Hoover Institution on War, Revolution and Peace**

*Founded in 1919; headquartered in Palo Alto, California.*

The Hoover Institution has over 250 employees.

George Shultz, who authored the murderous Pinochet coup in Chile in 1973, and who has been involved in pushing Social Security privatization since that same year, is the dominant force at Hoover. Other fanatics for privatization who are Hoover Scholars or Fellows: Art Laffer (see Club for Growth); Michael Boskin; John Cogan (a member of Bush's official 2001 Commission on Social Security); and Annelise Anderson.

### **Americans for Tax Reform**

*Founded in mid-1980s; headquartered in Washington, D.C.*

The chief here is Grover Norquist, who is fully mobilized for privatization. Norquist meets regularly with Vice President Dick Cheney's Chief of Staff, Lewis Libby.

There are three prominent groups whose role lies chiefly in coordinating other groups, and/or in channelling financial support from the financial community, and churning out propaganda: **Alliance for Worker Retirement Security**, created and directed by the National Association of Manufacturers (NAM) as an umbrella coalition of groups to push for Social Security privatization; the **Investment Company Institute**, for mutual funds, and the **Securities Industry Association**, for commercial and investment banks.