

# Peter Peterson: Setting the Agenda For Obama's Killer Policies

by Edward Spannaus

Oct. 22—Wall Street billionaire Peter Peterson's latest front group, "Fix the Debt," is on the warpath against America's elderly again—a continuation of his decades-long fight to slash social expenditures on "useless eaters," meaning especially the elderly and the poor. Fix the Debt was established to campaign for the austerity program of Obama's Simpson-Bowles ("Catfood") Commission, and its ads feature Erskine Bowles and Alan Simpson themselves; television, digital, and outdoor ads are running in select markets throughout the country.

"Congress and the President must stop the madness of government shutdowns and risks of default, start talking on a bipartisan basis, and solve our economic and budget challenges by reforming our entitlement programs and enacting fundamental tax reform," Fix the Debt says. "The best way for our elected leaders to emerge from this latest standoff is for talk to return to a 'Grand Bargain'—a deal that includes both entitlement reform and deficit-reducing, pro-growth tax reform could end our current political stalemate."

If that sounds to you like what Obama is saying, you're right. Read on.

Banker Peterson and his flunkies are dedicated to convincing the American people that the nation's most significant problem is the deficit. Not the lack of productive jobs, not crumbling infrastructure, not the lack of a science-driver for the economy, and certainly not Wall Street speculation—but just the deficit and the debt, which can only be reduced by cutting life-supporting expenditures on older adults and others.

Fix the Debt was established in 2012 by the Peterson-funded Committee for a Responsible Federal Budget (CRFB), to provide support for Obama's push for the austerity program of his failed "Catfood" Commission. The Center for Media and Democracy puts it this way: "Fix the Debt was started with a \$5 million donation from crisis king Pete Peterson. Peterson has

been warning that our Social Security would create a 'Pearl Harbor'-type crisis for decades. In January 2013 Fix the Debt steering committee member and former Tennessee Governor and healthcare insurance executive Phil Bredesen admitted that Fix the Debt's strategy was to create an 'artificial crisis' to achieve a 'grand bargain' on Medicare and Social Security."

## 'GOP Should Listen to Obama'

On Oct. 16, Fix the Debt held a press conference at the National Press Club in Washington, featuring former Defense Secretary Leon Panetta, Peterson's lackey Maya MacGuineas of the CRFB, and former Congressman Jim Nussle (R-Iowa), who was Director of the Office of Management and Budget (OMB) for the last two years of the George W. Bush Administration, and was also a chairman of the House Budget Committee, and is now a co-chairman of Fix the Debt.

Nussle was the most direct, suggesting that Republicans should start actually listening to Obama's proposals to cut entitlements, and that they would find a lot to agree with. Nussle pointed out that Obama had over \$500 billion in entitlement reforms in his budget, but, he said: I'll bet many Republicans don't even know this, or would be surprised by it. Nussle said that he, as a Republican, would take Obama's entitlement-cutting proposal as a starting point for the budget and debt discussions.

## Targeting the Millennials

Peterson was the chairman and CEO of the now-bankrupt Lehman Brothers (1973-77), and then of its successor, Lehman Brothers, Kuhn, Loeb (1977-84). He is also the former chairman and co-founder of the private equity firm Blackstone Group, and a former chairman of the Federal Reserve Bank of New York.

Just as George Soros's partner Stanley Druckenmiller is currently on a campus tour to brainwash col-

lege students, Peterson's seemingly endless number of front groups have long tried to pit the "millennials" against their parents and grandparents, by telling young people that unless Medicare and Social Security are slashed, there will be nothing left for them.

The ultimate intent of this campaign is identical to that of Queen Elizabeth: Cut population. All the significant actors in it—Peterson, Warren Buffett, George Soros, Ted Turner, Michael Bloomberg, et al.—are billionaires committed to dealing with what they consider "overpopulation." A meeting of this "billionaires club" was exposed in the London *Sunday Times* in May 2009.

Peterson's actions are a good example of how Wall Street exercises its domination of both Democrats and Republicans, irrespective of nominal "liberal" or "conservative" labels.

To set the agenda for the 2008 Presidential campaign, Peterson financed a "documentary" film called "I.O.U.S.A." aimed at young people and promoting the dismantling of Social Security and Medicare. It appeared in 400 U.S. theaters in August 2008, with a live video address by Peterson and fellow billionaire Warren Buffett—all part of the "Fiscal Wake-Up Tour" sponsored by Peterson's foundation and the Concord Coalition, which he also funds.

The film was presented at a "film festival" accompanying the Democratic National Convention in Denver, and subsequently at a similar affair for the Republican Convention in Minneapolis. Sen. John McCain (R-Ariz.) declared on Aug. 6, 2008, that if he were elected President, he would bring Peterson Foundation CEO David Walker<sup>1</sup> into the government to ex-



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*Peter Peterson speaks at the National Press Club, July 17, 2012. New York magazine said in a 2009 profile: "Peter Peterson, 83, has been thinking an awful lot about death lately. Not his, yours."*

plain the national crisis of bankruptcy to the public. Obama, as we shall see, outdid McCain's promises, by attempting to have Peterson hijack the Congressional budget process.

### Peterson's British model

Peterson's London-inspired agenda was chillingly spelled out in a 2007 Brookings Institution position paper, co-authored by Peterson, intended to shape the 2008 election, entitled "America's Economy: Headed for Crisis." Regarding Social Security, the paper insisted that reform must deal with the "generational inequity" underlying the Social Security system. Proposals included raising the retirement age and reducing benefits through "longevity indexing" (see Edward Spannaus, "Top Banker Spokesman Discloses 'Shutdown' Aim: Kill

Off Old Folks," *EIR*, Oct. 18, 2013).

Presaging Obama's health-care program, the paper stated Americans will have to confront the fact that spending more money on health care doesn't necessarily improve outcomes, and that the most expensive treatments are provided in the last two years of life. Decisions will have to be made for better targetting of resources, the paper said:

"Americans have yet to confront these choices, but in other countries they have been dealing with them for years. Go through the intensive care unit of New York Hospital and count the number of octogenarians who are there with heroic intervention techniques and a dismal quality of life. Then go to a hospital in London and observe the difference in the age composition. What is it they do in Great Britain? They have capped their medical costs. A neurologist caring for stroke patients with a dismal prognosis turns them over to their general practitioner who sends them home to die quietly of pneumonia, 'the old man's friend.' Would Amer-

1. See Lyndon H. LaRouche, Jr., "Ducking the Issue: David Walker's Sleight of Hand," *EIR*, March 16, 2007.

icans accept the level of health care 'rationing' this implies? Maybe not. But we will soon need to face the question."

## Obama's Agenda

Shortly after taking office, Obama convened the White House Fiscal Responsibility Summit, on Feb. 23, 2009. Going into the summit, the Peter Peterson Foundation bought advertising time on the Sunday TV talk shows, warning of a claimed \$56 billion in unfunded retirement and health-care obligations, and calling for an "action-oriented bipartisan commission" to avoid the looming catastrophe. In a Feb. 19, 2009 interview on CNBC, former Comptroller General of the United States David Walker, the president and CEO of the Peterson Foundation, called for scuttling normal Congressional procedures. "We can't go through regular order," Walker asserted. "The regular order is broken. . . . You have to have an extraordinary process."

Over the Summer and Fall of 2009, parallel with the development of his Nazi-like health-care plan, Obama was also meeting with Senate Democrats to begin to implement the Peterson plan, by setting up an unconstitutional "special process" to take over fiscal and budget discussions, outside of regular Congressional order—just as the Peterson gang had been demanding.

When Congress balked, Obama created the National Commission on Fiscal Responsibility and Reform (the Simpson-Bowles Commission) by executive order. The plan was for this Peterson-controlled commission to issue its killer recommendations immediately after the November 2010 elections, so that they could be forced through the lame-duck Congress. But this didn't work either, due to opposition both inside and outside of Congress; Obama was also unable to get the Simpson-Bowles austerity recommendations enacted into law.

During the 2011 debt-limit crisis, Obama and the White House came up with the idea of an automatic



*Alan Simpson and Erskine Bowles, co-founders of the Campaign to Fix the Debt, are shown here in their TV ad calling for balancing the budget at the expense of the sick and elderly. The austerity recommendations of their previous enterprise, the Simpson-Bowles ("Catfood") Commission, commissioned by President Obama, were not enacted into law.*

trigger, or "sequester," in exchange for an 18-month debt-limit increase, to take it past the 2012 elections, assuming that the Republicans would never allow the sequester cuts to defense spending.

The sequester only applied to so-called "discretionary" spending, not the mandatory expenditures labelled entitlements. So, with the Catfood Commission stymied, Peterson created Fix the Debt in 2012 to continue the drive for slashing Social Security, Medicare, and other social spending.

More recently, he launched yet another push for generational warfare: "The Can Kicks Back," a propaganda campaign targeting young people, including on college campuses. "The Can Kicks Back" calls itself "a non-partisan Millennial movement to defeat the national debt and reclaim our American Dream."

Peterson's OweNo.com website is similar; its proposals include raising the retirement age to 70 or beyond, raising the payroll tax rate, and lowering benefits through changes in the wage-indexing formula or downward adjustments of cost-of-living increases.

As *New York* magazine aptly put it, in a 2009 profile: "Peter Peterson, 83, has been thinking an awful lot about death lately. Not his, yours."