

## LaRouche 'Super-TVA' Leads, After Dems' Self-Defeat

by Harley Schlanger

Once again, the nation's pundits and talking heads had it wrong with their "50-50 America" nonsense-formula; and have it wrong with their now-incessant prattle about a "Bush mandate" in the Nov. 5 election. Despite the outcome—in which high abstention rates by Democratic voters nationwide, elected Republicans to control over the Senate and increased their margin by five seats in the House of Representatives—the only mandate given was on the Democratic side. It is a demand for a completely new Democratic Party leadership to replace the thoroughly discredited Democratic Leadership Council (DLC, or "the second Republican Party," as Sen. Edward Kennedy and now millions of Democrats call it).

Against all the pundits, 2004 Presidential pre-candidate Lyndon LaRouche had forecast on Nov. 1 (see box), that the vote would be a mandate for the ouster of the DLC—epitomized by Sen. Joseph Lieberman (D-Conn.) and his organized crime-linked cronies—who have disastrously dominated the party's leadership since the 1990s. This cabal had Democrats, from disgraced House Minority Leader Dick Gephardt (Mo.) and Senate Majority Leader Tom Daschle (S.D.) on down, insisting that the key to success was for the Democrats to mimic Bush—including backing war against Iraq—while ignoring the the deepening financial crisis and the collapse of economic infrastructure, which are the greatest threats facing the American people.

The best that could be said about the election, LaRouche remarked, was that it would be over on Nov. 5, and a mobilization around his "November Emergency Infrastructure Program" for economic recovery, could begin.

The Lieberman/DLC campaign strategy was fatal to Democrats' chances. The two incumbent Democratic Senators who lost—Jean Carnahan (Missouri) and Max Cleland (Georgia)—both responded to GOP challenges by following the example of Lieberman, and embracing Bush. In both

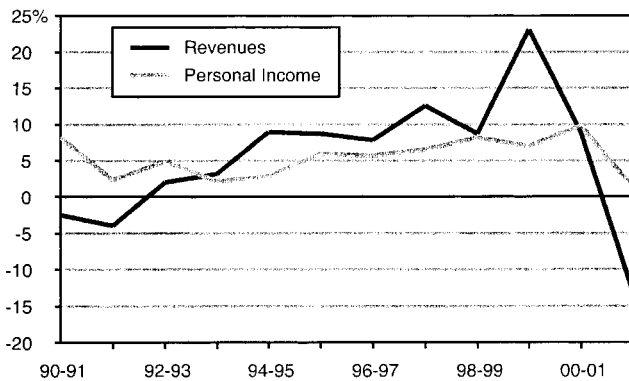
states, the DLC strategy discouraged African-Americans, who have been a critical part of Democratic constituencies there. The low turnout of these and other Democratic voters doomed Carnahan's and Cleland's chances. The *Hartford Courant* in Lieberman's home state, reported that he campaigned for six other Democratic candidates for Senate who lost, and for Sen. Mary Landrieu of Louisiana, who fell short of 50% and was forced into a runoff.

The same was true in the House, where four of the five ousted Democratic incumbents were members of the DLC House caucus. It was also true in the gubernatorial race in Maryland, where Lt. Gov. Kathleen Kennedy Townsend, virtually the DLC poster girl, was decisively defeated in a traditional Democratic stronghold. She went so far in this direction as to appoint, as her running mate for Lieutenant Governor, Adm. Chuck Larson, previously a top operative of Lieberman's GOP ally, organized crime-connected Sen. John McCain (Ariz.), during the Presidential campaign in 2000.

### It's Still the Economy, Stupid

While most of the Congressional candidates appeared blithely ignorant of the crippling economic crisis, its effects have been more keenly felt at the state level, where at least 47 of the 50 states face serious budget deficits. Since George W. Bush was sworn in as President in January 2001, the real level of unemployment in the nation, as measured by the *EIR*—in contrast to the fraudulent figures released each month by the Bureau of Labor Statistics—has skyrocketed, especially in the manufacturing industries. This decline in the physical economy, when combined with the crash of the "tech sector" and its associated stock market bubble, forced the dramatic collapse in all government revenues—the "telltale heart" of the economic depression. On the Federal level, the deficit could easily hit \$250 billion in fiscal year 2003. The

### Annual Percent Change in General Fund Revenues and California Personal Income



*The huge shadow of depression over California economy—typical of states across the country—which was ignored by both Democratic Gov. Gray Davis and his Republican opponent. Recovery measures mean backing Lyndon LaRouche, who proposes a “Super-TVA.”*

collapse in state revenues has produced record deficits.

California, which had a \$24 billion budget deficit in 2001-02, faces a deficit in 2003-04, which could top \$20 billion under the most optimistic circumstances. Texas is facing a deficit of more than \$10 billion, and New York, \$10 billion. The list goes on. Governors and legislatures have foolishly responded with savage austerity, slashing necessary spending in infrastructure, leading to dangerous crises in transport, water, energy, health care, and education. This approach sacrifices the future, while adding to the downward spiral of revenue collapse.

In California, cuts in expenditures have added to already serious problems in transportation and in the ports; in water management, where both cities and farmers face shortfalls; in electricity production, in a state that has not yet recovered from the devastation wrought by Enron, and where consumers face soaring prices *and* shortages; and in health care, where the City of Los Angeles has already lost half of its trauma centers, and may still lose two of its four major public hospitals. That these issues were avoided, as if by agreement, by Gov. Gray Davis (D) and his Republican opponent, explains why Davis’ margin of re-election was only 5%, with voter turnout hitting a record low. A top Davis campaign activist conceded to *EIR*, before Nov. 5, “[We have] blown it—we could have smashed the Republicans, but we have adopted a play-it-safe strategy.”

Because of these state disasters, the exceptions to the Democrats losses occurred where they won governorships from incumbent Republicans. Among these were the formerly industrial Midwestern states of Michigan, Pennsylvania, Illinois, and Wisconsin; and the traditionally Republican states of Wyoming, Kansas and Oklahoma.

With the election over, Democratic pre-candidate LaRouche has launched an initiative to address the real economic crisis. “It’s time to face the facts,” LaRouche insisted.

“The system has collapsed. It’s time to shift from the WalMart slave-labor economy; for the Federal government to utilize the Constitutional principle of the General Welfare to embark on a major push for necessary infrastructure projects, with an emphasis on physical goods production.” LaRouche said the Federal government must generate huge volumes of credit, channeled through the states, to undertake urgently needed projects that will simultaneously create productive jobs and, by doing so, generate an expanded revenue base for the states. For this to occur, states must enact emergency legislation to repeal the deregulation statutes of the last 20-plus years, restore public power utilities, etc. The states must also reorganize existing debt, so that the new credit allocated for infrastructure does not pay old debt instead.

To run this nationally, LaRouche would establish a new “Super-TVA,” modelled on one of the most successful anti-Depression, productive projects ever implemented in the United States—the Tennessee Valley Authority of President Franklin Roosevelt. It will require, LaRouche emphasized, 25-30 years to rebuild our nation, and recover from the damage we have inflicted by 30 years of “New Economy” insanity.

## He Called It

*On Nov. 1, Presidential candidate Lyndon LaRouche forecast the result of Democratic leadership failures, in this reply to an Oct. 30 e-mail on his website.*

What the Democratic Party has done to this nation and its people, is a crime against our people and their posterity. Either the party abandons those its presently continuing habits of the recent quarter-century, or it is soon dead. It can no longer get by with the swindle the leadership of the party has been running over these decades to date. The worst thing is not that the party leadership has policies which are either evil, such as those of Lieberman, or practically impotent; some of the leaders could be changed, under appropriate top-down changes in policy and leadership, but the present crew is not capable of doing anything relevant of its own volition. Without new leadership, top down, the party has no moral relevance. If the Democratic Party were not, now, to reverse its policies of the past quarter-century to date, and specifically adopt my FDR-style remedies, the nation would not survive. . . . Otherwise neither that party nor the nation “have a snowball’s chance in Hell” during the several years immediately ahead. . . . Why should anyone waste their support of the Democratic Party if that party does not now openly entertain my Presidential candidacy for 2004?