

LaRouche Presents ‘Super-TVA’ Amid California Collapse

by Harley Schlanger

As the state of California staggered under the weight of a budget deficit which could surpass \$30 billion for the coming fiscal year, Democratic Presidential pre-candidate Lyndon LaRouche presented his alternative, at a Los Angeles town meeting on Dec. 7, to the escalating and devastating budget cuts announced on Dec. 6 by Gov. Gray Davis (D). Similar bone-breaking cuts are in preparation by governors and legislators in the 45 other states facing record deficits.

A videotaped presentation by LaRouche of his proposal was shown to the packed-house town meeting, sponsored by his campaign committee, LaRouche in 2004. In his brief, yet concentrated comments, LaRouche outlined the emergency measures required to lift the nation out of “the ongoing, accelerating economic collapse, of a failed international monetary-financial system, and the bankruptcy, in fact, of many U.S. Federal states.” He reviewed how the crisis had advanced to the point that the only remedy is a bankruptcy reorganization, in which the U.S. government, acting with other governments, puts the International Monetary Fund, the Federal Reserve, and central banking systems into Chapter 11 bankruptcy reorganization.

Following this initial step, the candidate added, “we must launch credit for large-scale projects, such as basic economic infrastructure . . . and rebuild the economy, with influxes of public credit into basic economic infrastructure, and also into promotion of certain areas of high-tech, agro-industrial production. In other words, we have to put people to work—not cut employment—put people to work in increased numbers, and in *fruitful* work. And this will get the economy growing, as it did under Franklin Roosevelt, who led us out of the last depression.”

In order to carry out a successful reorganization, it is necessary, LaRouche stressed, that we acknowledge that we have made a mistake, that we have adopted legislation over the last

35 years that has destroyed the productive potential of our nation, in favor of a now-bankrupt consumer society. There must be leadership which will insist that the deregulation and free trade policies of recent decades be suspended by law, in favor of those policies which fostered the postwar reconstruction. These centered around Federal credit for infrastructure—the “Super-TVA”—and a protectionist policy, including re-regulation, to rebuild our nation’s transportation system, our power production, water management, health care, and education (see prepared text of LaRouche’s presentation, in *EIR*, Dec. 13).

Message Whose Time Has Come

LaRouche’s sharp comments on the deepening depression, and the lack of leadership in the two parties, came through loud and clear, given the dramatic developments in the days leading up to this event. There was the looming bankruptcy of United Airlines, the nation’s second largest airline; the “unexpected” jump in official unemployment from 5.7% to 6%; and the firing of Treasury Secretary Paul O’Neill and the President’s economic adviser, Larry Lindsey.

Further, the implosion of state and local budgets finally was covered in headlines nationwide. At least 46 of the 50 states have admitted budget deficits, and many major cities and counties are literally bankrupt, as revenues have plunged. Given the exploding Federal budget deficit, which is now expected to top \$250 billion officially (it’s actually much more, as *EIR*’s Dec. 6 issue demonstrated), there will be no help from Washington. Governors and state legislators are preparing for massive cuts, with no area exempt from the budgetary axes.

In no state is the crisis as profound as in California, where revenues plummeted as unemployment skyrocketed as the



Part of the Los Angeles town meeting audience as LaRouche spokesman for the western states, Harley Schlanger, introduced Presidential candidate LaRouche's videotaped presentation of his "Super TVA" recovery policy, on Dec. 7.

much-hyped "New Economy" disintegrated. Water is scarce, power is in short supply, and the kind of bold thinking, which led to the construction of the great infrastructure projects of the past—which built the state as America's largest, most populous, and most productive—has disappeared.

California Leading the Way to Hell

The budget deficit of 2002, which was \$24 billion—in part due to the electricity deregulation bill of 1996, which opened the state to the looting of the energy pirates, such as Enron—will be remembered as the "good old days," compared to what elected officials will face in tackling this year's deficit.

Having projected a Fiscal 2003 deficit of \$21.1 billion not long ago, Governor Davis has now admitted it is likely to reach \$30 billion. He presented an initial proposal on Dec. 6 to cut \$10 billion in spending, which will hit health care and education especially hard. In addition to cuts in medical care for the poor and elderly, and the closing of hospitals and community health centers, budget cuts will weaken the state college system, with additional cuts targetting public schools from kindergarten through grade 12.

More bad news for the state comes from the electric power sector, with recent predictions of new shortages coming in the near future. Power companies, such as the near-bankrupt AES, which had pledged to build new plants if deregulation were passed, now admit they cannot obtain credit to complete the plants they had started. State officials acknowledged that

this could lead to a renewed threat of blackouts as early as the Summer of 2003.

Leadership in Time of Crisis

The town meeting in Los Angeles had been organized by LaRouche's campaign to address this crisis, by recruiting and educating a new leadership to push through the Presidential candidate's initiatives to reverse the mistaken policy direction which has plunged the states, and the nation, into a depression.

This new kind of leadership which LaRouche has called for, stepped forward at the meeting, particularly in the prominent role played by activists in the LaRouche Youth Movement. The meeting was chaired by Carlos Ramirez, and was highlighted by a moving appeal by a second Youth Movement leader, Elke Sandoval Spies, for the 150 or so in attendance to join them for a day of lobbying in the state capital, Sacramento, on Dec. 10.

It was also evident in the brief remarks made to open the event by Assemblyman Mervyn Dymally, who has returned to public office after a ten-year hiatus. Dymally served California as its Lieutenant Governor from 1974-78, and in the U.S. House of Representatives from 1981-92 (where he chaired the Congressional Black Caucus from 1988-90). He spoke of LaRouche as "prophetic in his pronouncements on international economics." Dymally praised LaRouche's leadership in opposing the policies of the International Monetary Fund (IMF), saying that he himself had not fully recognized the danger posed by the IMF until after he left the Congress.



California Assemblyman and former Congressman Mervyn Dymally (left) addresses the meeting, which was moderated by LaRouche National Youth Movement leader Carlos Ramirez (right). The youth movement led a 70-person lobbying team to Sacramento Dec. 8, to hit the state legislature's emergency budget session.

He also pledged to study introducing a bill to repeal the Electricity Deregulation Act of 1996.

Assemblyman Dymally's proposed action was backed by a message from Nevada State Sen. Joe Neal (D), who pledged his support to Dymally in repealing the California deregulation bill. A message of greetings was also received from Hawaii State Rep. Mike Kahikina, (D), who said he would be closely following the deliberations at the meeting.

Other messages backing this important town meeting and leadership recruitment initiative—which was immediately followed by a mass lobbying day for LaRouche's "Super-TVA" in Sacramento—came from Richard DiMarco, the Committee on Political Education (COPE) chairman of Transport Workers Union 564, representing workers in the airline industry, who announced his support for the lobbying day; and Dr. Talat Khan, the medical director of the Al-Alshifa medical clinic, which serves poor people in San Bernardino. Dr. Khan expressed her agreement with LaRouche, that cutting the budget in health services would result in closing medical facilities, which "is immoral and disastrous." She warned that the disaster will be magnified, as nearly 1 million poor Californians will lose health insurance due to cuts in state medical aid.

International support for LaRouche was expressed by Joe Kirojan, the U.S. chairman of the PDIP (the ruling party of Indonesia). Mr. Kirojan wrote, "I voice my agreement with the idea of LaRouche for a Eurasian Land-Bridge and a new, just monetary system. I hope the American people will listen to LaRouche and solve the crisis of the U.S. economy and that in California. . . . We have to have the truth to be successful, whether dealing with international terrorism, or the economy."

LaRouche Policies Goes to Sacramento

The final presentation of the afternoon was made by this author, in his capacity as Western States spokesman for the LaRouche Presidential campaign. A review of the economic program for infrastructure development for Germany, drafted by Dr. Wilhelm Lautenbach in September 1931, demonstrated that there was an alternative to Adolf Hitler and fascism in Germany. Lautenbach's program was close to that which Franklin Roosevelt implemented in the United States to lift this nation out of the Depression. It was a tragic failure in leadership which prevented the successful implementation of the Lautenbach plan in Germany when there was still time to block the rise and seizure of power by Hitler's fascism. Action today to put LaRouche in the White House is aimed to ensure that there is no failure of leadership in the face of the present global crisis.

The town meeting served to deepen the commitment of those attending to bring the message of LaRouche to the members of the California legislature, who were meeting in an emergency session over the vanishing state budget. More than \$1,500 was raised at the event, to finance the lobbying trip to Sacramento. Seventy people, mostly young organizers and potential leaders of the LaRouche Youth Movement, went to the legislature, to insist that their representatives not succumb to pessimism and popular opinion and rubber-stamp the deadly budget cuts, but, instead, take up LaRouche's challenge, to overturn the current economic axioms, and fight for his "Super-TVA" approach.

One legislator expressed the sentiment of many, when he told the young people that they are making progress, more so than they probably realize. What you are telling us to do, he said, may soon be our only option.