Super-TVA' Needed, Not Halliburton Profiteering

by Paul Gallagher

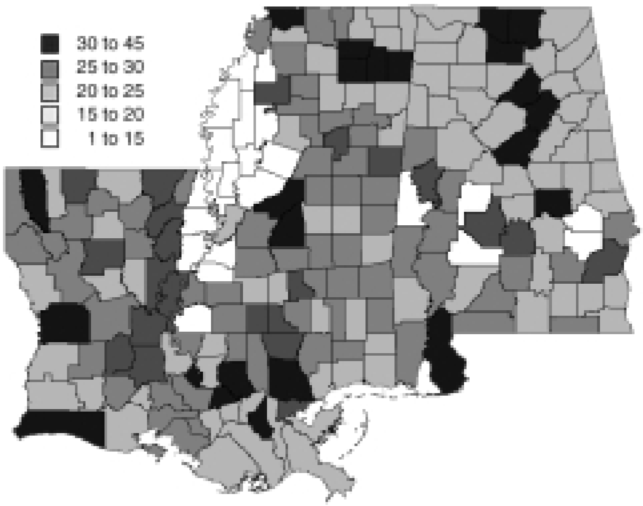
The tremendous destructive force of Hurricane Katrina struck the poorest region of the United States, the three states which rank first, second, and fifth in depth of official poverty, and also have a combined 30% African American population. The Tennessee Valley Authority (TVA) was launched by President Franklin Roosevelt both to stop extremely destructive flooding in what was then the nation's poorest area, and within a broader purpose of transforming the power of infrastructure, employment, income, education, and healthcare in the whole nation. So, this disaster should be met with a new, "Super-TVA," as then Presidential candidate Lyndon LaRouche proposed it in 2003, and as is now being put forward as "a new Marshall Plan" by Sen. Harry Reid and collaborators.

"The poor had no way to evacuate until it was too late," said former Senator George McGovern after an extended visit to Katrina's victims in the Houston Astrodome, seeking to give them a national voice. He thus identified a crucial characteristic both of the disaster, and of the necessary reconstruction mobilization.

FIGURE 1

Floods of Poverty in Gulf-State Counties, 2003

(Official Poverty Rate, Non-Institutional Population, Percent)



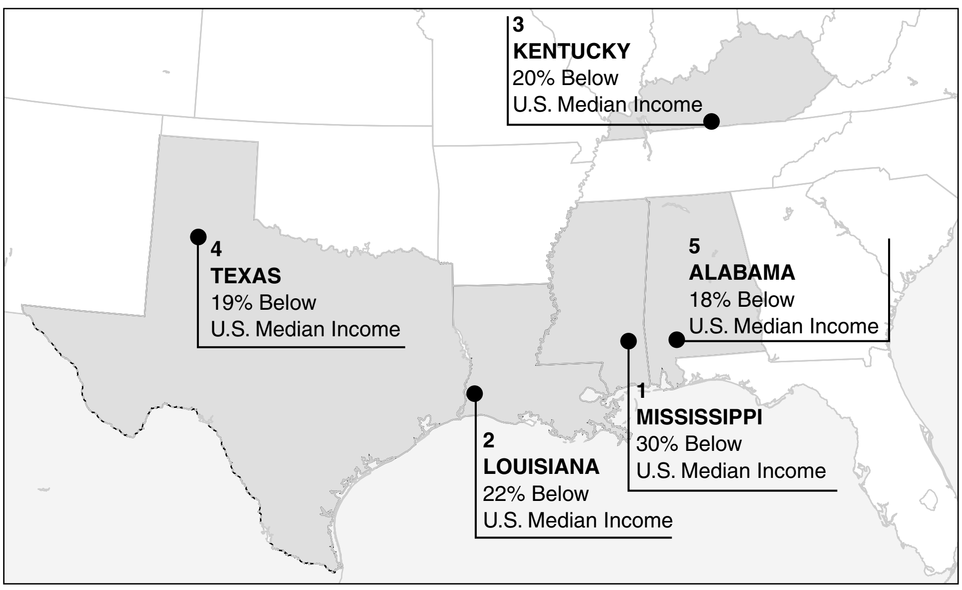
Source: *EIR* 2005, Map by MapInfo.

Only about 10 counties in the three states combined have "official" (much underrepresented) poverty rates below 15%; some 20 counties have 30-45% official poverty.

The maps in **Figure 1** and **Figure 2** indicate the degree to which low income and long-term poverty are concentrated in the states in Katrina's path. The median of *all* household incomes in Mississippi and Louisiana is only about 150% of the impossibly low Federal poverty line, and Alabama's median household income is less than twice official poverty. These states' average individual weekly wages and salaries have been about 85% of the national average. Of 12 million citizens of the three states, 3.6 million are black; and nationwide, the median income of black households is below 70% of the national median; their household wealth is below 15% of the national average; their weekly wage, 80% of the national average. The median price of homes in Mississippi, Alabama, and Louisiana ranged from $79,000 to $95,000 in 2004, half the na-

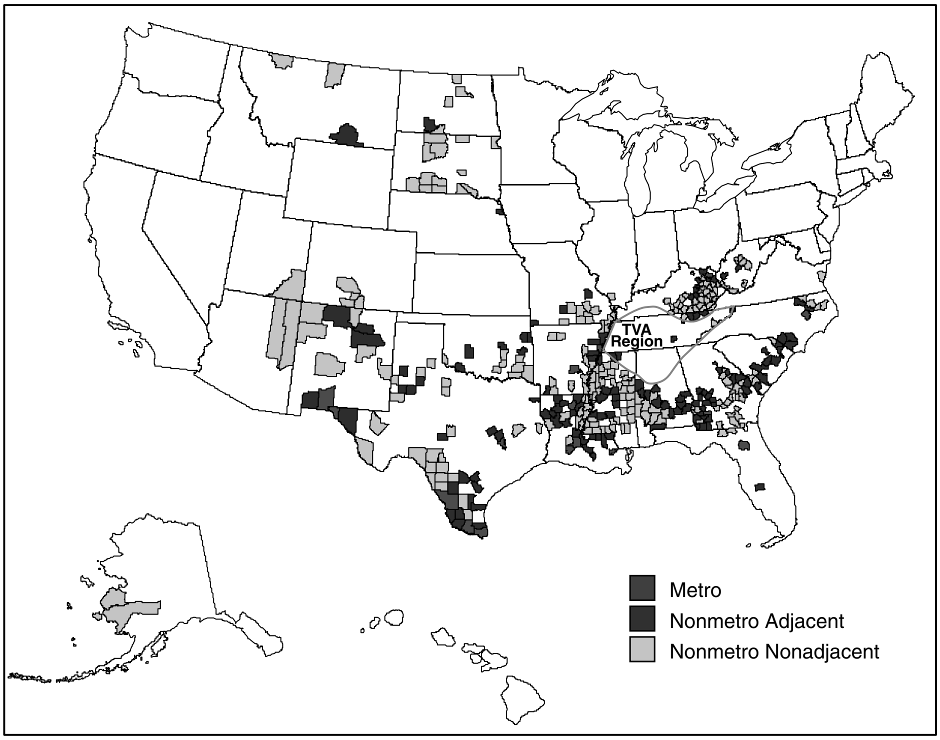
FIGURE 2

Katrina Hit Three of the Nation's Five Poorest States, by Households



Source: U.S. Census Bureau; *EIR*.

FIGURE 3
Counties of Deep Poverty Surround the 'Exception,' the TVA Region



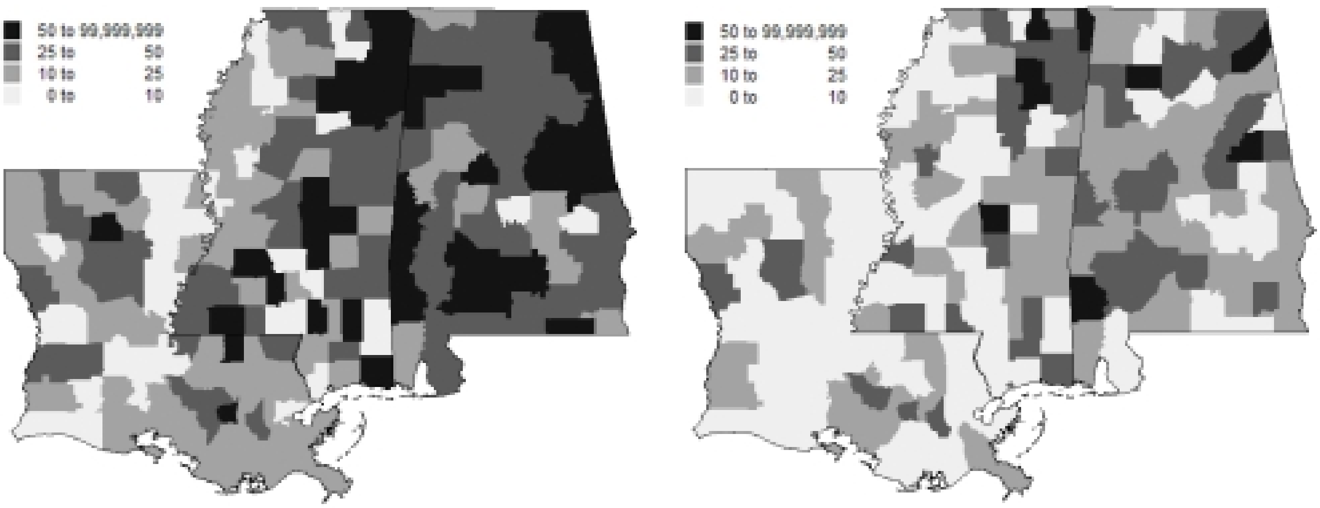
tional median price.

Residents of Louisiana, Mississippi, and Alabama fall overwhelmingly in the lower 40% of households by income, and that percentile of Americans' low share of the national income, has gotten 6% lower just since 1995.

Dramatically, the map in **Figure 3** illustrates what FDR's original TVA accomplished in reconstructing the nation's poorest region. As late as 2000, the TVA region in Tennessee, Kentucky, and the northern tiers of Georgia, Alabama, and Louisiana had almost no counties of persistant poverty (more than 20% official poverty for more than a decade). Yet, outside the TVA region, it was surrounded by just such poverty, the serious worsening of which by 2004 is shown in the states Katrina hit in 2005 (Figure 2).

This is what a "Super-TVA" or Marshall Plan for the reconstruction of the Gulf states re-

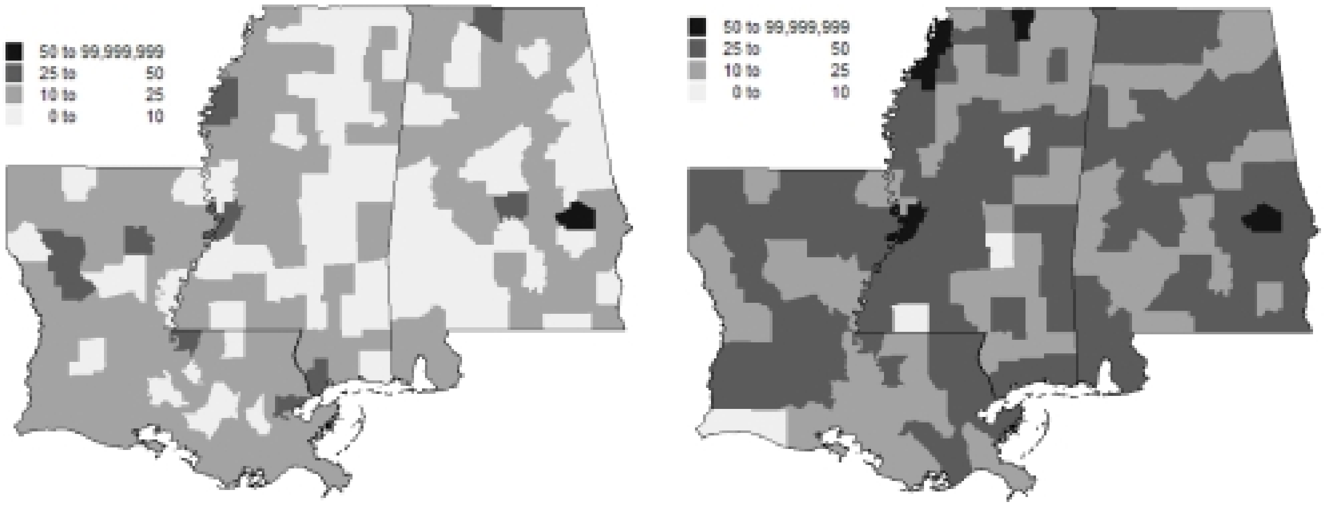
FIGURE 4
Manufacturing Employment by County, 1975 and 2000



Source: *EIR* 2005, Map by MapInfo.

See animations of these and other graphics at www.larouchepub.com/animations.

FIGURE 5
Service Employment by County, 1975 and 2000



Source: *EIR* 2005, Map by MapInfo.

gion, launched immediately, can accomplish, if it is done seriously, as some in Congress, spearheaded by Senate Minority Leader Reid's demands, are now beginning to propose. It must involve hundreds of billions of dollars in investments in new, modern economic infrastructure—over and above spending for immediate rescue, repair, financial aid, temporary housing, etc. And as in the first TVA, the infrastructure investment—encompassing new flood-control and water management, ports, and coastal protection, power and transmission infrastructure, modern rail transportation—must also invest in the "soft infrastructure" of education, housing, and healthcare, and, critically, in creation of higher-wage employment for particularly the residents of these poverty-plagued cities and towns.

Proposals for a Gulf States Marshall Plan are now projecting $200 billion in investment—still a significant understatement. If this is infrastructure investment, distinct from assistance, several million jobs skilled and semi-skilled jobs can be created. **Figures 4** and **5** show that despite the flocking of non-union Japanese auto assembly plants, runaway steel plants and auto supplier shops, and so on, into these states for 30 years, not only have wages remained low but manufacturing employment has shrunk while lower-wage service and "entertainment" jobs proliferated.

The Bush/Cheney Administration's first "recovery" steps already show it perpetuating the impoverishment of the economy, even while claiming to rebuild. Rather than tasking the military to set up and build temporary housing on near-in bases, FEMA is ordering the housing from international construction multis Fluor, Bechtel, and others who promise high costs and long construction times—this, after FEMA first ordered 70,000 recreational vehicles as housing. And White House economists are proclaiming that the rebuilding of *permanent* housing will add $20 billion to GDP per 100,000 homes: i.e., $200,000 per home—prices far, far higher than the values of the homes that have been destroyed. How can the returning survivors afford such home prices?

The White House already has given the big port and naval "infrastructure repair" contracts to Dick Cheney's Halliburton, the Iraq mega-profiteer. And Bush immediately announced the "emergency powers" suspension of prevailing wage laws in the region, with the standard "free trade" false claim that *more* jobs will be created in reconstruction if they pay *less.*

A "Super-TVA" reconstruction of the Gulf states hit by the Katrina disaster, must have the opposite objective—to lift those states, and especially their lower-income citizens, out of the conditions of widespread—and still worsening—poverty which magnified the storm's disaster.

Neglected Flood-Control Plans Now Must Be Done

by Richard Freeman

By 1998, a detailed plan, Coast 2050, had been drawn up to deal with the infrastructure needs of the Louisiana Delta, including plans to shunt silt and sediment to restore and rebuild the coastal region, to act as a natural storm-breaker system; and to build a new port, 30 miles south of the city.