

Editorial

New 'Robber Barons,' New Dark Age

A far greater Congressional outrage than the ongoing desperate clutching for tax cuts to save the stock markets, is the self-described “all-out mobilization” led by Phil Gramm and other Gingrichite Jacobins, to abolish Franklin Delano Roosevelt’s Public Utility Holding Companies Act of 1935. At Congressional hearings on March 29, Gramm and his fellow “Southern Strategy” fascists demanded that the PUHCA be ripped up now, with no further delay. Why? For the unvarnished, hyperinflationary profits of Enron, Reliant, Duke Power, Southern Co., Dynegy, AES—the “new robber barons” who are destroying the remaining U.S. industrial economy through the open gateway of California deregulation. Even these instant repealers admit, that state regulators across the country will be unable to regulate the huge regional and national “power marketers.”

If Gramm and the other Gingrichite fascists get their way, they will be “legalizing” Federal crimes against the PUHCA and the 1935 Federal Power Act (which requires “just and reasonable” prices for all interstate power sales). They will be encouraging still more flagrant looting than that already being carried out by the “new robber barons,” and by the would-be robber barons among what we have called, since FDR’s Presidency, regulated public utilities. As a LaRouche representative challenged California officials, “If robbers broke into houses and stole all the valuables throughout the district, would you just advise the victims to learn to live without what the robbers stole?”

Led by the Bush-linked Texas bandits, these companies are committing again the crimes of the original “robber barons,” the Morgan bank-centered utility holding companies of the 1920s. It was these giant corporate pirates who drove up the stock markets of the 1920s, and drove the U.S. deep into the Depression of the 1930s. It was against these Morgan-holding company interests, that FDR requested his first Congressional investigation as newly elected President, resulting in the 1935 Act’s “death sentence” against utility holding companies which had no connection to the *production* of electrical power and transmission.

Now such holding companies, which are nothing but “marketers” looting tens of billions into the Wall Street markets, dominate the so-called energy industry. Even the poor, victimized California utilities are now distribution subsidiaries of holding companies, like Edison International, which themselves looted billions from other states through “power marketing”!

This is what deregulation has done; without immediate re-regulation, the process under way is a complete collapse of the California economy—on which we all depend—and meltdown of its budget, and both effects spreading to other states. New York faces equally catastrophic results: as New York City’s Mayor Giuliani wailed, “Deregulation . . . it’s not working. And a 40-50% [rate] increase for hospitals again this Summer would be catastrophic.”

It is exactly to try to make the urgently needed re-regulation *impossible*, that the likes of Phil Gramm and Senate Majority Leader Trent Lott demand immediate repeal of the 1930s laws upon which regulation of power and other industries was built. Some Democrats are joining them for repeal, having no idea of the depths of the disaster striking the economy—and not having the courage to see that the “forced energy conservation” schemes they are backing, are fascist.

A small confrontation between such police-state measures, and the “FDR path,” was won by LaRouche forces in the State of Washington in March. The Tacoma City Council, having already raised electric rates 50% citywide, proposed to impose fines and monetary penalties on all who did not cut their electricity use! At a large public meeting, LaRouche activists and supporters intervened and stopped the plan. “What are you afraid of?” they demanded. “Why don’t you say, ‘re-regulation’?”

All Americans who have the courage to see the accelerating economic breakdown for what it is, are fighting with the forces of Lyndon LaRouche, directly or indirectly, for the “FDR path”—re-regulation, bankruptcy protection for ruined industries, rebuilding ruined public health systems.