

# LaRouche Youth Are Changing the Rules As State Capitals Face Economic Crisis

by Paul Gallagher

The 50-year record budget catastrophes and cuts ravaging every American state's budget and economy, are now "major media news" during the Winter legislative sessions of 2003. The states' combined budget deficits for the current year are now acknowledged to be in the \$90-100 billion range, a meltdown of a speed and scope never imagined before on this level, where budgets "must be balanced, by law."

However, *EIR* began reporting that story when major media could not conceive of it, in March 2001—two years ago—after Presidential pre-candidate Lyndon LaRouche told a meeting of state legislators to expect "a 30% decline in your tax revenues over the coming period." Now that LaRouche's forecast is confirmed, the important story is—again—not the "big news story." It is not the dreary Depression debates of shell-shocked governors and legislators over vital programs to axe, and new taxes to impose; but the invasion of state capitals by larger and larger delegations of the LaRouche Youth Movement, demanding the state officials act with LaRouche on the whole crisis, "FDR-style," and solve it.

The surprise Jan. 18 decision by California's government to end electricity deregulation (see accompanying article),

and the call for FDR-modelled recovery measures by that state's Treasurer (*EIR*, Jan. 24) come after a two-year mass-organizing and lobbying mobilization by the growing West Coast LaRouche Youth Movement, repeatedly invading Sacramento and Washington's capital, Olympia. The movement has also hit the Pennsylvania, Virginia, Michigan, New Jersey, and Maryland capitals during their sessions in January, and more students and other youth are being recruited to the mobilization with each passing week. Congress will again be their target after President Bush's, and LaRouche's, State of the Union broadcasts on Jan. 28.

Theirs is no ordinary "lobbying." They meet *en masse* with state officials or staffs, in halls, offices, or capital plazas, insisting that the legislators stop passing murderous cuts and take responsibility for the *national* economic depression, getting the President and Congress to move on a "Super TVA" to create credit, infrastructure, jobs, and revenue for the states—as proposed by candidate LaRouche in November 2002. They blanket the state capitals with leaflets and programmatic pamphlets as they go—and they will not take, "We're only doing this until a recovery comes," for an answer.

At all public hearings attended by the youth, a Grim Reaper figure somehow appears and reappears, reminding all who see him that they are doing his work, when they slash hospital funds, Medicare and indigent health insurance, lay off state employees, curtail school weeks and school lunches, etc. Their sessions with buttonholed legislators or even governors are brief and polemical; they are not seeking "agreement," but to change the officials' axioms—from denying the depth of the crisis even as it shakes them like rag dolls, to taking action to confront it. Their measures are LaRouche's: bankruptcy reorganization and protection; suspension of all "deregulation" laws; bankruptcy reorganization; "Super TVA" credits for infrastructure renewal, employment, and revenue.

## Mobilization Began in California

In California, the youth mobilization began two years ago, with a late January 2001 speech by candidate LaRouche to the early recruits to his youth movement, in a meeting at the Salton Sea, in



*LaRouche youth movement campaign activists gathered for an intervention into the New Jersey legislative session in Trenton. State officials, facing the worst crisis in memory, are being shaken out of their "pragmatic" discussions of cuts and taxes.*

which he told them they would have to save the state—and the nation—from Enron and the energy deregulation catastrophe. The speech became a mass campaign pamphlet by early February, then a second *Defend the General Welfare* pamphlet. Both were massively distributed while the youth and leading LaRouche representatives began to hit Sacramento, amid power blackouts and incredible electricity price spikes. LaRouche made his famous “put the toothpaste back in the tube” speech on re-regulation in late February (see below); the youth movement accelerated its mobilization West Coast-wide.

By late April, LaRouche West Coast leaders had lengthy meetings with California government advisers, and on May 1, a large campaign-sponsored Los Angeles town meeting broke testimony from an electrical workers’ union leader on deliberate withholding of available power by the energy pirate companies.

Between May 3 and mid-May, actions were taken by the California governor’s office, the legislature, and the state Attorney General’s office against Enron, Reliant, et al., including testimony from the Governor’s representative in Washington, D.C. which charted the energy company’s criminal frauds and “gaming of the market.” The first actions by state and even Federal regulators followed. By the end of May, there was a dramatic and sudden drop in the wholesale price of energy in California, by an order of magnitude almost overnight. Simultaneously began the plunge of Enron Co. stock from \$60-80 a share, down to zero in November, and the bankruptcy of the company which LaRouche had called for in January.

## Let LaRouche Speak

The lesson learned that truth, courage, and ideas can move governmental power for the general good in a crisis, spurred 18 months more of recruitment and aggressive mobilization by the youth movement, which spread nationally.

Characteristically, lawmakers and aides try to bring discussions of the financial and economic crisis down to the level of the “practical.” But when the young organizers insist on the principle of the general welfare—one group told a Pennsylvania legislator, “We’re starting with the Preamble to the Constitution! People died in the American Revolution to get the general welfare principle”—the message often gets through. Amid the panic characterizing the emergency budget sessions, most legislators are impressed by the new reality: “LaRouche has a real *youth* movement—that’s good!” as one Virginia delegate put it, and extended a “two-minute” meeting into a much longer one. Just the young LaRouche activists’ boldness and command of the situation can result—as in Michigan on Jan. 14—in meetings with the Governor, Lieutenant Governor, several leading members of the House and Senate, and Black Caucus leaders. A major objective, is invitations to the Presidential candidate himself to address state legislative sessions on the crisis.

# California Reverses Electric Deregulation!

by Marsha Freeman

California’s Public Utilities Commission (PUC) voted 5-0 on Jan. 16 to close the book on the state’s disastrous “experiment” of deregulating its electric utility industry, which began in April 1994. Nine years ago, the Commission, then including none of its current members, promulgated an order that consumers should have a “choice” of electricity suppliers, supposedly to lower prices through competition. The “re-regulation” vote is an economic paradigm-shift with national importance and impact.

The California legislature, suckered by promises from Enron that electric rates in California would fall by as much as 50% under “competition,” had voted unanimously in 1996 to end the nearly century-old regulatory compact between privately-owned utility companies and the citizens of the state, which had been implemented by the state Railroad Commission in 1912. Reliable, regulated energy had enabled California to attain one of the highest economic growth rates in the nation. Instead, the lifeblood of its economy was handed over to the “magic of the marketplace.”

The results are known worldwide. Citizens and businesses suffered through 38 days of blackouts and service interruptions in 2000 and 2001. Prices skyrocketed, driving the largest utility in the state, Pacific Gas & Electric, into bankruptcy. A study released on Jan. 15 by the Public Policy Institute of California estimates that the energy crisis cost the state as much as *\$45 billion* in higher electricity costs, lost business, and slower economic growth. The state’s utilities were downgraded to “junk” rating by Wall Street credit agencies and are unable to raise capital to build new capacity. And the state budget is in the hole for nearly \$10 billion, simply stolen by “new economy” magicians who made California’s energy supply nearly disappear.

While the crisis unfolded in Winter 2000-01, Lyndon LaRouche’s campaign mobilized nationwide around his call for the total re-regulation of California’s utility industry and the bankrupting of Enron and the other “energy pirates.” Pushed by that mobilization, Gov. Gray Davis (D), the legislature, and the Commission began in May 2001 to take steps to reverse deregulation: shutting down the speculation-based state spot market; entering into long-term, fixed-price contracts with suppliers; and reasserting the responsibility of the state to protect the welfare of the population. As to re-regulation, LaRouche’s representatives were told, “You can’t put