

Cheney Helps Schwarzenegger Backer Buffett Loot With New Gas Pipelines

by Marcia Merry Baker

What happened to their pipelines and other hard infrastructure when Enron, Dynegy, Williams, and the other big-name energy swindlers went bust after 2001? A new, higher-level crowd of shysters moved in and took control of them—those now involved in pushing the California recall election for muscle-geek Arnold Schwarzenegger, in order to enjoy still another round of looting of the economy of the West. Warren Buffett, considered the second richest man in the world—and now, a pipeline baron—stands out.

Over the past two years, Buffett has made major purchases of natural gas pipelines, amounting to pre-positioning for mega-profiteering when, and if, more energy deregulation takes place—the whole point of the California recall. In August, Buffett announced himself as co-chairman for the economics team of Schwarzenegger. The candidate who is against “special interests” is steered by the world’s second-

richest man, among other financier potentates like George Shultz and speculators like Richard Wexner.

An Order From Cheney’s Task Force

What’s more, Vice President Dick Cheney, who presided over the energy pirates’ pillaging of California in the first place—when he headed up the President’s National Energy Development Task Force from January-May 2001—is helping Buffett and the new round of looters in every way.

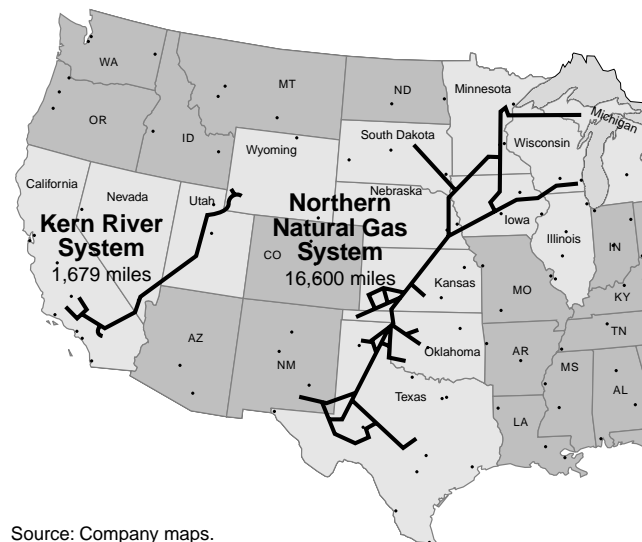
On Aug. 7, 2003, the Bush-Cheney Administration issued orders to the Bureau of Land Management (BLM) to speed up oil and natural gas drilling on Federal lands in Wyoming, Colorado, Montana, Utah, and New Mexico managed by the BLM. This is the natural-gas catchment area for Warren Buffett’s Rocky Mountains-to-California pipeline, called the Kern River Gas Transmission Co. In fact, the pipeline originates in Cheney’s Wyoming (see map).

A Reuters wire described the Aug. 7 Administration order: “The BLM will be asked not to unduly restrict access to



Warren Buffett, chief among the financiers using the Schwarzenegger Recall hoax to go for another round of looting of California. In Buffett’s case, newly acquired gas pipelines are key.

Warren Buffett’s Natural Gas Pipeline Empire



Source: Company maps.

drilling on Federal lands.”

The Kern River Gas Transmission Co. is a subsidiary of MidAmerican Energy Holdings, majority-owned by Berkshire Hathaway, which is majority-owned by Warren Buffett. MidAmerican Holdings’ origin goes back to October 1999, when Berkshire Hathaway (owner of multiple companies in over 30 nations) bought the Des Moines-based utility Mid-American Energy Co. This was a below-market, sweetheart deal timed to allow Buffett to rake in super-profits off the energy hyperinflation that was scheduled to hit, as California and other states phased in their state-level deregulation in 2000 and since.

For example, in Spring 2001, MidAmerican jacked up customer prices by 30% in Iowa. The state’s government then ordered a temporary moratorium on utility cut-offs, to try to protect households from the hyper-prices.

Strategic Scavenging

Among the several acquisitions MidAmerican Holdings made after its 1999 founding, were two strategic natural gas pipelines, both picked up from the fallout of the Enron-era energy companies’ collapse. MidAmerican also now owns the second largest electricity company in Britain.

First, the Kern River Rocky Mountains-to-California pipeline (1,679 miles) was bought in 2002 at a bargain price from the Williams Companies. These energy-marketer pirates were in trouble following the collapse of Enron and the confirmation of their own bilking of California and other acts of misrepresentation and looting.

Anticipating the Cheney-Bush Aug. 7 order to the BLM, MidAmerican announced on Aug. 3 that its Kern River Gas Transmission Co. intends to expand the daily shipping capacity of the pipeline’s 1.73 billion cubic feet, by another 500 million cubic feet per day, in an expansion it hopes to have in service by 2006. Already this Spring, the capacity of the Kern River line was more than doubled, with the completion of a \$1.2 billion expansion linking California to what Reuters reported, are “remote fields in the Rockies, a region at the heart of the Bush Administration’s plans to boost domestic energy supplies.”

Then, there is the Northern Natural Gas line, also shown on the map, which has over 16,600 miles in its system, from Texas up through the Midwest. Buffett’s acquisition of this line, one of the largest on the continent, signifies what’s in the works for the next round of intended fraud by the Cheney gang. In 1985, the gas line was owned by Enron, at the time of the formation of the company. In late 2001, as Enron was heading for bankruptcy, the pipeline was pledged as part of a potential deal with Dynegy; the deal fell through. Enron declared bankruptcy in December 2001. The pipeline was handed over to Dynegy in early 2002, in settlement of the Enron-Dynegy dispute. Then, later in 2002, Buffett’s Berkshire Hathaway/MidAmerican Energy Holdings acquired this gas line.

Fox Demands Mexico Deregulation Crusade

by Ronald Moncayo Paz

On the evening of Sept. 1, the now-discredited Mexican President Vicente Fox went before the Congress to deliver a pathetic Third Report to the Nation, in which he listed his supposed “achievements.” The truth, on that evening, was that 70% of the Mexican population is daily becoming poorer, and small and medium-sized businesses are being wiped out by a deep depression that puts another 2,500 new unemployed on the streets every day.

Despite this reality, Fox stated that “the changes and achievements listed . . . are valuable, but incomplete,” and proceeded to call for a crusade “of unity among all Mexicans,” to quickly approve—together with the Congress and the major national institutions—the postponed “second wave of economic deregulation.” These are the so-called structural reforms, particularly “of the State, finances, energy, telecommunications, and labor.” This, without doubt, Fox intends to be the final phase of destruction of the national economy and the very institutions of the nation-state.

Structural Reforms of Deregulation

During the last three years of Fox’s government, local representatives of foreign interests linked to financial and energy piracy—such as the current head of the Institutional Revolutionary Party (PRI) congressional bloc, Elba Esther Gordillo, and former Foreign Secretary and now Presidential candidate Jorge Castañeda—have woven a series of unsavory alliances, between the Executive branch and groups of treasonous legislators enconscd within various political parties. Their goal has been to build a relative majority in the Congress, in hopes of passing the fascist structural reforms during the September-December legislative session, and thus guaranteeing the continuity of economic looting and the punctual payment of the foreign debt.

Technically devised and officially “recommended” for Mexico by the World Bank beginning in 2000, these structural reforms, of which there are ten, appear in the 2001 National Development Plan and in the 2002 National Development Financing Program. They are the explicit instruments of the “economic deregulation” epidemic, imposed by such individuals as U.S. Vice President Dick Cheney, and the synarchist Nobel Prize winner in Economics, Robert Mundell. It is through economic deregulation that governments explicitly renounce their obligation and duty to defend progress, as any sovereign republic should, acting instead