

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

in favor of foreign interests and to the detriment of national companies.

Since 1982, when then-President José López Portillo declared a debt moratorium and nationalized the usurious banks, the so-called Synarchists vowed to destroy the Mexican nation-state, and turn it into a satrap of the world financial oligarchy. Since then, with each six-year Presidential term, the dismantling of Mexico's economic protectionism has become more aggressive, imposing an ever-greater deregulation which has driven the country into total bankruptcy.

As a result, in 2003, sixty percent of the economically active population now works in the informal economy, and the economy's installed capacity is functioning at a level of 45%. Maquiladoras (in-bond assembly plants) account for half of "manufacturing employment." Ninety-five percent of all exports go to the United States, and the North American Free Trade Agreement (NAFTA) is exterminating the internal market, agriculture, and small and medium-sized businesses. The government of President Fox, which held out the hope of change, has instead only deepened this deregulation trend, while blathering about "change" and "macroeconomic stability."

In his speech to the nation, Fox attempted to identify accomplices for his plans, signalling the necessity of "rewarding politics . . . with a shared responsibility," and making a desperate plea on behalf of his looting policies. "Now is the time for dialogue," he said. "Without agreement, there will be no progress. . . . We need national policies, not factional ones. . . . Here in the Congress we have to give substance [to the reforms], and adopt negotiation as a practical policy."

But Fox's calls for "unity" and "negotiation" to increase the looting through structural reform, is not guaranteed success. It will come up against a frontal resistance from the Republic's leading institutions, such as trade unions, political associations, universities, housewives associations, and many others. Earlier mobilizations already succeeded in defeating the attempt to increase the Value Added Tax (VAT). Now, PRI Senator Manuel Bartlett has denounced current energy policy, as well as the intended energy reform, as an "illegal clandestine privatization" of that sector.

A Power Vacuum?

The same international oligarchical forces that helped put Fox in power, are now also pressuring him to take radical action to impose these structural reforms. After three years of impatient waiting, the Synarchist foreign bankers see that their rapacious dreams have not yet become reality. In their desperation, they are demanding that the reforms be put through this year; or, they otherwise threaten, they will unleash an unprecedented monetary and political destabilization of the country.

As a result of these pressures, the Executive began to make "adjustments" in cabinet posts, so as to better negotiate politically. This is why Felipe Calderón Hinojosa, a politician

from the ruling National Action Party (PAN), was recently named as the new Energy Secretary. Calderón Hinojosa's only talent is that he is a political dealmaker; but he knows about as much about energy as the average chemist knows about the formalities of the law.

If Fox is good at anything, it's at failure. Loss of leadership due to popular disenchantment, isolation from the political party which put him in office, and pressure by foreign interests, are now facts of his Presidency. These, added to the political class's inability to formulate real solutions, will very likely produce a power vacuum, combined with the lack of any successful programmatic initiative.

A Report Full of Lies

Egged on by monetarist fairy tales in his Report to the Nation, President Fox told the assembled legislators that he favors "fair free trade," and that the best thing that could happen to Mexico would be for the World Trade Organization (WTO) to force the advanced-sector nations to eliminate their agricultural subsidies. However, in the WTO's Sept. 10-14 meeting in Cancún, which more closely resembled a Roman Circus, of course nothing of the sort happened.

Naturally, Fox didn't fail to mention that this year, his government had moved "closer to the needs of the Mexican people," supposedly by increasing their income, their wealth, their abilities and participation. This was too much—the legislators responded by booing him at length.

He went on to assert that inflation, as well as interest rates, had dropped, and salaries increased by 10.5% in real terms; that debt service had dropped by 46 million pesos in the last two years, and that GDP was expected to rise by 1.4% by the end of 2003. Housing, infrastructure, and energy resources had substantially increased compared to 2000, he added. But none of these results are visible—anywhere. Fox ended by reiterating that his "changes are incomplete," and that to finish them, there must be a "shared responsibility," so that "together" it will be possible to defeat the challenges of a 34% rate of rural poverty, a 30% crime rate, fiscal weakness, and the current structure of the national budget which, he warned, "has no ability to deal with social imbalances" in areas such as medicine, housing, infrastructure, or education. Pure lies.

To put it succinctly, Fox's Third Report to the Nation was a call to Mexicans to embrace the epidemic of economic deregulation, pathetically asserting that "together we can do more. . . . It is everyone's responsibility to do the job."

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