Business Briefs

Economic Hitmen

Exxon CEO Denounces 'Resource Nationalism'

Just as more and more nations are taking measures to regain their patrimony from world corporations which have looted their wealth, the CEO of ExxonMobil Corp. has denounced "resource nationalism" as "counterproductive."

With grammar as bad as his economics, Rex Tillerson proclaimed, "Isolation and resource nationalism is counterproductive and undermines the goal of supply security." Speaking at a Rome energy conference Nov. 12, Tillerson said that the drive by some oil-exporting countries to become "energy superpowers" will have "detrimental impacts," Bloomberg reported.

Countries such as Bolivia and Venezuela have forced resource looters to renegotiate contracts, which had often been imposed with the aid of economic hitmen. But people in those countries who try to take greater control of their resources will pay, Tillerson threatened, with lost revenue and cuts in international investment.

Is this a tiger roaring, or just an oligarch who fears the handwriting on the wall?

Currency

'Post' Columnist Hails Private Monetary Rule

Washington Post columnist Sebastian Mallaby, in his Nov. 12 op-ed, endorsed the very "private" global currency scheme that Lyndon LaRouche denounced last May as an "imperial oligarchical" scheme for a one-world monetary dictatorship.

Mallaby's column, entitled "The Dollar in Danger," starts with President Richard Nixon's (and George Shultz's) decoupling of the dollar from gold in 1971. Now the dollar is again vulnerable, and its days as a reserve currency are numbered, Mallaby wrote.

"One of my colleagues at the Council on Foreign Relations, Benn Steil, has proposed another option—a privately created currency that would confer an inflation-proof claim on gold or a basket of commodities," Mallaby continued. "Steil calls his idea 'digital gold,' which has a nice back-to-the-future ring. The more the dollar slides, the less Steil's suggestion sounds like a fantasy from a movie studio." (Maybe Mallaby has been watching, or reading, too much H.G. Wells.)

When Steil's proposal was first published in *Foreign Affairs* last May, LaRouche denounced it as dangerous folly. As *EIR* reported at the time, "LaRouche described the Steil proposal for a 'trilateral' division of a one-world monetary dictatorship as an attempt to revive the 'Persian Model' of a global empire, divided between regional powers. In the original Persian case, the proposal was for a division between an eastern and western empire. Now, LaRouche warned, the CFR is promoting a 'trilateral' division of the world, along precisely the Persian model of imperial oligarchical rule. LaRouche drew the parallel between the Persian campaign to destroy Athens at the close of the Peloponnesian Wars and the present schemes, and also pointed to the parallels with the Venetian model of a private financier oligarchy ruling the world through control over debt and commerce."

Energy

German CEO Denounces Electricity Deregulation

In a Nov. 14 statement, Wulf Bernotat, head of Germany's major energy producer, E.On, called European Union bureaucrats a bigger threat to Europe's energy market than the Russian group Gazprom.

What could be more dangerous to power generation than the "big bad" Russian Gazprom? Electricity deregulation, Bernotat said. And given what dereg has done in the United States—where states have seen doubling and tripling of electricity prices—only an idiot or a Brussels globalization bureaucrat could doubt him.

Bernotat said the European Commission's proposal to break up Europe's electricity behemoths—separating, and thus deregulating, transport and distribution from power generation, as has been done in 17 U.S. states—is misguided, and would weaken Europe's electricity sector.

Indeed, experience in some EU countries validates Bernotat's point: In the Netherlands, authorities regret that they ever broke up the system in the first place; in Britain, a recent survey shows that deregulation of the power market has led to higher, rather than lower, electricity prices.

Bernotat's attack on energy deregulation is covered prominently on the *Financial Times* website Nov. 15.

Infrastructure

'Times' Op-Ed: Return To FDR-Style Programs

An Adam Cohen column on the *New York Times* editorial page Nov. 12, labeled "Editorial Observer" and headlined "Public Works: When 'Big Government' Plays Its Role," suggests that it just might be time to go back to the sort of infrastructure programs that Franklin Roosevelt initiated during the 1930s Depression. Cohen refers approvingly to a book by Robert D. Leighninger, Jr., entitled, "Long-Range Public Investment: The Forgotten Legacy of the New Deal." "The story of the 1930s public works programs is timely again," Cohen writes, "because much of America is falling apart," referring to the Minnesota highway bridge, and the lack of water reservoirs in Georgia. "We should be replicating some of the successes of the Depression-era programs.... Physical capital investment as a percentage of gross domestic product, the measure of how much the nation is investing in itself, is dismally low today by historic standards and the $600 billion-plus being directed to the Iraq War is not helping."

Cohen concludes, "Roosevelt's basic idea that the government should employ idle hands to upgrade the nation should never have gone out of fashion. The next president will need to confront the nation's disrepair. It should be an issue in the campaign."