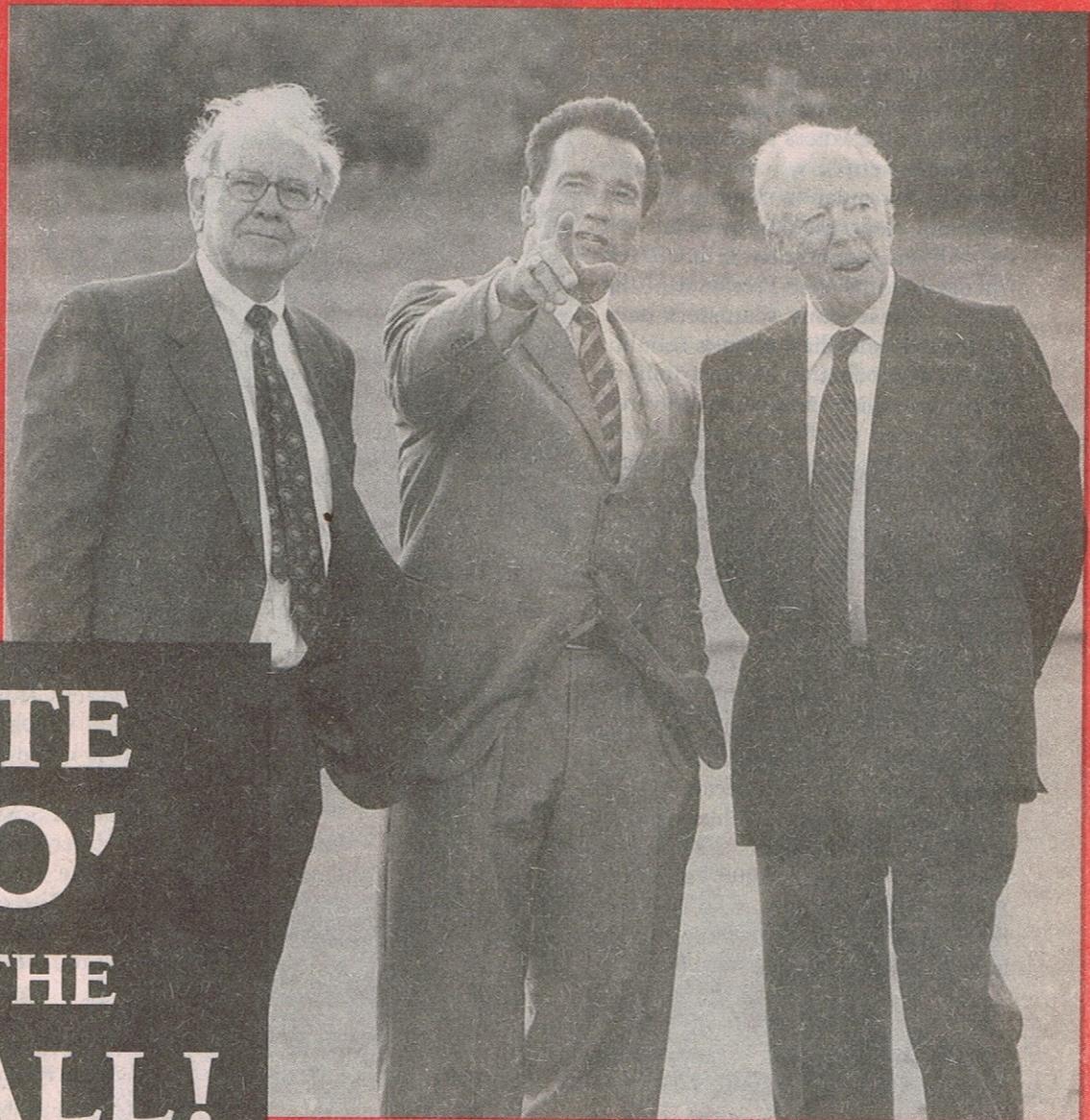


Who Robbed California?



**VOTE
'NO'
ON THE
RECALL!**

\$5 Suggested contribution

LA ROUCHE

IN 2004 ★

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Who Is Raping California?

Don't be a sucker again! The fact is, if the California "recall" were to succeed, there would not be much left to hang on the state's Christmas trees come the end of the year. The recall scam has been brought to the voters of California by the same people who had already used the deregulation scam to rob the state and its people of tens of billions of dollars, especially since Dick Cheney became Vice President of the nation. These same scamsters have destroyed what had been a reliable system of production and distribution of power, which used to be delivered at a fair and predictable price, until the deregulation swindle was pushed through.

Deregulation was bad; recall is even worse. Please, don't be a sucker for the same swindle twice! If you had known the facts, you would never have allowed the recall proposal to be pushed through.

In this White Paper we are giving you those facts. Think! How did deregulation of power happen in California? Think! What happened as a result, even before George W. Bush became President? After January 2001, the big rip-off was unleashed. Think! Who did that? Read this White Paper: there was Enron, the biggest backer of the Bush 2000 campaign. There was Vice President Dick Cheney, who organized the cover-up for the biggest part of the swindle that ripped off tens of billions of dollars from the state.



Presidential candidate Lyndon H. LaRouche, Jr.

There are also other important facts in this White Paper: such as President Bush's demand for a new round of deregulation, which will make things worse than most Californians could even imagine was left to steal.

Then, there is the Arnie Schwarzenegger freak-show, backed by big-time super-swindlers such as Bechtel's George Shultz and "the second richest man in the world," Warren Buffett. These are the big-time financial sharks who are deploying Arnie to do to the entire state of California, on a bigger scale, what Lazard

ON THE COVER: Zillionaire megaspeculator Warren Buffett (left) and Britain's Lord Jacob Rothschild (right) grooming 'the Governor'—Arnold Schwarzenegger—at a September 2002 meeting at Rothschild's English estate: PA Photo/Kirsten Wigglesworth.

Lyndon LaRouche: EIRNS/Stuart Lewis; 2001 rally of LaRouche movement in Harrisburg state capitol building against deregulation: EIRNS/Don Mallory; Vice President Dick Cheney: EIRNS/Stuart Lewis; Enron top dog Ken Lay: OECD 2001 Forum webpage; George Shultz: EIRNS/Stuart Lewis; Pete Wilson: EIRNS/Stuart Lewis; Arnold 'the Geek' Schwarzenegger: videograb; 'Pumping Enron' poster: Alan Yue; LaRouche Youth Movement California rally: Jason Ross; LaRouche supporters demonstrate at Enron: EIRNS/Joe Jennings.

Freres' Felix Rohatyn did to New York City with "Big MAC" in 1975.

Think! Who is to blame for what happened to California under de-regulation? Divide those responsible into two groups. First, there were the suckers, who should have known better, but voted for de-regulation. The suckers included elected officials; all of them. The list of suckers includes the voters who supported those decisions of the elected officials. Second, there are the high-binders who sold the Enron swindle to the state, swindlers who knew what they were doing, and who fooled the suckers into believing in deregulation. Third, there are the real suckers, the voters who would support deregulation still today, or support the "recall" which would have the effect of guaranteeing the hopeless bankruptcy of the entire state.

This White Paper gives you some of the most important answers to those and other questions.

Compare your electricity bills in 1995, in 2000, and today. Dig them out and compare them, if you can. If you can not, you could look up the figures on the public records. Ask yourself: Did deregulation give you more reliable power supplies? Did it reduce the cost of power for you, for the state as a whole? How do you explain the tens of billions of dollars which Enron and others like them looted from the state of California? What was the crucial role of Vice President Cheney in pushing this swindle through?

An estimated 50 million people in the Northeast corner of North America were hit by a power outage which was supposed never to occur again. It occurred solely as a result of deregulation, which had destroyed the security system set to ensure that something like the great blackout of 1965 should never happen again.

That new blackout occurred for exactly the same reason that the deregulation of power pushed hard by Vice President Cheney has nearly bankrupted California today.

Under a rational system of regulation of the coordinated production and distribution of power, generation and distribution were coordinated to ensure a reliable flow of power to places where the power was needed. Under

deregulation, there has been an escalating shut-down of essential production and channels of distribution, with power going to places in which the available selling-price of power is the highest, and away from areas in which the price is lower at that moment. Local and giant blackouts are the inevitable result. The longer deregulation continues, the higher the price of power to the consumer, and the greater the number and scale of blackouts.

Now, it is easy to apologize for the behavior of President Bush, the man you would not hire to teach geography at any self-respecting public school. When he says deregulation is necessary, you have to excuse him as a man who rarely knows what he is talking about. Dick Cheney, on the other hand, is no genius, but he is an experienced carpetbagger, whose old firm, Halliburton, is ripping off the U.S. Treasury in Iraq, and who is a key figure in the 2001-03 deregulation rip-off of California. Cheney represents the operation which has deployed freak-show specialist Schwarzenegger to join with Lieutenant-Governor Bustamante in supporting the orchestration of the Bush team's recall operation in California.

—by Lyndon H. LaRouche, Jr.
Leesburg, Virginia
Wednesday, September 3, 2003



Mobilizing against deregulation: A rally organized by LaRouche supporters in May 2001 in the Harrisburg (Pa.) state capitol building, hears from State Rep. Harold James.

Who Robbed California? The Cheney Gang

by Marcia Merry Baker

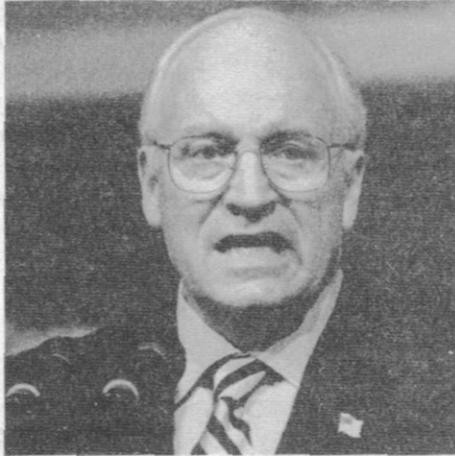
The Oct. 7, 2003 recall election in California is not a referendum on Gov. Gray Davis; it is a contrivance by the private special interests who imposed energy deregulation on the state—and nation—in the first place, looted the California economy blind in 2000-01 to the present day, and are right now positioning to carry on post-recall looting on a scale of unimaginable ruination.

The enforcer of this entire crisis is Vice President Richard Cheney—the President's Svengali and the head of the Cheney/Bush Administration's energy policy, who as head of the "National Energy Development Task Force," January to May 2001, protected the looting of California, and plotted for more to come. By looting is meant the bilking of the state of California and the whole gamut of criminal acts—fraud, overcharging, breach of contract, gaming the markets, perjury and many other crimes—committed by the energy pirate companies whose financial networks Dick Cheney serves.

It is of utmost international strategic importance to see the California recall for what it is, defeat it, and bring about the removal from office of Dick Cheney, at the earliest possible moment. That is the issue.

Governor Gray Davis? He found himself in office during a period of unprecedented assault on the economy and people of California. Whatever his shortcomings of not acting vigorously and early on, to name and fight the full dimensions of the assault on his state, he is not the problem. He committed no impeachable or recallable crimes.

The issue is the *policy of looting* by the "Cheney Gang" energy cartel. That puts into perspective the question, why is Arnold Schwarzenegger a candidate? In fact, he has been created as a cyborg political figure by the very



Vice President Dick Cheney

networks who imposed the energy-thievery, and who intend to continue it.

- Pete Wilson, Schwarzenegger's campaign chairman, signed the 1996 California deregulation act into law when he was Governor.

- Warren Buffett, now co-chairman of the Schwarzenegger economics advisory team, made a killing in 2000-01 off raising energy prices through his Mid-American Energy Holding Co., acquired for that purpose in 1999. Now he is set for even greater hyper-profits through the recent purchase of a Rockies-to-California natural gas

line, for the benefit of which the Cheney/Bush Administration announced, only last month, that the restrictions on gas drilling in the Rockies would be lifted!

These two instances typify the make-up of the "Economic Recovery Council" of 20 bigwigs announced as the Schwarzenegger think-tank in August. At his Aug. 15 press conference, standing before a big screen with the words "Economic Recovery" and flanked by Warren Buffett and George Shultz, Schwarzenegger pronounced that he has no connections to "special interests." He said he would go to Sacramento to serve "the people"—an exact re-run of the script used by another Austrian failed-artist import, who said in Germany in the 1920s and early '30s that he stood for . . . "Das Volk."

Schwarzenegger subsequently clarified what he meant by the "special interests." Speaking on Labor Day, he said, "I will never take money from the special interests, from Indian gaming, from unions or anything like that. . . . I get donations from businesses and individuals absolutely, because they're powerful interests who control things."

The material in this report reveals the "powers" behind the Schwarzenegger bad-joke candidacy, giving the essential facts concerning the policy nexus in action to deregulate

late and destroy California and the nation—detailed dossiers on the Cheney energy record, the deregulators, and who is Schwarzenegger, really.

But first, we present an overview history, and some need-to-know concepts, for citizens mobilizing to defeat the recall ploy.

The 1990s: How Energy Dereg Became 'Popular'; Who Benefits?

Over the 1990s, key elements of deregulation of energy (oil, fuel oil, gasoline, nuclear, electricity) were put into place piecemeal in the United States, for example, creating a “free-market” exchange for natural gas, by a combination of Federal law, administrative decree, or other practice. This followed on the 1970s and 1980s deregulation in other vital U.S. economic sectors such as transportation (railroads and airlines), communications (telephone systems), health care (HMOs, and for-profit hospital chains, etc.), agriculture (ending parity farm goods pricing); manufacturing (“free”/rigged global trade) and so on.

In all cases, the public was fed the line, with appropriate variations, that “ ‘Free’ competition will allow you to get the service or goods cheaper.” In all cases, this was the cover for financial interests operating in new corporate ways, to lay claim on what they called new “income streams”—namely, energy payments. The public was given the pitch (and fell for it) that the traditional electric and gas utilities were their enemies. These old-fashioned, regulated, public service corporations were *monopolies* that must be busted up through deregulation.

In electricity, full-scale deregulation was blocked at the Federal level—due to rear-guard Congressional and constituency opposition—so only partial elements were forced into place, such as the 1992 law ordering transmission systems to be “open” to any newcomer wanting to transmit over the lines. But at the state level, a juggernaut for electricity deregulation was led by Enron, with significant results. (Enron was not just a company, but a vehicle created by the international financial community—specifically the Rothschilds and Lazard interests—to push energy deregulation, and promoted by the bankers to help pump up the financial system after its near-meltdown in 1998.)

In 1996, California passed the first state electricity deregulation act—voted up by all concerned, and signed into law by Gov. Pete Wilson. Late in 1996, Pennsylvania followed suit—in a stealth vote at 3:00 a.m., to avoid onlookers. Enron money had flooded into Sacramento and Harrisburg. Soon other states, similarly targeted, fell into line. It was later revealed that then-Gov. George W. Bush of Texas, had phoned then-Gov. Tom Ridge of Pennsylvania, to convey that doing good by Enron in Pennsylvania, would be a good thing to do.

As of the end of the 1990s, over 20 other states had followed California's lead, and enacted various kinds of electricity deregulation.

Year 2000—The Sh*t Hits the Fan Or, the Energy Crisis Explodes

As of 2000, when California's deregulation kicked in, within no time, electricity and natural gas prices took off wildly. From mid-June to the end of July, “wholesale” prices of electricity in California rose an average of 270%! Whereas in San Diego in May 1999, end-use customers paid 3 cents per kilowatt-hour, in May 2000, the price was 17.6 cents per kwh.

By the terms of the new 1996 law, the main utility companies in the state, Pacific Gas & Electric (PG&E) and Southern California Edison, had been ordered to sell off a significant amount of their own generation capacity, and then instead, to buy electricity on a statewide “free” market, called the Cal PX, where “merchant” energy companies could also buy and sell—including supplies of energy they did not own, but committed to supply from buying elsewhere. “Wholesale” electricity prices soared.

The very idea of creating a “market” in electricity was a predictable disaster in California, because there was a *known* shortage of generating capacity in the Western states, due to the lack of build-up of nuclear power, the limited natural gas supply pipelines, and the full use of pre-existing hydro potential. But beyond “scarcity-based” pressure on prices, the electricity exchange was used, as intended, for wheeling and double-dealing, and outright gaming of the market price.

Over the summer of 2000, Southern California Edison, PG&E, and some municipal electric companies, were socked with wholesale prices many times greater than those of 1999. The particulars of the new California dereg law disallowed these companies to automatically pass along these (*unpayable*) hikes in electric prices to end-users, so month by month, Southern California Edison and PG&E were racking up debts in the range of billions.

Making out like bandits were the *nouveaux* energy pirate companies of the Enron ilk. Houston-based Enron itself was created in 1985 (by the merger of Houston Natural Gas and Northern Natural Gas), for the purpose of the new and creative looting—energy futures trading, natural gas speculation, electricity marketeering. Other famous-name new energy companies of the period: Dynegy, Mirant, Calpine, Reliant. Among the revamped old-timers were Oklahoma-based Williams, and Texas-based El Paso Gas.

Typical of the energy cartel acquisitions and mergers, is the maneuvering by Warren Buffett, chief executive of Berkshire Hathaway (the mega-holding company), and now co-chairman of the Schwarzenegger economic team. In October 1999, Berkshire Hathaway acquired Des Moines-based Mid-American Energy Co., in a below-market-price sweetheart deal. Mid-American was then used directly as a means to charge high electricity rates, and also expanded into Mid-American Holdings, to begin acquiring strategic natural gas pipelines and other assets, including abroad, for big-time future price gouging and control of energy supplies.

TABLE 1
California Power Suppliers Post Mega-Profits for 2000

(\$ Millions)

Company	1999	2000	% Change
Williams Cos.	\$ 221	\$ 832	276%
Calpine Corp.	95	323	240%
Dynegy	146	452	210%
AES	228	657	188%
Arizona Public Svc.	127	307	141%
Reliant	528	819	55%
Enron	893	1,266	42%
Duke Energy	1,507	1,776	18%
Southern	1,276	1,313	3%
Total	\$5,022	\$7,745	54%

Source: Company reports, analyzed by Public Citizen, February 2001.

The energy profiteering of these companies over the year 2000 was off the charts, in particular in California (Table 1). Whopping triple-digit profit rates were posted by energy companies of all kinds, for 2000 over 1999; for example, Enron Oil and Gas (570%), Williams (277%), Calpine (240%), and Dynegy (210%).

Figure 1 shows how these hyper-profiteering was made through deregulation, which disconnected the pricing of the energy mode, from its supply.

As of the end of 2000, many state legislatures were seeking to pass temporary moratoria on cut-off notices for households that could not pay their energy bills (electric, natural gas, fuel oil). For example, Iowa, where Warren Buffett's Mid-American raised rates by 30%, a moratorium was put in place until May 2001.

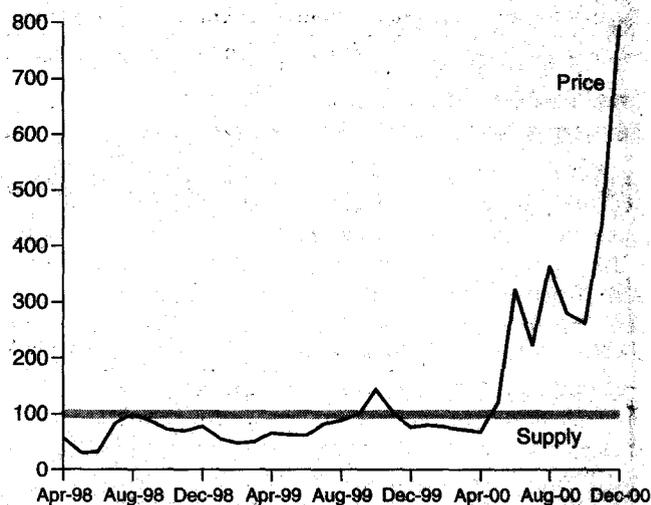
In California, by December 2000, the situation was out of control. Spot price spikes on the California wholesale electricity exchange (Cal PX) were hitting levels more than 15 times higher than two years earlier, before the "free market" was in operation. On Dec. 13, the day-ahead average Unconstrained Market Clearing Price (UMCP) of electricity on the Cal PX hit \$1,406.76 per MWh; California's 1998 average price was \$90.30. During December, the average UMCP was \$398.97 per MWh.

The energy pirate companies—having caused PG&E and Southern California Edison to rack up \$11 billion in new debt—now asserted they would cut off supplying wholesale electricity to these companies, anticipating not getting paid! The outgoing Clinton Administration had issued a temporary order compelling these "merchant" companies to continue to supply California with electricity and natural gas, but the order had a January expiration date. On Dec. 28, Gov. Davis met with President Clinton and Federal Reserve chairman Alan Greenspan, to appeal for help.

In December, Lyndon LaRouche—who had been conducting a campaign for emergency energy-re-regulation—sent testimony to the Boston City Council, which had before it a re-regulation bill. On Jan. 3, 2001, LaRouche

FIGURE 1
California Electricity Price Disconnects From Supply, Under Deregulation

(Indexed to August 1998 = 100)



held an international webcast in Washington, D.C., calling for "immediate energy re-regulation" (see below for LaRouche Record).

Cheney Gang Comes Into Power

Into office came the Cheney/Bush Administration, right from the start known as the House of Enron. Within 10 days of his inauguration, George W. Bush announced Dick Cheney has head of the newly created National Energy Development Task Force.

The energy pirates' funding of the incoming Administration matched their mega-profiteering (see Table 2). For example, for the 2001 Bush-Cheney Inauguration Committee, Enron, Enron's Jeffrey Skilling, and Ken and Linda Lay each gave \$100,000; Reliant Energy CEO Steve Leibetter also gave \$100,000, as did Southern Co. Altogether, electric utilities donated \$845,000 to the Inaugural Committee.

Enron-donated \$1.61 million to Republicans overall during the campaign, of which \$630,179 was hard money and \$979,850 was soft money. Altogether, the energy companies donated \$2,032,883 in hard money and \$2,061,950 in soft money to the Republicans. (Smaller, though significant, amounts went to Democrats.)

These companies donated \$196,395 to Bush's campaign. Enron was the leading contributor to both Bush and Gore, giving Bush \$127,525 and Gore \$11,250, followed by Reliant (James Baker's company), which gave \$35,070 to Bush. The Republican National Committee received \$1,366,090 from energy companies. Again, Enron led the pack, giving \$713,200. (In all cases, smaller amounts went to the Democrats.)

What was most striking at the time was the number of members of the incoming Bush Administration who had

TABLE 2

Political Donations by Energy Cartel Firms, 2000

(\$ Thousands)

Company	Republicans	Democrats	Total
Enron	\$1,610.0	\$ 728.3	\$2,338.3
Southern Co.	856.5	275.0	1,131.5
Reliant Corp.	634.6	190.3	824.9
Edison Electric Institute*	347.1	293.6	640.6
Williams Cos.	244.0	30.9	274.8
Duke Energy	210.8	66.3	277.0
Arizona Public Svc.	92.5	14.8	107.2
Dynegy	60.2	59.9	120.5
AES Corp.	4.7	76.2	80.9
Calpine Corp.	34.7	39.5	74.1
Total	\$4,095.0	\$1,774.5	\$5,869.4

* Association of investor-owned power companies.

Source: Public Disclosure Inc. (www.tray.com) data analyzed by Public Citizen, February 2001.

ties to Enron and other energy companies, foremost Dick Cheney, chairman of Halliburton, the energy logistics company. For awhile it was thought that Enron CEO and chairman Ken Lay would get a Cabinet Post; in February, Lay announced he was stepping down as CEO, and would remain only as chairman. The Cabinet post did not materialize; but still, Ken Lay was asked by Bush to help vet candidates for the post of head of the Federal Energy Regulatory Commission! The person chosen was Pat Wood, from Texas, a longtime servant of the energy cartel networks.

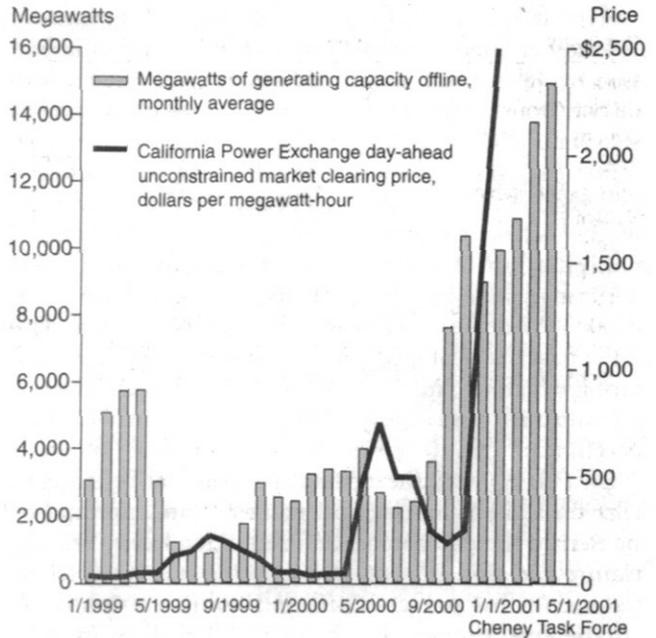
The Cheney/Bush Administration set the stage for the grandest-scale highway robbery in history. On Jan. 20, George W. Bush took office. On national television on Jan. 28, Dick Cheney, the newly appointed head of the National Energy Development Task Force, declared there would be no deviation from the policy of deregulation. In particular, there would be no repeat of a two-week extension the newly inaugurated President Bush had granted to California on Jan. 23, to compel the merchant energy companies to supply electricity to the state's utilities. Cheney stated that "The President made it very clear that that is an absolute deadline." Asked about re-regulation, he said, "I'm a believer in markets. . . . I think the notion of deregulation is basically sound. What happened in California—it was poorly executed."

That remained the line thereafter, throughout the four-month Cheney Task Force period, and up to the present day. Cheney's dogma was that any special problems in California were the result of "flawed deregulation," and that *more deregulation*, not Federal intervention, was required. This was repeated for the next four months by all Administration spokesmen, the President, and in particular, by Ken Lay, chairman of Enron.

All the while, the profiteering in California increased even more in early 2001, than in 2000. Figure 2 shows the

FIGURE 2

Energy Pirates Withheld Electricity, Jacked Up Prices in California During Cheney's Energy Task Force — January to May 2001



Sources: California Energy Commission; California Power Exchange; University of California Energy Institute.

essential process. From January to May 2001, when Cheney's Task Force was in operation, the wholesale price of electricity skyrocketed in California, while power output was taken off-line in a clearly contrived pattern that further drove up prices.

Table 3 shows the rates of profits for the pirate companies operating in California for the January through

TABLE 3

Profits Soar at Selected Energy Companies, First Quarter 2001

(First Quarter 2001 Compared to First Quarter 2000)

Company	Increase	Company	Increase
EOG Resources*	448%	Chevron	53%
Calpine	424%	BP plc**	52%
Williams	172%	Duke Energy	51%
Apache	158%	El Paso	46%
Unocal	122%	ExxonMobil	44%
Reliant Energy	104%	Texaco	39%
Occidental	93%	Southern	35%
Phillips	86%	Dominion	28%
Mirant	84%	Enron	26%
Kerr McGee	81%	Shell	23%
Dynegy	73%	AES	19%
Conoco	58%		

Source: Company financial reports.

* EOG Resources, formerly Enron Oil & Gas, was a spin-off of Enron Corp.

** BP had dropped the Amoco from its name, reverting to BP plc.

March 2001 period. Enron Oil and Gas posted a 448% increase over same time, a year earlier; Williams, 172%; Reliant, 104%. Calpine, heavily operating in the California markets, showed a 424% increase.

Hyperinflation in California had extended throughout all kinds of energy. Natural gas prices in California had risen by 489% from March 2000 to February 2001, with the two Houston-based energy companies—Enron and El Paso Natural Gas—making a killing off gas.

For the first time since World War II, blackouts occurred in California, and were repeated five more times by May. These were the direct result of dereg markets manipulation. At no time that winter or spring, did California's statewide usage of electricity get above about 35,000 MW demand, far lower than the peak usage days of the past five years, which were above 45,000 MW, and during which *no blackouts occurred*. The merchant energy companies were clearly taking huge amounts of capacity offline.

On Feb. 1, with the Federal government refusing to help, the California Assembly passed a bill, approved by the Senate the day before, that was intended by the legislature and Gov. Davis to shore up the state's electricity system. At this point, PG&E and Southern California Edison had racked up at least \$12 billion in debt because of the higher electricity prices and were facing bankruptcy.

The gist of the emergency law was that the state would interpose itself between the energy merchant pirate companies, and the utilities PG&E and Southern California Edison, with the state buying the electricity from the merchant power suppliers and then selling it at a lower price to the two utilities to supply their end-user California customers. The state committed itself to signing long-term contracts with the energy pirates to obtain electricity at prices lower than the exorbitant market rates. The pirates at first balked, but eventually complied. In May 2001, Gov. Davis created a state Power Authority to bring order into the situation.

As of today, the state of California has \$43 billion in long-term energy obligations debt, as a direct result of the bilking during 2001. The debts have been managed through fierce budget-cutting, and multi-billions of new bond-issuance. The state went from a budget surplus of \$12 billion in 2000, to a \$38-billion deficit today.

Before deregulation, the average price of a kilowatt-hour (kwh) of electricity in California was \$30-35, but during spring 2001, it jumped to more than \$300 on average, with spikes as high as \$3,700. Compared to paying \$7 billion for electricity in

2000, California paid \$28 billion in 2001. All told, the energy pirates have cost the state \$70 billion to date.

The state's activities were decimated, from agriculture (nurseries, dairies, all kinds of energy-based enterprises), to manufacturing, as well as residential hardship.

On March 19, 2001, Cheney presented an "interim" report to President Bush from the Task Force, formulated to bar any Federal relief for the worsening Western states' power crisis. Cheney's line continued to be that "development of future supplies" must be the focus of energy policy.

Cheney's imperial view of this can be seen in the map of oil supplies in Iraq that the Cheney Task Force was working on in March 2001 (see map, p. 9). The 2003 Iraq war has now "secured" these supplies, in Cheney's Task Force terms, and Cheney's own Halliburton oil company has received \$1.7 billion in no-bid contracts to date from the U.S. government, for doing business in Iraq oilfields today.

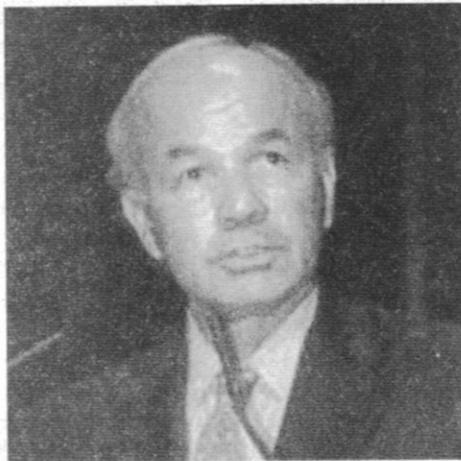
During April, Cheney met with Enron chairman Ken Lay, among other private energy company officials he met with in the name of Task Force business. Of the eight recommendations Lay included in a memorandum to Cheney, seven appeared in the final draft of Cheney's Energy Task Force Report. Lay's major point was that more deregulation of energy must be implemented.

During the same period, Cheney refused any contact with Western Congressmen, appealing for a price cap on wholesale electricity. His secrecy and practice of shutting out constituency leaders from the Task Force continued to the point that, in April, the Government Accounting Office, the research and investigative arm of Congress, was asked by six Representatives and Senators to examine the process used by the Task Force. The GAO eventually reported in August 2003, "The Vice President denied us access to virtually all requested information."

On May 16, 2001, Cheney presented his final, 170-page report, "Affordable and Environmentally Sound Energy for America's Future." Downplaying California's crisis, the report called for more deregulation across the board, and for international control over priority oil resource regions.

Meantime, a day later, on May 17, 2001, the *Los Angeles Times* reported that an angry Governor Gray Davis had called the Reliant energy company "obstructionist," and had warned that he might seize the electricity the privateer companies produced, or the plants themselves.

Less than two weeks after that, on May 29, when Gov. Davis met



Ken Lay

Cheney's Plan To Grab Iraqi Oil



The Cheney task force was working with this map in March 2001.

with President Bush as the latter visited California, Bush in effect repeated Cheney's line to Davis: that the crisis was the result of California's failure to deregulate fully, and that Davis would have to take the blame.

Exit Enron Pirates, Enter Recall Thieves

Within months of the Cheney Task Force debacle, the highest flyers in the California rip-off were themselves in trouble, because they didn't have access to continuing and increasing rates of loot, and because of revelations about their fraud and illegal practices. Lyndon LaRouche, in his Presidential campaign, had been blasting the energy privateers, particularly Enron, as rapacious pirates committing massive crimes.

Then, on Aug. 14, 2001, Enron CEO Jeff Skilling abruptly resigned, though insisting the company was healthy. On Oct. 16, 2001, Enron admitted it had falsified financial statements, and announced a \$1-billion write-down on investments, and a \$1.2-billion drop in shareholder equity, due to semi-secret partnership transactions. Two days later, Enron re-stated earnings for the past four years, and the run was on. On Dec. 2,

2001, Enron declared bankruptcy—the largest corporate bankruptcy in U.S. history.

Subsequent investigations have also documented the fraud and looting practices by the other prominent energy pirates, including Reliant, Mirant, El Paso, and Williams. On Dec. 14, 2001, Calpine and Dynegy were downgraded by Moody's.

The follow-on? New companies, new schemes, and new bilking are in the works for California and the nation.

First, the Cheney protection racket continues as blatantly as ever. On Aug. 29, 2003, the Federal Energy Regulatory Commission settled charges of price manipulations against Reliant Resources in the tens-of-billions-of-dollars California electricity rip-off of 2000-01, by levying a fine on Reliant of merely \$836,000. California is still fighting for refunds, but FERC has kept them to a minimum.

The Reliant fine, and other slaps on the wrist for the pirate companies, mean that while the average Californian is estimated to have been bilked of over \$250 per person, the state is getting 3 cents per capita in compensation. The best estimate by the California Independent System Operator, which runs the state power grid, is that merely by keeping electric capacity offline to drive up prices, Reliant, Enron, and other mainly Texas-based pirates had cost the state \$8.9 billion—among the wide range of frauds over the 2000-01 period.

What's in the works for the next round of fraud is typified by the change of ownership of the Northern Natural Gas line, a huge West-Midwest pipeline system. First owned by Enron, from its inception in 1985, the line was handed over to Dynegy in early 2002, in settlement of a dispute arising from a failed 2001 acquisition of a failing Enron by Dynegy. Then, in 2002, Warren Buffett's Berkshire Hathaway/Mid-American Energy Holdings acquired the gas line, and is set for a killing in a new round of California dereg.

This makes it clear why Gov. Gray Davis was a marked man. He won re-election in November 2002—not with a significant mandate, but he stands in the way. Already, in May 2001, Ken Lay was conferring in California with Arnold Schwarzenegger; in September 2002, Schwarzenegger and Warren Buffett attended the infamous meeting in England on the Lord Jacob Rothschild estate; within months, the big-bucks California recall petition operation was in the works.

And so, what's at stake in the Oct. 7 recall is the economic existence of California and the nation. Will the "Cheney Gang" be voted out or not? As this document goes to press, Congress has re-convened in Washington, D.C., with energy hearings underway on the recent 50-million-person Northeast blackout. The answer to that, is the same as in California: Dump the Cheney policy. Re-regulate energy. Restore the nation and the economy.

What Cheney's Energy Pirates Have in Store for You

Now that you've remembered how energy deregulation, enforced by Cheney, has been behind the looting of California, perhaps you should think about what the recall gang is planning to do to solve the crisis. In fact, they plan to do just what Ken Lay and Dick Cheney said in the spring of 2001: More Deregulation! Deregulation to the bone.

The tell-tale signs can be seen in two forms. First, there is the new Energy Bill in Congress, pushed by Cheney for the Republicans. Second, there is the broader political agenda of *genocidal looting* which characterizes the careers, and proposals, of the sponsors of the recall, specifically George Shultz, Pete Wilson, and Warren Buffett.

The Energy Bill

The first Cheney Group proposal concerning electricity, contained in both the House and Senate energy bills that finally passed just this spring, is to repeal the Public Utility Holding Company Act. FERC has already weakened the 1935 Act, by granting waivers of its anti-trust provisions, so new mega-corporations to control energy supplies could be created. With repeal, all protections against financial manipulation, pyramiding, and speculation would be gone.

Second, Cheney proposes that to "increase reliability" of the transmission grid, FERC should take control from the existing state and regional regulatory bodies, and create one, big, nationally integrated transmission grid. The report describes the transmission system, not as the lifeline for delivering power, but as the "interstate highway for commerce in electricity"! The drafters of the policy were certainly aware of the need for investments in the transmission system, demonstrated by the California blackouts due to congestion on transmission Path 15. Within the FERC-controlled national grid, they proposed "incentives" for investments, which FERC can implement through "innovative transmission pricing proposals." "The market" replaces government's responsibility for investment.

Since 1999, FERC has proposed that the next phase of deregulation (actually, transfer from state oversight to Federal control) of the power grid is to get the utilities and statewide grid operators to form Regional Transmission Organizations (RTOs). The ostensible reason is to improve efficiency, by integrating the three regional transmission systems, and introducing "competition" to lower prices. (Remember Enron's promise that California's deregulation would lower prices by 50%?)

RTOs would be responsible for operational control of this

super-grid; would administer their own transmission tariffs, or charges for use; develop market mechanisms to manage congestion; etc. What gives teeth to this proposed structure is FERC's so-called Standard Market Design (SMD). This would allow national transmission assets to be doled out by "competitive bidding." So, if a local community does not bid high enough to use *its own transmission lines* during a period of congestion, it will not be able to bring power to its own local customers, while national power marketers use its lines to wheel electricity around the country.

The RTOs would run the market for electricity transmission, which would not only reflect the production and transmission cost, but the "cost of congestion" on the grid. Retail wheeling, from utilities to far-away customers, would be the mechanism to supposedly "lower prices." It has been described by the Edison Electric Institute as "wheeling money." This gameplan would raise electric rates in parts of the nation, such as the Northwest and Southeast, where rates are low; and, therefore, it is opposed by Congressional delegations from those regions—Democrat and Republican.

Instead of providing emergency large-scale funding to expand capacity, this set-up will, no doubt, spawn a derivatives market to take bets on when and where the grid would be congested. Enron had made an art out of manipulating the congested transmission grid in California: It faked electricity transaction sales that would have increased congestion if placed on the grid, thus allowing it to get paid by the Independent System Operator to *withhold* the (imaginary) power, in order to avoid the congestion. The possibilities for looting are limitless.

The Gang of Three Genocidalists

The three leading sponsors of Schwarzenegger's campaign are former California Governor Pete Wilson, his campaign manager; billionaire Warren Buffett; and former Secretary of State George Shultz. Take a look at their record, and you see "bipartisan" agreement on programs of racist looting even more extensive than that of the Enron crew.

Pete Wilson

Peter Wilson's political career started in 1967, and took him from the post of State Assemblyman, to Mayor of San Diego, U.S. Senator, and Governor. Wilson's record is consistent: Cut taxes, especially for the non-working rich; cut benefits to the poor, particularly immigrants; and impose radical deregulation of energy and other necessi-

ties. As Governor, Wilson signed into law the 1996 California energy deregulation act—the first in the nation.

One gets a flavor of Wilson's approach in an open letter he wrote to President Clinton in 1994, where he demanded a Constitutional amendment denying citizenship to children of illegal immigrants; a massive beef-up (read militarization) of the Mexican-U.S. border; Federal "relief" for Federally mandated payments for immigrants; and an end to laws granting sanctuary to immigrants.

Nice guy, huh? Of course, if immigrants have big bucks like Arnie, Wilson will make an exception.

Warren Buffett

Warren Buffett, the "Democratic" co-chair of the Schwarzenegger economic committee, fits right in with the Pete Wilson genocidal profile. First, he is a major beneficiary of the deregulated California and national energy markets.

In October 1999, Buffett's Berkshire Hathaway Inc. (he is chief executive, and the majority owner) acquired Des Moines-based Mid-American Energy Holdings, in a below-market-priced sweetheart deal, which in turn, has been expanded through more acquisitions into a \$5-billion-a-year revenue operation in 2002. During spring 2001, the Cheney Energy Task Force period, Mid-American Energy raised rates over 30% in Iowa, for example.

Over the past 36 months, Mid-American has positioned itself for continuing windfall gains, beginning with merging with California Energy, giving Buffett a direct position in the state. When the Enron piracy bubble broke in late 2001, Mid-American bought major Western natural gas pipelines at firesale prices from Dynegy and Williams, and other assets.

The Williams gas line, from the Rockies to California, called the Kern River line, has a total daily shipping capacity of 1.73 billion cubic feet, and Mid-American made known in August, its intention to expand capacity by 500 million cubic feet a day, now that the Bush/Cheney Administration announced Aug. 7 of this year new policies to favor drilling on Federal lands in the Rockies.

All told, Mid-American Holdings now has some 5 million customers in its different operations (including the second biggest electricity company in Britain), and is positioned for a killing off unregulated energy rates.

In April 2002, Buffett brazenly declared his backing for more energy deregulation, when he visited Capitol Hill, and told Congressmen that he would invest \$10 billion in energy if Congress repealed the Public Utilities Holding Act, the 1935 landmark piece of legislation promoted by



Pete Wilson



Warren Buffett



George Shultz

Franklin Roosevelt to prevent looting by the electric energy pirates of that time.

This explains exactly what Buffett means when he said the week he announced as co-chair for Schwarzenegger's economic team, that Arnie "is a smart guy. He's doing this for the right reasons. California needs a leader who (the state) will follow when tough choices are required" (*San Diego Union-Tribune*, Aug. 17).

Buffett himself, who is considered to be the second richest man in the world, goes way back in these kinds of maneuvers. He made it not only as chairman of Berkshire Hathaway, but at Salomon Brothers, which he headed in 1991. Since at least 1997, Buffett has been warning of the fragility of the stock market bubble, and even loudly declared in 1998 that he was selling off his T-bills. Buffett is the kind of financier, like the Morgans of the '30s, who plays for the long haul, while the mickeys play the market. Berkshire Hathaway has 63 other companies, besides Mid-American Energy Holdings.

Known as a "fiscally conservative" Democrat, Buffett made waves by his remarks to the *Wall Street Journal* (Aug. 17) that there some taxes he thinks should be imposed on the rich. A small concession, which shouldn't fool anyone.

But Buffett's real convergence with the Wilson Republican crowd comes with his views on immigration and population. This so-called liberal has thrown billions into pro-

grams for *Negative Population Growth*, and has also been on the board of the rabidly anti-immigrant FAIR, which calls not only for cutting off monies to immigrants, but for shutting the Mexican-U.S. border. "Close the border and let them scream!" is the slogan for FAIR propagandists, who don't want to see any non-whites coming into the country.

George Shultz

George Shultz, the "Republican" co-chair of Arnie's economic taskforce, is the senior member of this cabal. Shultz began his career in the Nixon Administration, budget-cutting and crushing labor left and right. He is reported to have played a pivotal role in convincing Nixon, and Treasury Secretary John Connally, to pull the dollar off gold in August 1971.

More recently, Shultz has played a prominent destructive role by 1) pulling together the current neo-con-dominated team in the Bush Administration; and 2) by advocating the decriminalization of mind-destroying drugs. He too functions from the Hoover Institution, a center for producing the anti-human economic and social policies with which Arnie "the Machine" will crush California, if voters are stupid enough to let him.

Arnold Schwarzenegger, Cheney's Overpriced Geek Act

by Scott Thompson and Jeffrey Steinberg

In 1947, Tyrone Power starred in a Hollywood motion picture, *Nightmare Alley*, which exposed the depraved life of a group of travelling carnival personalities. Chief among the sick characters was the "geek act," the disheveled, half-damaged figure who, at the appropriate moment, was brought onstage to bite off the head of a live chicken, before stalking off like a "beast-man," his mouth dripping with the dead animal's blood.

While there is no evidence that the present California Republican gubernatorial candidate and Hollywood caricature Arnold Schwarzenegger, ever consumed the head of a live chicken before a carnival audience, the image, nevertheless, of a "geek act," is appropriate to Arnie, whose own rags-to-riches rise was based on his steroid-and-pot-driven bodybuilding career, and his later reincarnation as a Hollywood "beast-man" action hero. In Arnie's case, a fair characterization would be that he is "Dick Cheney's overpriced geek act."

From his secret sessions with Enron boss Kenneth Lay, at the height of the energy pirates' looting of the state of California, to his embrace of the racist Proposition 187, denying immigrant offsprings the right to public education, Schwarzenegger is the poster-boy for the kinds of imperial policies being peddled by the Vice President and his neo-conservative allies, through his Energy Task Force, and his promotion of perpetual wars abroad and perpetual private cartel looting of the general welfare at home. If you liked the

**The Gangsters
Become the
Government!**

**Implosions!
Explosions!
Upheavals!
Tsunamis!**

**Millions
Plunged into
Darkness!**

**It's the
California
Energy Crisis
Like You've
Never Seen It
Before!**

**Pumping
Enron**

Now He's Here To Jack You Up!

Starring

THE DE-REGULATOR

**DIRECTED BY
Dick Cheney**

**EXECUTIVE PRODUCERS
Warren Buffett**

**FINANCIAL SERVICES
Ken Lay**

ripping off California, to the tune of approximately \$70 billion, by Enron, Reliant, Williams Energy, et al., in 2000-01, you'll love Arnie's future plans for the further looting of what is left of the California state economy.

Two recent photo opportunities shed further light on the real powers behind the Schwarzenegger throne, and further underscore that Arnie is a willing carnival geek act for some of the biggest rentier-financier ripoff artists in the world banking establishment today:

- On Aug. 15, 2003, most major American newspapers featured the same photograph of Arnie, unveiling his gubernatorial campaign advisory team, flanked by its two most prominent members: George Shultz and Warren Buffett. Buffett, the Omaha-based mega-speculator and energy pirate, is Schwarzenegger's business partner in NetJet and a string of other ventures.

Shultz is the heir to the Milton Friedman throne of rabid free-trade economists, who are committed to the permanent end of the nation-state system through the creation of a One World financial dictatorship, to be run through the Bank for International Settlements or directly through the private financier oligarchy. Shultz, from his perch at the Hoover Institution and the Bechtel Corporation, also shares the distinction, along with the other mega-speculator George Soros, of being the leading U.S. promoter of the total legalization of all drugs—including heroin and crack cocaine. Shultz was the architect of former President Richard Nixon's takedown of the Bretton Woods System, on Aug. 15, 1971, which brought on more than 30 years of economic collapse, speculative looting, and mass deaths throughout the planet. Shultz is the dark age architect of beast-man candidate Schwarzenegger, one of the leading "Synarchists" of the day.

- On Sept. 23, 2002, the British press, including BBC and *The Scotsman*, featured another prominent photograph of Arnie, again in the company of Warren Buffett, along with Lord Jacob Rothschild. The three were hosting a gathering, at Lord Jacob's Waddesdon Manor in the English countryside of a group of financier elites from Europe and America, to plot out how to make maximum profits as the planet plunges into war and chaos. Among the participants in the event: London *Times* financial correspondent Anatole Kaletsky, who wrote about the "dark age" gathering several days later; Nick Oppenheimer, of DeBeer Diamonds; former Federal Reserve Board chairman Paul Volcker, who would, several months later, attend a session at Nobel Prize-winning economist Robert Mundell's Siena, Italy castle, where plans for a single world currency under BIS control would be mapped out; and James Wolfensohn, head of the World Bank.

Kaletsky reported that two "senior Washington officials" had attended Lord Jacob's closed-door event, and

had provided those assembled with inside information about imminent plans for an Iraq war, and follow-on wars throughout much of Eurasia. While Kaletsky did not name the two Bush-Cheney officials, it has been subsequently learned that they were David Frum and Harold Rhode.

David Frum earned brief notoriety as George W. Bush's speechwriter who inserted the "axis of evil" formula into the President's January 2002 State of the Union speech. Frum's overblown ego led to his dismissal from the White House, but he remains a prominent figure in the neo-con stable, working at the neo-con "temple of doom," the American Enterprise Institute, and doubling as an editor of both the *Weekly Standard* and *National Review*, two leading war-party propaganda organs.

Harold Rhode is one of the most important, albeit little-known, Pentagon war-mongers. The chief "Islamic world" adviser to Deputy Defense Secretary Paul Wolfowitz, and the intimate colleague of British "Arab Bureau" elder and author of the "clash of civilizations" dogma, Bernard Lewis, Rhode is formally housed at Andrew Marshall's Office of Net Assessments in the Office of Secretary of Defense Donald Rumsfeld. But he has been a key activist in the intelligence fakery that led to the Iraq war. Rhode travelled frequently to London, in the run-up to the Iraq war, to meet with Iraqi National Congress chief Ahmed Chalabi, a convicted financial swindler (in Jordan) and the chief source of the fake intelligence on so-called Iraqi weapons of mass destruction, al-Qaeda links, etc.

Pumping Steroids: The Real Arnie

Arnold Schwarzenegger was born on July 30, 1947 in a small town near Graz, Austria. He was the son of Gustav and Aurelia (née Jadry) Schwarzenegger, and Arnold's father was the sort of alcoholic family tyrant who frequently would produce a manic-depressive "beast man" outlook in his two boys. Yet, in the 1977 book by Arnold and Douglas Kent Hall, *Arnold: The Education of a Bodybuilder* (A Fireside Book published by Simon & Schuster, New York City), Arnold is laudatory of his formerly brutalizing father, who took great "joy through strength" in Arnie's pumped-up muscles and beautiful floozies.

Ironically, as Arnie's steroid-pumped dreams (he started on heavy doses of the drug at 13) began to be realized, when Arnie began breaking into the movies to a significant degree, he found it necessary to cover his back by hiring the Los Angeles Simon Wiesenthal Center to investigate his father's role in the Holocaust. Rabbi Marvin "For" Hier obliged Arnie, and pronounced his father, Gustav, although a Nazi Party member, not guilty of any overt war crimes. In return, Schwarzenegger has been a steady donor to the Center

ever since, pouring at least \$750,000 into the Los Angeles group.

More recently, 30 years after Gustav's death in 1972, new archives were made publicly available. Not only had Gustav Schwarzenegger been one of only 11% of the Austrians who, after the Nazis' *Anschluss* annexation of Austria, became a member of the Nazi Party, but Gustav served in the SA (Sturmabteilung), or Brownshirts. Aaron Brightbart of the Simon Wiesenthal Center told *EIR* that after the collapse of the SA, Gustav became a member of the 521st Gendarmerie of the Fourth Panzer Division, which operated in Eastern Europe. Like the Einsatzgruppen, this unit shot partisans in cold blood, and burned villages.

Arnie's physical description of his father, in the first chapter of *Arnold: The Education of a Bodybuilder*, sounds like you-know-who: "He was always neat, his hair slicked back smooth, his mustache trimmed to a line." Later he described his father's reaction to his bodybuilding obsession. His mother was dead set against his weight-lifting and the loose women with whom he socialized. "Things were different between me and my father," Arnie wrote. "He assumed that

when I was 18, I would just go into the Army and they would straighten me out. He accepted some of the things my mother condemned. He felt it was perfectly all right to make out with all the girls I could. In fact, he was proud I was dating the fast girls. He bragged about them to his friends. . . . He was showing off, of course. But still, our whole relationship had changed because I'd established myself by winning a few trophies and now had some girls. He was particularly excited about the girls. And he liked the idea I didn't get involved."

What the Wiesenthal Center in its second "vetting" of Arnie has come up with, is as yet difficult to say. However, through the brutality of his father, Arnie became known as a man capable of extremes of "Thrasymachus"-type sadism against fellow athletes and "movie star" competitors.

As Arnie rose to stardom, he accumulated a fortune estimated at \$100-200 million. His 63-page "Economics Interest" filing with the Secretary of State for the recall gubernatorial race, lists over 19 mutual funds, real estate conglomerates, and companies in which he has over \$1 million invested. On his own website, "The Governor" boasts of his business acumen, which he learned from his "mentors," including: underground economy-promoter Milton "legalize drugs" Friedman; casino magnate Donald Trump; real estate wheeler-dealer Leslie Wexner, who was co-founder with second-generation "gone legit" Charles Bronfman of Mega, which replaced the "Billionaire's Club" in support of fascist Ariel Sharon; and mega-speculator Warren Buffett. These financial promoters of dictators are Arnie's business associates.

For his political associates, it is notable that *The San Francisco Chronicle* reported as follows from this year's Bohemian Grove gathering of the "aura of power" in the West Coast forests on July 23: "Behind the Count. All eyes will be on the California Secretary of State's office today for the big recall count—but the real plays are going on well behind the scenes. . . . From what we've heard, the Republican hierarchy—especially those close to former Gov. Pete Wilson—would favor Schwarzenegger. At least that's the word that came out of the Bohemian Grove this last weekend, where a number of state and national GOPers, including Presidential adviser Karl Rove, happened to have gathered at a club getaway." Former Governor Pete Wilson—author of the racist Proposition 187 that would deny social services to non-naturalized immigrants—has come forward as Arnie's campaign chairman.

One element of "The Terminator" that emerges in Wendy Leigh's *An Unauthorized Biography: Arnold* (Congden & Weed, Inc., Chicago, 1990) is that Arnie, too, is a deep-dyed racist, who hates Hispanics, Africans, and anyone with darker-skinned complexion.

Once was enough for an exported leader from Austria.

Cruz Bustamante, 'Democratic' Traitor

Under the deceptive slogan "No on Recall, Yes on Bustamante," California's Lt. Gov. Cruz Bustamante is seeking to win the recall election on Oct. 7. If you think Bustamante is a "good Democrat," think again.

Bustamante is the same kind of "Democrat" Joe Lieberman is—none at all! In fact, Bustamante has hitched his star to the rightwing, DLC, mob-backed Lieberman, because he shares the same politics. Despite the disaster in California, Lieberman still supports deregulation. Davis has admitted this was a mistake—what about Cruz?

Bustamante endorsed Lieberman in May, when Lieberman was being booed by real California Democrats for supporting the illegal war against Iraq. Now Lieberman is pushing Bustamante against Davis—something so low no other Democratic Presidential candidate has done it. Lieberman thinks a Bustamante victory will help him in his primary bid. These venal characters, Republicans in Democratic clothing, deserve each other—in obscurity.

LaRouche's Record: Reregulate Now! Reliable, Safe, Affordable Power

On Jan. 3, 2001, speaking at an international webcast event in Washington, D.C., Presidential pre-candidate Lyndon H. LaRouche, Jr. declared what had to be done for the California and national energy crisis: "Immediately, through the Federal government, create two steps: . . . Establish reregulation, emergency reregulation. Do it under Clinton. Don't wait for Bush. Do it now! . . . And then get some money in there. . . . Get some power generation going in that area. We're going to ensure a safe and adequate supply of energy, to industry and to populations throughout the area."

The following are some of the key interventions by LaRouche during the 2000-2001 energy disaster period.

Sept. 19, 2000: LaRouche issues a 10-point memorandum, as a policy summary, "On the Subject of Emergency Action by Governments to Bring the Present Petroleum-Price Inflation Under Control."

Dec. 4, 2000: In Boston, LaRouche's policy proposals are presented in testimony at a hearing of the Boston City Council's State and Federal Affairs Committee, convened to hear public discussion on a "Resolution on Emergency Governmental Action to Reduce Oil and Natural Gas Prices"—a proposal for reregulation by Councilman Chuck Turner. LaRouche's statement of support was presented, stressing, "The measure before you, if adopted, is surely, once again, a shot which will be heard around the world."

LaRouche and associates collaborate with state and local lawmakers for reregulation. In Nevada, State Sen. Joe Neal (D-North Las Vegas) introduces a bill to roll back deregulation; other states and cities demand reregulation. Neal travels to California, Ohio, and later, Mexico, collaborating with the LaRouche effort to expose the energy pirates, and reregulate electricity.



Members of the LaRouche movement demonstrate outside Enron headquarters in Houston.

Jan. 3, 2001: In Washington, D.C., LaRouche calls for emergency Federal energy reregulation action for California.

Feb. 4, 2001: In California, LaRouche addresses a youth conference, calling for a full-scale energy reregulation organizing campaign, and warning against Cheney, et al. His address is titled, "On the California Energy Crisis—As Seen and Said by the Salton Sea," and specifies how deregulation and energy speculation led up to the crisis, what practical measures are called for immediately from government, what legal precedents exist, and what consequences can be expected if the proper action does not take place. The candidate made an explicit warning on Cheney: "The present Administration and its complement in the Congress, has two principal features. On the one side, as typified by cases such as Vice-President Cheney and Secretary of Defense Rumsfeld, it is identified with the Wall Street 'establishment.' "

Jan. 31, 2001: LaRouche's reregulation program is submitted to the

Senate Energy and Natural Resources Committee, in *EIR* testimony to a hearing on the California crisis, and at many subsequent hearings.

Feb. 13, 2001: A 200,000 press run of LaRouche's Feb. 4 California crisis speech is issued as a national mass pamphlet on reregulation by the LaRouche in 2004 campaign, with follow-up reprintings.

Feb. 14, 2001: In Sacramento, California, the LaRouche Youth Movement conducts an intense "lobbying day" for reregulation, timed with the State Assembly's Special Session on Energy Pricing. The young activists continue to hold these action-days in coming weeks.

Feb. 23, 2001: A new, LaRouche-commissioned weekly *EIR* feature commences, "*EIR* Energy Crisis Update—Agenda for National Emergency Action," for the purpose of arming the growing political organizing drive with the broadest view of the battle.

March 7, 2001: In addition to a Sacramento mass-lobbying day, such lobbying actions are now taking place regularly in many other states, including Texas, Iowa, Illinois, Minnesota, and Pennsylvania.

April 18, 2001: The Nevada energy-reregulation law initiated by Sen. Joe Neal (D) is signed into law by Gov. Kenny Guinn (R).

May 22, 2001 In Harrisburg, Pennsylvania a "Day of Action" takes place, one week after Cheney's Energy Task Force Report is released, in which 75 activists from around the state, associated with LaRouche's 2004 campaign, stage a rally under the capitol rotunda against deregulation. Rep. Harold James (D-Philadelphia) calls for support for LaRouche's emergency financial reorganization proposals—a "New Bretton Woods" effort, and adds: "I respect his idea when he proposes that public utilities should be reregulated."