

New Orleans: Energy Prices Kill

The latest development in New Orleans was a town hall meeting called on April 2 by two local organizations, Citizens for Change and the Alliance for Affordable Energy. About 150 angry and frustrated citizens turned out, with three city councilmen getting an earful, and a spokesman for the New Orleans-based utility, Entergy, attempting to defend its skyrocketing rates. Antoinette Harnell-Miller, leader of Citizens For Change, challenged the Entergy spokesman's evasiveness: "If you're not responsible for high prices, then sit down or join our lawsuit against these energy pirates. We have to get to the bottom of who's causing these people to lose service. The body count will rise this Summer if people are without electricity to run air conditioners. This is the calm before the storm."

Marty Rowland, Ph.D., representing FDR-PAC, a multi-candidate political action committee founded by associates of Lyndon LaRouche, addressed the meeting. He warned that elected officials risked participating in the murder of citizens, if they did not actively join LaRouche's fight for the General Welfare, and re-regulation of energy prices. Using the metaphor of Plato, that the shadow cast against the wall of a cave is not reality, Rowland showed that the problem is not only Entergy, the visible "shadow" seen by all. Instead, Rowland said, the FDR-PAC is identifying the creators of the crisis—ExxonMobil, BP-Amoco, and El Paso Corp., the natural gas cartel financial supporters of George W. Bush—whose actions project the visible shadow. They have been allowed to rig prices, with deadly consequences. Rowland said re-regulation, with a return to the policies of Franklin Delano Roosevelt, is the only solution, and drew strong applause.

Underscoring Rowland's point, was testimony about the first documented New Orleans death resulting from high energy prices.

Raymond Shields, 46, died of heart failure after three months of distress over his mounting utility bills, his brother testified on April 2. Fearing the loss of his shelter and warmth, Shields had sought financial help from a utility-sponsored program, TCA, which provides income assistance. Shields had seen his utility bill jump from \$60 a month, to \$255.47 a month in January. Shields was told that his January bill would be paid, but when his February bill came, and no credit appeared, he owed \$464.57. On March 1, he did receive a TCA credit, he was left owing \$285. Then, on March 10, Shields received notice that the TCA program had run out of money. He died ten days later, increasingly distraught over his apparently unsolvable financial circumstances.

In New Orleans, as in much of the South, natural gas has been the energy source predominantly used for heating and cooking, with electricity used for lighting. In recent years, more and more of the new electricity-producing power plants have been natural gas-fired, because of low construction and fuel transport costs. But now, such plants are leading to rap-

idly inflating electricity prices.

Entergy's response to the crisis facing the citizens of New Orleans, particularly the poor and the elderly, has hardly been civic-minded. At a City Council Utility Commission meeting on March 8, the Entergy representative laconically stated that there would be no exceptions to the April 17 cutoffs, because "we all have our problems." The City of New Orleans already has lawsuits against Entergy, for overcharges amounting to \$500 million.

A "Utility Users' Bill of Rights" is likely to be considered by the New Orleans City Council, but its next meeting is not until after the cutoffs are now scheduled to go into effect. Emergency action, including possible legal action, is being considered.

Seniors Demonstrate in Pennsylvania

With thousands of Philadelphia residents facing utility and energy cutoffs on April 2, hundreds of senior citizens rallied at the state's capitol calling on legislators to act. Within a day of the rally, Philadelphia Gas Works extended its annual Winter reprieve for one week, setting April 9 as its new date to lift the Winter cutoff moratorium.

At the rally, State Sen. Anthony Williams (D-Phila.) announced that he has introduced a bill to provide emergency funds to cover utility costs for low-income customers. "Staying warm in the Winter shouldn't be a luxury available to just the wealthy, but this basic human necessity is quickly going beyond the reach of hardworking families," he said. Simultaneously, State Sen. Jane Orié (R-Allegheny) said that she plans to introduce a bill raising the eligibility limit so as to increase the number of people eligible for the state's low-income assistance program. But, even with this increase, the emergency funds to be made available will total only \$1 million. While these efforts provide temporary relief for a few, in the face of exorbitant energy bills it is the equivalent to using one's thumb to plug a hole in a dike. For example, PGW, having already imposed three rate increases in the last year, says it has newly identified 130,000 customers with delinquent accounts owing \$100 million, bringing the total owed to PGW to \$300 million.

Monterrey Rebels Against Free Trade, Deregulation

by Benjamín Castro

It is poetic justice that it is in the state of Nuevo León, the so-called "capital of the North American Free Trade Agreement and globalization" in Mexico, that protests have been launched by several political forces and broad sectors of the

population against the effects of these policies, in favor of protectionist measures on behalf of the population, and in defense of the nation's besieged productive apparatus.

The Ibero-American Solidarity Movement (MSIA) and the Schiller Institute are at the very center of this battle. Since last September, these groups, associated with U.S. statesman and economist Lyndon H. LaRouche, Jr., have led attacks on the hemispheric energy projects of Presidents George W. Bush in the United States and Vicente Fox in Mexico, and are proposing that the state legislature order regulatory measures against energy speculators such as Enron, a company closely tied to the Bush family.

Gas Natural: Another Energy Pirate

On March 30, the Monterrey City Council published a full-page advertisement in the local newspapers, denouncing the fact that citizens of Nuevo León are today facing "the choice of either eating, or paying the cost of domestic gas," because of the astronomical price increases charged during the Winter months by the Spanish company Gas Natural de México. The City Council blamed the situation on "the insistence on applying neo-liberal [i.e., free trade] policies in our country," and criticized the "inhumane, arrogant, and rude" treatment the Spanish company is meting out to citizens of the region. The Council called on the federal government to conduct "a meticulous review of the concession granted to the Spanish company" as of 1997, and demanded that any foreign investment accepted in the country "be to the economic benefit of the population." The Council accused the Spanish company of treating Mexicans as if Mexico were still part of "New Spain."

The advertisement was published with the unanimous support of City Council members, notwithstanding their individual affiliations to one of several political parties, including the National Action Party (PAN), the Institutional Revolutionary Party (PRI), the Democratic Revolutionary Party (PRD), and the Workers Party (PT). The Gas Natural de México concession was granted to the Spaniards in the late 1990s by the Ernesto Zedillo Administration, and has been wrapped in scandal because of its rapacious practices. During the Winter, it jacked up the cost of natural gas by nearly 600%, triggering protests in various parts of the city. The company "excused" itself, saying that there had been an "error" in reading the meters, and blamed another company, Eulen, for having committed the "error."

'Greater Protection' Demanded

Their "explanation" provoked even more outrage among the population and the political organizations of the city. On March 30, Sen. Natividad González Paras (PRI) presented the federal Senate in Mexico City with a suit against Gas Natural, urging that its concession be withdrawn. He called on the Energy Ministry to reverse the plan to eliminate electricity subsidies, because such a measure would unleash across-the-

board price hikes. He asked the federal government for "greater protection for users."

In the state congress of Nuevo León, legislators held an extraordinary session on March 29, and agreed to demand that the federal government establish a "preferential price" for natural gas and reconsider Gas Natural's concession. On March 30, legislators of the PRI, PRD, PT, and other organizations presented the federal Attorney General's office with a criminal suit against the Spanish company, for fraud.

Also during the last week in March, hundreds of citizens demonstrated in front of the gas companies, the state legislature, and the Governor's mansion, and appeared on various television and radio programs. On March 28, for example, more than 400 rallied in front of the Governor's mansion to demand that "the parameters for setting gas prices be modified, so that the cost of production in Mexico, and not the price of dollars in Houston, Texas, be taken as the basis." They also demanded "constitutional guarantees that the primary sectors of gas, water, and electricity be considered social assets of political and strategic interest to the lives of Mexicans."

These demonstrations have already forced Gov. Fernando Canales to hold an emergency meeting with the board of directors of Gas Natural de México, to demand from it "concrete" actions to reduce the cost of natural gas. Canales also publicly agreed that withdrawing the company's concession to distribute gas in Nuevo León would be appropriate. The citizens have also protested the "fiscal reform" promoted by the Fox government, because it would spell still greater austerity, and destruction of the economy. In particular, Fox's proposal to extend the value-added tax to medicines and food products, has awakened the same outrage in Nuevo León that the increase in natural gas prices during the Winter caused.

This, of course, is in addition to the devastation already hitting state industry. The major companies of the region, the pride of Nuevo León, have announced losses, shutdowns, mass layoffs, or outright sell-offs, such as the steel company Hylsa, which belongs to the Alfa group. The local business community has begun to understand that so-called "globalization" has proven counterproductive, and that they must "undo what has been done," as Hylsa officer Alejandro Elizondo Barragán said, when the gas price hikes began to force the first company closings last October.

The MSIA has been denouncing the Bush-Fox "Hemispheric Energy Plan" as a plot to loot natural resources, especially gas in the Burgos Basin in northern Mexico. The MSIA has called for the expulsion from Mexico of the "pirates," of Enron and of Gas Natural. The MSIA also organized the recent visit to Nuevo León of *EIR* Economics Intelligence Director Marcia Merry Baker, an expert on energy affairs from the LaRouche current inside the U.S. Democratic Party. In several forums, she detailed the fight for re-regulation inside the United States itself.