

Pennsylvania Rep. James Attacks Reliant, Enron

In Harrisburg, Pennsylvania, on May 22, a “Day of Action” and lobbying was held by 75 activists from around the state, associated with Democratic Presidential pre-candidate Lyndon H. LaRouche, Jr.’s 2004 campaign. Among the speakers at the kick-off rally under the capitol Rotunda, was Rep. Harold James (D-Philadelphia), who dramatically announced he had just sent e-mails to all fellow House members, asking for co-sponsors on a “New Bretton Woods” Resolution on the economic crisis, to be introduced in June. By the end of the day, two other state representatives had become co-sponsors. The resolution states that “American economist Lyndon H. LaRouche, Jr. has consistently warned of this crisis, and there is significant international support for a solution based on Mr. LaRouche’s ‘New Bretton Woods’ economic policy.”

James also spoke on deregulation:

“We were told that deregulation would mean more competition. But instead, we’ve seen mergers and acquisitions. For example, Philadelphia Electric [PECO] has merged with Unicom of Chicago, and May 24, the Pennsylvania Public Utility Commission will rule on a takeover of GPU by First Energy of Akron, Ohio.

“We were told that deregulation would mean lower prices, but the PUC [Public Utility Commission] will rule May 24 about breaking the rate caps for GPU, because of the increase in wholesale electricity prices. We were told that deregulation would mean ‘customer choice,’ but we

see ratepayers being switched from Philadelphia Electric Co. . . . 299,000 PECO customers were switched to New Power Co. in January, without their knowledge, and 50,000 more customers are supposed to be switched to Green Mountain this month, again without their knowledge. It sounds like Governor Ridge has invented a new concept: ‘mandatory choice.’

“But even more worrisome is the fact that both New Power Co. and Green Mountain, have close political and financial ties to George W. Bush. New Power Co. is made up of Enron Corp., IBM, and AOL. Enron’s CEO, Kenneth Lay, is an intimate adviser to the Bush Administration on energy policy. He just met with [Vice President] Dick Cheney last week. Enron is backing a current member of the Pennsylvania Public Utility Commission, Nora Mead Brownell, for a spot on the Federal Energy Regulatory Commission. What is going on here?

“Green Mountain, based in Austin, Texas, is run by Sam and Charles Wyly, who contributed over \$200,000 to Bush and the Republican Party for the 2000 campaign. . . .

“Now, I understand that Reliant Co., also of Houston, Texas, owns at least 16 electricity generating plants in Pennsylvania. Reliant has now become a force in Pennsylvania. Reliant Vice President W. Paul Ruwe is now Chairman of the Board of the Electric Power Generation Association, based here in Harrisburg, while Reliant’s mid-Atlantic headquarters is in Johnstown.

“I recognize that Lyndon LaRouche’s forecast about the economy and the financial crisis was accurate. I respect his idea when he proposes that public utilities should be re-regulated. I will look very closely at the law passed recently in Nevada, where electricity and natural gas deregulation was repealed on April 18.”

In 1976, the company restructured, creating Houston Industries as the holding company of which HL&P became a subsidiary. Between 1992 and 1998, Houston Industries began to expand into Ibero-America, buying interests in electric utilities in Argentina, Brazil, Colombia, and El Salvador. In 1997, it made a major U.S. acquisition when it bought natural gas company NorAm Energy.

In 1998, Houston Industries expanded into California with the purchase of five power plants from Edison International, parent of the Southern California Edison utility. Among those plants were the 1,613 megawatt Ormond Beach facility and the soon to be notorious 1,049 MW Etiwanda plant; the purchase gave the company 4,000 MW of generating capacity in the state, enough to supply—or extort—several million homes.

Reflecting its transformation from local utility to international pirate, Houston Industries changed its name to Reliant Energy in 1999. That same year, it bought control of Dutch

power generation firm UNA.

In May 2001, Reliant restructured again, spinning off its Reliant Resources merchant power division as a separate company. HL&P, the regulated utility, remained a part of Reliant Energy, but its 14,000 MW of generating capacity are slated to be transferred to the unregulated Reliant Resources, pending state approval. Once that occurs, HL&P will have to buy its electricity from Reliant Resources, and the customers of HL&P will be subject to the same predatory practices as the residents of California.

Reliant sits near the center of the apparatus *EIR* has described as Southern Strategy, Inc., an alliance of Wall Street and European financiers, steered by the oligarchic Schlumberger/Lazard financial and intelligence apparatus.

One of the chief figures in this apparatus is James A. Baker, III, the former Secretary of State, White House Chief of Staff, and consigliere to the Bush family. Baker is a dominant figure at Reliant, both through his seat on the company’s