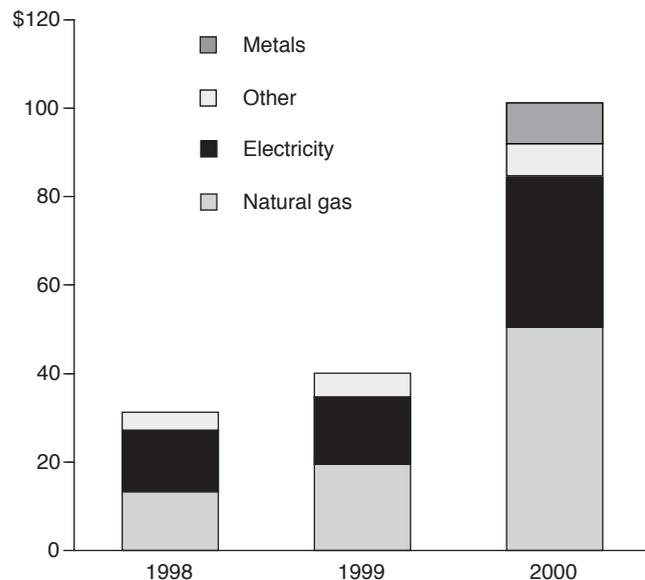


FIGURE 1D

Enron Natural Gas and Electricity Revenues Soar

(Billions \$)



Source: Enron.

than \$100 billion in revenue in 2000, with electricity sales of \$34 billion and natural gas sales of \$50 billion (Figure 1). Its electricity revenues in 2000 alone, exceeded its total revenue in 1998, and its natural gas revenues in 2000 exceeded its total revenues in 1999. Not bad for a company which claims to be in the business of lowering consumers' energy bills.

Over the years, Enron has transformed itself from a natural gas company into an energy trader; though it still owns energy production and distribution facilities, it has essentially become an investment bank, playing the energy markets the way the Wall Street banks play the bond and currency markets. Enron specializes in buying electricity and natural gas where prices are cheap, and selling them where prices are dear. The company uses derivatives to hedge its bets, and also sells them, going so far as to run television commercials touting its weather derivatives business.

Domestically, the company owns a 25,000-mile network of natural gas pipelines, and physical natural gas delivery volumes increased 77% in 2000, to 24.7 billion cubic feet per day. It also delivered 579 million megawatt-hours of electricity, a 52% increase. Enron owns its own electric utility, Portland General Electric of Oregon, which has 2,015 MW of electricity-generating capacity, and another 4,000 MW of unregulated generating capacity. It is attempting to sell Portland General to Sierra Resources, since the profits from a regulated utility do not begin to compare with the profits it can make in the unregulated markets.

Enron is also active internationally, building a natural gas and electricity market in Europe. It owns all, or portions of 13 non-utility power plants with 3,800 MW of capacity in Ibero-America (Brazil, the Dominican Republic, Guatemala, Nicaragua, and Panama), as well as India, China, the Philippines, Guam, and Turkey; 10,000 miles of natural gas pipelines in Argentina, Bolivia, Brazil, and Colombia; and the Elektro electric utility in Brazil, with its 51,000-mile electricity transmission grid.

The company's fastest-growing business is its Internet-based e-commerce website, EnronOnline, which the company established in November 1999. Last year, some 548,000 transactions with a notional value of \$336 billion were conducted through EnronOnline. The company currently offers more than 1,200 "products" through the website, which accounts for about half of its business.

The combination of deregulation and globalization has made Enron one of the world's premier money machines; the company, in turn, spreads that money around liberally, in the United States and internationally, to push its globalist, "free-market" propaganda.

Joined at the Hip

If the connections between Enron and the administration of George I were tight, the connections between Enron and

'California's Crisis: Lesson for Mexico'

Under this headline, one of Mexico's most widely read magazines hit the newsstands in the first week of June with a major interview with LaRouche spokesman Harley Schlanger, featuring the kicker, "The Energy Cartels: Lying in Ambush." *Proceso* magazine interviewed Schlanger in a frontal attack on the "Texas energy cartels who have ruined California, and now tell Mexican President Vicente Fox that they want to help Mexico develop." Schlanger said he had no basis to affirm that Fox's government is complicit with these companies, but "I know that President Bush and Fox consider themselves good friends, and the friends of Bush in the U.S. are those that would benefit from this type of accord between Mexico and the U.S. This I do know."

In the interview, Schlanger calls for a common front "with Mexican patriots, against privatization." *Proceso* quotes him, "The idea is to build a kind of national force which could use the case of California to show Mexicans what will happen if they hand over production of electricity to the 'Houston cartel.'"