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How the Two Parties Serve Big Oil

BY JEFFREY ST. CLAIR

Shortly after John Kerry sewed up the delegates needed to seize the Democratic nomination for president, he huddled for two hours with James Hoffa, Jr., the boss of the Teamsters union. The topic was oil. The Teamsters wanted more of it at cheaper prices. They had suspicions about Kerry. After all, the senator had already won the backing of the Sierra Club, who touted him as the most environmentally enlightened member of the US Senate.

Hoffa emerged from the meeting sporting a shark-like grin. Hoffa and the Teamsters have long pushed for opening up the Arctic National Wildlife Refuge to drilling and for the construction of a natural gas pipeline to cut across some of the wildest land in North America from the tundra of Alaska to Chicago. "Kerry says, look, I am against drilling in ANWR, but I am going to put that pipeline in, and we're going to drill like never before", Hoffa reported. "They are going to drill all over, according to him. And he says, we're going to be drilling all over the United States". Kerry didn't stop to comment. He slipped out the door and into a waiting SUV.

OIL'S REPUBLICANS

The Bush administration has been aptly pegged as a petroarchy. It isn't so much under the sway of Big Oil as it is infested top to bottom with oil operatives, starting with the president and vice president. Eight cabinet members and the National Security Advisor came directly from executive jobs in the oil industry, as did 32 other Bush-appointed officials in the Office of Management and Budget, Pentagon, State Department, and the departments of Energy, Agriculture and, most crucially in terms of opening up what remains of the American wilderness to the drillers, Interior.

The point man in the Bush administration's oil raid on the public estate is Steve J. Griles, Gale Norton's top lieutenant at the Interior Department. As Deputy Secretary of Interior, Griles is the man who holds the keys to the nation's oil and mineral reserves. Since landing this prized position, he used those keys to unlock nearly every legal barrier to exploitation, opening the public lands to a carnival of corporate plunder. He became the toast of Texas.

From the time he took his oath of office, Griles was a congressional investigation waiting to happen. The former coal industry flack was one of Bush's most outrageous appointments, an arrogant booster of the very energy cartel he was meant to regulate. His track record could not be given even the slightest green gloss. A veteran of the Reagan administration, Griles schemed closely with disgraced Interior Secretary James Watt to open the public lands of the West to unfettered access by oil and mining companies, many of whom funded Watt's strange outpost of divinely inspired environmental exploitation, the Mountain States Legal Center.

As Deputy Director of Surface Mining, Griles gutted strip-mining regulations and was a relentless booster of the oil-shale scheme, one of the most outlandish giveaways and environmental blunders of the last century. He also pushed to overturn the popular moratorium on offshore oil drilling on the Pacific Coast, a move of such extreme zealotry in the service of big oil that it even caught Reagan off guard.

After leaving public office, Griles quickly cashed in on his iniquitous tenure in government by launching a DC lobbying firm called J. Stephen Griles and Associates. He soon drummed up a list of clients includ-

CounterPunch's Schedule

Some readers have been calling business manager Becky Grant, wondering where their issues are and asking about the long August gap. Actually the concept of holiday is embedded in our sub form, which says we do 22 issues a year, which means that at some point we take a month off. This used to to be August, but rather than have a straight gap, we took to doing just one issue in July and one in August. This year we published one in July and then, because of the conventions, let the schedule slip till we published an August 1 through Sept. 7 issue, which, to make things more complicated, was wrongly numbered in the print issue as #15 when it should have been #14. With this Sep 8 -15 issue we're back on normal schedule. Other readers ask, when do their subs expire. You can tell your sub expiry date from the number in the address panel. If it says 22 04 it means your sub will expire with issue 22 of 04. Etc. You will also get no less than three reminders to renew in three successive issues. We say: renew early and often. But remember, all we we can do is get an issue to press and send it out first-class mail. The rest is in the hands of the US Postal Service. If you're having persistent late delivery problems it is worth filing an enquiry with your local P.O., or so a subscriber who works in an Oakland USPO sorting depot tells us. AC / JSC ing Arch Coal, the American Gas Association, National Mining Association, Occidental Petroleum, Pittston Coal and more than 40 other gas, mining and energy concerns, big and small, foreign and domestic.

Then Griles was picked as Norton's chief deputy. After contentious senate hearings that exposed his various and lucrative entanglements with the oil and gas industry, Griles was finally confirmed to office on July 7, 2001. He later signed two separate statements agreeing to recuse himself from direct involvement any Interior Department matters that might involve his former clients. He later flouted both of those agreements, as disclosed by his own calendar of meetings, liberated through a Freedom of Information Act filing made by Friends of the Earth.

As the calendar and meeting notes reveal, Griles used the cover of the 9/11 attacks and the war on Iraq to advance his looting of the public domain for the benefit of some of his former clients and business cronies. He pushed rollbacks in environmental standards for air and water; advocated increased oil and gas drilling on public lands; tried to exempt the oil industry from royalty payments; and sought to create new loopholes in regulations governing strip mining.

Griles wasted no time compiling a wish list for his pals. Within days of assuming office, Griles convened a series of parleys between his former clients and Interior Department officials to chart a game plan for accelerating mining, oil leasing and coal-methane extraction from public lands.

Griles was an ownership partner in a DC lobbying firm called National Environmental Strategies, a polluters' lobby founded in 1990 by Marc Himmelstein and Haley Barbour. Barbour soon left the firm to become head of the Republican National Committee. Griles moved in.

When he was nominated as deputy secretary of Interior, Griles was forced to sell his interest in the firm for $1.1 million, and he fixed up a deal with Himmelstein, a friend and Republican powerbroker. Instead of paying Griles off in a lump sum, Himmelstein promised to pay the Bush official $284,000 each year over the next four years. Griles claimed he arranged this kind of payment plan so as not to leave NES "strapped for cash".

But in effect Griles remained financially tied to the health of Himmelstein's firm. And, in fact, Himmelstein admitted that over the past two years he and Griles have gotten together several times over beers and dinner.

Oil's Democrats

As these pungent episodes from Griles' tenure at Interior revealed, the Bush administration's fatal flaw has been its inclination to over-reach, such as when the Interior Department, at the prodding of politically tone-deaf Dick Cheney, unveiled a plan to offer oil leases off the coast of Florida. The president's brother, Jeb, shot the plan down. A similar blunder occurred in California, where new offshore leasing had been banned since the oil spills of the 1970s. The Bush administration floated a plan for new leases off the coast of Northern California, Oregon and Washington. They backed down after the scheme met with resistance from the likes of Arnold Schwarzenegger. Still these should be viewed as probing raids, testing the tenacity of the opposition, while the real opportunities for plunder were being pursued in more compliant terrain, where the door had already been opened by the Clinton administration.

Despite what you hear from the Sierra Club, Kerry and his Democratic cohorts have never arrayed themselves in opposition to the interests of the oil cartels. Far from it. In Clintontime, oil industry lobbyists flowed through the White House as easily as crude through the Alaskan pipeline, leaving behind campaign loot and wish lists. Several oil execs enjoyed sleepovers in the Lincoln bedroom. Hazel O'Leary, Clinton's first Energy Secretary, traveled the world with oil execs in tow, brokering deals from India to China.

In the summer of 1994, while Clinton vacationed in the Tetons, just down the trout stream from Dick Cheney's ranch, eight top oil executives dropped in for a visit. This confab in Jackson Hole became Clinton's version of the Cheney energy task force. The oil moguls pressed Clinton for a number of concessions: 1. Increased drilling on the Outer Continental Shelf, especially in the Gulf of Mexico; 2. A break on royalty payments; 3. Expedited leasing for coal-bed methane on the Rocky Mountain Front; 4. Opening the National Petroleum Reserve-Alaska to drilling; 5. Removal of the ban on export of Alaskan crude oil to overseas refineries.

At 24 million acres, the National Petroleum Reserve-Alaska stood as the largest undeveloped tract of land in North America. Located on the Arctic plain just west of Prudhoe Bay, it is almost indistinguishable ecologically from the hallowed grounds of ANWR, which abuts the eastern edge of big oil's industrial city on the tundra. The same ecology, only much bigger. The oil industry had craved entry into the NPR-A since the 1920s, when it was set aside for entry only in the case of a national emergency. Clinton and his Interior Secretary Bruce Babbitt gave them what Nixon, Ford, Reagan and Bush had been unwilling or unable to deliver.

But there's more. For 25 years, the oil companies operating on the North Slope had been required to refine the crude oil in the United States. Indeed, the opening of the North Slope to oil drilling, and the construction of the leaky 820-mile long Trans-Alaska Pipeline to transport the crude from Prudhoe Bay to Valdez, was sanctioned by the US Congress only because the oil was intended to buttress America's energy independence. Exports of raw crude were explicitly banned. At the time Senator Walter Mondale warned that the oil companies would eventually have the ban overturned, saying they had always intended it to be the "Trans-Alaska-Japan pipeline". Mondale correctly foresaw that the oil companies would export large shipments of the Alaskan crude to Asia in order to keep winter heating fuel prices high in the Midwestern states. Now, nearly three decades after this prediction, the oil companies have the jackpot in their grasp.

The winning strategy to lift the export ban was hatched by Tommy Boggs, the Rasputin of American lobbyists, whose firm, Patton, Boggs, represents a thick portfolio

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of oil companies, including Exxon, Mobil, Shell, and Ashland. In this instance, Boggs was the advance man for Alyeska, owned by the Alaskan oil consortium. Alyeska operates the Trans-Alaska pipeline and supervises oil extraction on the North Slope. Alyeska is owned by the consortium of companies doing business in northern Alaska.

In an August 1995 memo to a prospective client, Boggs, a golfing pal of Bill Clinton, boasts of his bipartisan expertise in moving the measure through Congress: "We have a very good working relationship with the Alaska delegation, having led the private-sector effort to get exports of Alaskan North Slope oil approved by the 104th Congress and signed by President Clinton". Boggs' normal price tag is a robust $550 per hour, which translates into $22,000 for a 40-hour week.

Students of the political economy of the Clinton White House are correct in assuming that the billions handed over by Clinton to the Alaskan oil cartel were predicated on a swollen river of slush coming the other way. The fund-raisers at 1600 Pennsylvania Avenue were not disappointed.

After all, ARCO – the prime beneficiary of the new Alaskan oil bonanza – is one of the preeminent sponsors of the American political system. The oil giant maintains a hefty federal political action committee. In the 1996 election cycle, the ARCO PAC handed out more than $357,000. But this is only the beginning. Over the same period, ARCO pumped $1.25 million of soft money into the tanks of the Republican and Democratic national committees. The company contributed at least another $500,000 in state elections, where corporations can often give directly to candidates.

At the time, Robert Healy was ARCO's vice-president for governmental affairs. On October 25, 1995, Healy attended a White House coffee "klatsch" with Vice-President Al Gore and Marvin Rosen, finance chairman of the Democratic National Committee. A few days before the session, Healy himself contributed $1,000 to the Clinton/Gore re-election campaign. But from July through December of 1995, largely under Healy's direction, ARCO ladled $125,000 into the bank account of the DNC.

The man who did much of ARCO's political dirty work in Washington, D.C. was Charles T. Manatt, former chairman of the Democratic Party. Manatt runs a high-octane lobbying shop called Manatt, Phelps, Rothenberg and Evans, formerly the lair of Mickey Kantor. The lobbyist attended a White House coffee klatsch with Clinton on May 26, 1995. In 1995 and 1996, Manatt alone doled out $117,150 in hard and soft money. Members of Manatt's family threw in $7,000. His law firm tossed in $22,500 and the firm's PAC another $81,109.

Inside the Clinton cabinet, Manatt's former partner, Mickey Kantor, became the most strident agitator for lifting the export ban on Alaskan oil, promoting it as a vital prong in the administration's Asian trade policy. Kantor resigned his position as Secretary of Commerce and resumed his law practice with the Manatt, Phelps firm.

ARCO's former CEO, Lodwrick Cook, is a personal friend of Bill Clinton. In 1994, Cook celebrated his birthday at the White House. The President himself presented the oil executive with a towering cake. Cook traveled with Commerce Secretary Ron Brown on a trade junket to China in August 1994. During that trip, Cook and Brown negotiated ARCO's investment in the huge Zhenhai refinery outside Shanghai. The refinery is now ready to process Alaskan crude, which suggests that at least two years before Clinton's executive order on oil exports in the spring of 1996, ARCO had inside knowledge of what was to come.

The three biggest oil and gas bonanzas attributed to the rapacity of the Bush regime – the Alaska petroleum reserve, the Gulf of Mexico, and the Powder River – were all initiated by the Clinton administration.

Oil's Greens

In one of the more pungent hypocrisies of the Clinton age, the green establishment largely went along with Babbitt's plan to open the petroleum reserve, under the deluded impression that to do so meant they would be able to keep the oil companies out of ANWR.

Of course, by swallowing Babbitt's plan to open the petroleum reserve to oil drilling the greens basically undermined nearly every ecological and cultural argument for keeping the drillers out of ANWR.

Like ANWR, the petroleum reserve is home to a caribou herd. But the Western Arctic caribou herd that migrates across the reserve is almost twice as large as the herd that travels across ANWR. Similarly, the petroleum reserve is home to a slate of declining species, including polar bears, Arctic wolves and foxes, and musk ox.

Unlike ANWR, the petroleum reserve contains one of the great rivers of the Arctic, the Colville River, the largest on the North Slope, which starts high in the Brooks Range and curves for 300 miles through the heart of the reserve to a broad delta on the Arctic Ocean near the Inupiat village of Nuiqsut.

The Colville River canyon and the nearby lakes and marshes form one of the world's most important migratory bird staging areas. Over 20 percent of the entire population of Pacific black brant molt each year at Teshekpuk Lake alone. The bluffs along the Colville River are recognized as the most prolific raptor breeding grounds in the Arctic, providing critical habitat for the peregrine falcon and rough-legged hawk.

In early 2003, the Bush administration moved to expand the drilling in the NPR-A, originally approved by Babbitt and Clinton. Under the Bush plan, 9 million acres would be opened to drilling almost immediately and another 3 million acres, near the Inupiat village of Wainwright, would be opened later in the decade. The plan, tailored to meet the needs of ConocoPhillips, will call for thousands of wells, hundreds of miles of road, dozens of waste dumps and a network of pipelines to transport the oil to Prudhoe Bay and the trans-Alaska pipeline.

But oil and gas may not be the only prize. The BLM, which never misses an opportunity to pursue maximum development of public lands, estimates that the petroleum reserve may harbor approximately 40 percent of all coal remaining in the US (400 billion to 4 trillion US tons).

When Hoffa vowed that Kerry was going to drill everywhere except ANWR like never before, he was talking about the NPR-A. He was also referring to plans to sink oil wells into the Kenai Peninsula and off of Kodiak Island and near the Chugach forest. There are also more than 670 lease applications piled up in the Clinton years for new offshore oil development in Alaska, from the Gulf of Alaska, to the Copper River Delta (perhaps the greatest remaining salmon fishery in the world), to Cook inlet (flanked by the Katmai national park and the Kenai peninsula) to Bristol Bay, to the Chukchi Sea up by Point Hope, to the Beaufort Sea. In other words, under both the Kerry and Bush energy plans the entire coast of Alaska is now in play.

And not only Alaska.

Democrats and Republicans Grease Oil's Plans in Northern Plains

The biggest oil rush in recent American history is taking place not on the North Slope, where reserves are ebbing out, but on the Great Plains, at the foot of the Rocky Mountains, in Montana and Wyoming. Here are huge deposits of coal methane in Power River Basin in Montana and Wyoming. These reserves, worth billions of dollars, have long been craved by the natural gas industry. It looms as the largest energy development project in the country and has been assailed by environmentalists and native groups as a nightmare.

The project, which calls for the development of more than 80,000 coal-methane wells, is so fraught with danger that even the Bush administration's own EPA issued a report sharply criticizing the environmental consequences of the scheme. Among the findings:

The 80,000 coal methane wells will discharge nearly 20,000 gallons of salty water each day onto the ground surface, fouling the land, creeks and aquatic life; over its life span, the project will deplete the underground aquifer of more than 4 trillion gallons of water that will take hundreds of years to replenish; full-scale production will also entail 17,000 miles of new roads, 20,000 miles of pipelines and will turn nearly 200,000 acres of rangeland into an industrial zone.

This rare rebuke from the normally supine EPA roused Steven Griles into furious action. On April 12, 2002, Griles sent a ferocious memo under his Department of Interior letterhead chastising the EPA for dragging its feet on the project. He chided the agency of being uncooperative with industry. It turns out that Griles had formerly represented the very companies that he was now accusing the EPA of failing to give proper deference to. As a lobbyist, Griles's clients included the Coal Bed Methane Ad Hoc Committee, Devon Energy, Redstone and Western Gas Resources, all companies seeking to gain access to the Powder Basin gas fields. His old firm, NES, also hosted an industry-sponsored tour of Powder Basin for EPA and Interior Department officials. NES also represents Griles' former client Devon Energy, which stands to make a killing if the deal is approved.

Griles's meddling in this matter came to the attention of the Department's lawyers. On May 8, they forced Griles to sign an agreement disqualifying himself from any further involvement in the coal-methane issue. He later said he did so "for all the world to know that I'm not even going to be talking to anybody about it again".

Griles has been rightfully vilified for his role in the Powder River Basin scandal, which prompted investigations by the Justice Department, Congress and the Inspectors General Office at the Interior Department. But none of this started under Bush. Not Alaska, not the Gulf of Mexico, not the Powder River Basin.

Here's David Hayes, Undersecretary of Interior for Energy, testifying before Congress in July of 2000 on the Clinton legacy for oil leasing on public lands and offshore sites. "The Clinton Administration is supportive of the U.S. domestic oil and gas industry", Hayes told the Senate Committee on Energy and Natural Resources. "We have supported efforts to increase oil and natural gas recovery in the deep waters of the Gulf of Mexico; we have conducted a number of extremely successful, environmentally sound off-shore oil and gas lease sales; and we have opened a portion of the National Petroleum Reserve-Alaska (NPR-A) to environmentally responsible oil and gas development, where an estimated 10 trillion cubic feet (tcf) of recoverable natural gas resources lie in the northeast section of the reserve".

Hayes boasted that while domestic oil production had declined on private lands since 1989, the Clinton administration responded by boosting oil production on public lands. Under Clinton oil production from public lands increased by more than 13 percent from 1992 figures under Bush Sr, widely decried by liberals as being owned by big oil. Here are the numbers cited by Hayes for BLM oil leasing under Clinton. He called the figures impressive, which they are, although sobering might have been a more precise description:

• leasing in the Gulf of Mexico to increase almost tenfold between 1992 and 1997.

• From 1993 to 1999, 6,538 new leases were issued covering approximately 35 million acres of the Outer Continental Shelf.

• Oversaw a 60 percent increase in the production of natural gas on Federal onshore lands over the past 7 years – from 1.3 trillion cubic feet in 1992 to 2.0 trillion cubic feet in 1999.

Here's Hayes speaking reverently about the Powder River Basin coal bed methane leases, which liberals and greens have tried to lay solely at the feet of Bush and Griles: "Estimates of recoverable gas reserves on public lands from this basin alone are as high as 9 trillion cubic feet. If maximum operating capacity of the current pipelines in the Powder River Basin is achieved, production could be as much as 1 billion cubic feet per day. That will produce enough fuel to heat nearly fifty thousand homes in the United States for twenty years. Industry is producing the gas and submitting applications for permits to drill at an unprecedented rate and, presently, there are more than 4,000 coal bed methane wells in the basin. Upon completion of further environmental analysis, we expect to nearly double that amount."

Enron? Kerry's energy guru was one of Enron's biggest promoters.

The only real difference between the Clinton plan for the Powder River Basin and the Bush scheme is that the Bush administration, prodded by Steven Griles, moved to accelerate the leasing planned by Clinton, Babbitt and Hayes and truncate the environmental reviews. The end result was a foregone conclusion under both administrations.

So, the three biggest oil and gas bonanzas attributed to the rapacity of the Bush regime – the Alaska petroleum reserve, the Gulf of Mexico, and the Powder River – were all initiated by the Clinton administration.

One more note on David Hayes. Before joining the Clinton team, Hayes served as the chairman of the Environmental Law Institute, a DC green group. But this was only a part-time position. His day job was as a lawyer/lobbyist at the DC firm of Latham and Watkins, which represents a plump roster of corporations seeking to plunder the very lands as deputy secretary of Interior he would be charged with protecting. After leaving the Clinton administration, Hayes navigated a soft landing back on his old roost at Latham and Watkins. How is this any different from the lucrative migrations of the hated Steven Griles, who traveled from the Reagan administration to an oil lobby shop to the Bush II administration? The revolving door spins for all.

Teresa Heinz Kerry Gets Lay

When it comes to oil policy Bush relies on Griles, while John Kerry turns to Ralph Cavanagh at the Natural Resources Defense Council, the neo-liberal environmental group headed by John Adams. In Clintontime, Adams and his group made a famous splash when they publicly betrayed their fellow environmentalists by endorsing NAFTA. NRDC's endorsement shattered the coalition and secured passage of the bill through congress, a prize that had been denied the first Bush administration. Adams felt no regrets. He later gloated about "breaking the back of the environmental opposition to NAFTA".

Ralph Cavanagh is exceptionally close to John Kerry and his wife, Teresa Heinz. In fact, Heinz's foundation bestowed on Cavanagh its annual eco-genius award and a $250,000 check for his pioneering work in energy policy. But just what did this work entail?

Here's what. While his boss John Adams pushed free trade, Ralph Cavanagh hawked the deregulation of the energy business in the name of environmental efficiency, an old canard discredited in the progressive era. Cavanagh plays the role of Betty Crocker in bestowing green seals of approval for enviro-conscience and selfless devotion to the public weal by corporations like… Enron.

These green seals of approval were part of the neoliberal pitch, that fuddy-duddy, horse-and-cart age regulation should yield to modern, "market-oriented solutions" to environmental problems, which essentially means bribing corporations in the hope they'll stop their polluting malpractices. Indeed, NRDC and EDF were always the prime salesfolk of neoliberal remedies for environmental problems. NRDC was socked into the Enron lobby machine so deep you couldn't see the soles of its feet. Here's what happened.

In 1997 high-flying Enron found itself in a pitched battle in Oregon, where it planned to acquire Portland General Electric, Oregon's largest public utility. Warning that Enron's motives were of a highly predatory nature, the staff of the state's Public Utility Commission (PUC) opposed the merger. They warned that an Enron takeover would mean less ability to protect the environment, increased insecurity for PGE's workers and, in all likelihood, soaring prices. Other critics argued that Enron's actual plan was to cannibalize PGE, in particular its hydropower, which Enron would sell into California's energy market.

But at the very moment when such protests threatened to balk Enron of its prize, into town rode Ralph Cavanagh. Cavanagh lost no time whipping the refractory Oregon greens into line. In concert with Enron, the NRDC man put together a memo of understanding, pledging that the company would lend financial support to some of these groups' pet projects.

Cavanagh won the day for the Houston-based energy giant. The PUC approved the merger, and it wasn't long before the darkest suspicions of Enron's plans were vindicated.

Enron is best known as George W. Bush's prime financial backer. But it was a bipartisan purveyor of patronage: to its right, conservative Texas Senator Phil Gramm; to its left, liberal Texas Democrat Sheila Jackson-Lee (who had Enron's CEO Ken Lay as her finance chairman in a Democratic primary fight preluding her first successful Congressional bid; her Democratic opponent was Craig Washington, an anti-NAFTA maverick Democrat the Houston establishment didn't care for).

In the late 1990s, Cavanagh, backed by money from the Energy Foundation, marshaled environmental support for the disastrous scheme to deregulate California's electric utilities, a prize long sought by the state's two biggest power companies, Pacific Gas and Electric and Southern California Edison.

It so happens that the CEO of Southern California Edison is a lawyer named John Bryson, who in the early 1970s started a little environmental outfit with another lawyer named John Adams. That group, of course, was NRDC. According to Sharon Beder, Cavanagh considers himself a protégé of the utility mogul.

In support of the deregulation scheme, Cavanagh argued that regulation of the utilities was passé. In plaintive tones, he promised that after deregulation the competitive forces unleashed by the free market would keep a lid on prices, discourage new nuclear plants, and provide an incentive for conservation and renewable energy sources. Enough people bought this line to allow the deregulation bill to slip through the General Assembly.

None of Cavanagh's promises materialized. Instead, rates and power company profits soared.Liberated from the scrutiny of regulators, corporate concern for the reliability of the power grid wilted and California was hit with a series of blackouts in the summers of 2000 and 2001.

One of the big concerns raised by consumer advocates and environmentalists about deregulation was the issue of reliability. Once, freed from obligations imposed by regulators would private companies, driven solely by the profit motive, have an incentive to maintain power lines and power plants to keep them in working order. Yes, said Cavanagh. It turned out quite differently. The companies actually had an incentive to turn the plants off at the precise moment demand was at a peak. Now, thanks to a lawsuit brought by Judicial Watch, we have tapes of Enron executives plotting how they could prolong the misery of California residents and maximize their own profits.

In one of the tape-recorded conversations, two Enron executives are heard plotting to raise prices by shutting down a steamer at a power plant.

"I was wondering, um, the demand out there is er ... there's not much, ah, demand for power at all and we're running kind of fat", one executive complains. "Um, if you took down the steamer, how long would it take to get it back up?"

"Oh, it's not something you want to just be turning on and off every hour. Let's put it that way", another Enron employee replies.

"If we shut it down, could you bring it back up in three — three or four hours, something like that?" the executive asks.

"Oh, yeah", the other says.

"Why don't you just go ahead and shut her down, then, if that's OK", David says.

On another occasion, two energy traders are joking about how Enron manipulated the prices for electricity in California.

"They're taking all that fucking money back?" says one energy trader to an Enron executive. "All the money you guys stole from those poor grandmothers of California?"

"Yeah, Grandma Millie, man", the Enron executive replies. "But she's the one who couldn't figure out how to fucking vote on the butterfly ballot".

"Now she wants her money back for all the power you've charged right up, jammed right up her ass for $250 a megawatt hour", the other trader chortled.

The Enron traders loved the blackouts, because that meant they could cash in on the skyrocketing prices helpless consumers were forced to pay. "Just cut 'em off", one Enron executive said. "They're so fucked. They should just bring back fucking horses and carriages, fucking lamps, fucking kerosene lamps."

When wildfires threatened to incinerate power lines and an electric transfer stations, the Enron traders could be heard singing, "Burn, baby, burn".

One Enron employee is heard speaking reverently about one of the most gifted Enron energy traders preying on the California energy crisis.

"He just fucks California", says one Enron employee. "He steals money from California to the tune of about a million".

"Will you rephrase that?" asks a second employee.

"OK, he, um, he arbitrages the California market to the tune of a million bucks or two a day", replies the first.

Through all of this, John Kerry remained curiously mute. Perhaps because his wife, and chief financial underwriter, Teresa Heinz is not only pals with Cavanagh, but Ken Lay as well.

Teresa Heinz's interest in environmental issues has been mostly expressed through her Heinz Foundation whose board until very recently was adorned by that hero of free-market enviros, Ken Lay.

The Heinz Foundation put Ken Lay in charge of their global-warming initiative. When Enron went belly up, the Foundation stuck by their man: "Whatever troubles he had at Enron, Ken Lay had a good reputation in the environmental community for being a business man who was environmentally sensitive. When someone does wrong in one part of their life, it doesn't mean they can't do good in another part of their life".

It's the kind of sublime indifference to the messy realities of politics and life that inspired Democrats and environmentalists to rally behind Kerry, under the vacant banner, Anybody But Bush.

Gas Price Peaks

On Memorial Day weekend 2004, the price of premium gas in California edged near to $3 a gallon. Yet, there were no calls for price caps from the Kerry camp and no demand for a criminal investigation into price gouging by the oil cartel.

Instead, all Kerry could muster was a limp plea that the strategic petroleum reserves be tapped, an impotent measure unlikely to depress prices by more than two or three cents a gallon for a couple of weeks. But we all know where that oil comes from: drilling on public lands and on the outer continental shelf.

In early June, Kerry raced off to a pow-wow with the American Gas Association, where he reiterated his message to Hoffa that he was ready to drill everywhere, like never before. Shortly afterwards, the trade association issued a smirking press release affirming that Kerry was on board for increased drilling, especially for natural gas.

Back in the 1970s, Richard Nixon promoted an energy policy that was far more enlightened than what we now see under Bush or Kerry. And Ken Lay, then a junior staffer at the Federal Energy Commission, had a hand in developing it. Yes, those truly were the good old days. CP

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