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## **This Week You Need To Know**

### **Will Cheney Detonate His Other Nuclear Option?**

A Memorial Day appearance by Vice President Dick Cheney and his wife, Lynne, on the Larry King Live show on CNN, has provoked worldwide concern that the Bush Administration could be contemplating a nuclear "sneak attack" against North Korea in the very near future. In response to a question from King, the Vice President delivered a series of threats and provocative insults against North Korea, labeling President Kim Jong-il "one of the world's most irresponsible leaders," who directs a "police state," and "wants to throw his weight around and become a nuclear power." "But," Cheney went on, "if this happens, North Korea will never have normal relations with the rest of the world." Cheney threatened to go to the United Nations Security Council to impose murderous sanctions against Pyongyang.

Not surprisingly, Cheney's televised provocations produced a direct public attack by North Korean officials against the Vice President. The Foreign Ministry issued a statement, declaring, "Cheney is hated as the most cruel monster and bloodthirsty beast, as he has drenched various parts of the world in blood." The statement went on to say, "What Cheney uttered at a time when the issue of the six-party talks is high on the agenda, is little short of telling the D.P.R.K. not to come out for the talks."

The exchange, willfully provoked by the U.S. Vice President, has caused widespread apprehension, particularly in Europe, that the Bush Administration is prepared, now, to carry out an attack against the Korean peninsula, using the only military capability available—mini-nuclear weapons. As *EIR* reported in a cover story two weeks ago, the Pentagon has finalized a new "global strike" doctrine, CONPLAN-8022, which, for the first, time, integrates mini-nuclear weapons into the "conventional" arsenal. Despite a decade-old Congressional ban on the development and deployment of mini-nukes, the Bush Administration has produced an unspecified number of B-61 "mod 11" small-scale "bunker buster" nuclear warheads, that can be delivered by Stealth bombers, and even by F-16 fighter jets. Stealth bombers have been recently pre-positioned in South Korea by the U.S. Air Force. Given the Bush-Cheney new national security doctrine of preventive and pre-emptive war, there is good reason for the world to shudder, that the lunatics in the Washington Administration could make good on Cheney's blustering threats.

The Bush Administration, and particularly Vice President Cheney and David Addington (his inhouse wanna-be Carl Schmitt, the crown jurist of the Nazi regime), recently suffered a stunning defeat in the United States Senate, when a bipartisan group of 14 Senators blocked the so-called "nuclear option," which would have barred the use of filibusters against judicial nominees. Predictably, the White House has gone wild, in response to this stinging defeat of what Sen. Frank Lautenberg (D-N.J.) had called a Cheney-led attempted "coup d'état" against the U.S. Constitution.

Indicative of the insanity coming out of the White House "lame duck show," is the recent firing of Securities and Exchange Commission head William Donaldson, and his replacement by Rep. Christopher Cox (R-Calif.), a notorious "Gingrich Revolution" ideologue, who will crush all efforts to re-regulate the derivatives activities of the big Wall Street banks, and thus accelerate the collapse of the entire multi-trillion-dollar hedge-fund industry. Lyndon LaRouche has denounced the Cox appointment as a continuation of the "Enron Syndrome" by the Bush crowd.

The word around Washington and other capitals around the globe is: Patriotic U.S. Senators killed one coup attempt by Cheney and company. Will the Cheneyacs now activate Dick Cheney's "other nuclear option"?

One well-placed Washington source recounted a discussion several years back, with a neo-conservative insider. The neo-con boasted that, following the invasion of Iraq, the Bush-Cheney Administration would move militarily against Syria and Iran. But before leaving office, the neo-con insider boasted, Team Bush would take direct action against North Korea. "We will use nuclear weapons against Pyongyang," he promised. "And this will be intended first and foremost as a message to China."

## Latest From LaRouche

### Solving This Crisis Requires *Dynamic*, Not Mechanistic Thinking

*Here are Lyndon LaRouche's opening remarks to LaRouche Youth Movement cadre schools in Boston and Philadelphia, June 4, 2005.*

Well, you're meeting at an interesting time. We're on the verge of a not precisely known, but definite crisis, centered on things like the GM case and its implications; centered on bubbles, housing bubbles, mortgage bubbles in the U.S. and in Britain—the United Kingdom in particular; and centered on other things which are ready to blow in the financial derivatives and so forth areas, all coming together.

We're actually at the end of a system. These are not factors.

I want to refer to one thing in particular, which came up in connection with some discussion on my paper on Vernadsky and Dirichlet: That the characteristic of the universe—but most clearly in the case of living processes as Vernadsky emphasizes, in what I referred to from his 1935 paper, and what I define as economic processes, or physical-economic processes. In these things, where the former is living processes and the second is the actual functioning of the human mind; in both cases you can not trace things by mechanics. People have the assumption that you have a mechanical kinetic connection. For example, people try to say, "Prices should be determined by an average of costs." This is all nonsense! It doesn't mean anything. It's false. And it's because they're trying to rationalize, as in the case of Lagrange, remember his famous title of work, "Célestes Mécaniques"? That a system of mechanics, of mechanical cause and effect.

Now, in real systems, and this is clear from the get-go in living processes, as Vernadsky defines them, and in physical economy, as I in particular define them, no mechanical of price or anything can function. For example: Let's take the case of what I reference in the paper (and I've referenced in other papers on this matter), of the relationship between scientific activity, or creative scientific activity, and increasing productivity at the point of production, that is, the power of the human being in production; but this activity at the point of production does not occur in a vacuum. It occurs within something we can define by relative development of infrastructure, such as power systems, such as water-management systems, air systems, the quality of the living environment around you—all these sorts of things.

So therefore, you act, when you produce—and production is not based on *physical* action as such, it's based on a change in physical action, change in the character which we call "technological improvement"; or better, technological improvement understood as subtended by a discovery of a universal physical principle. So, your action, your effective action in an economic process, is not repetitive productive acts. The significant action is the improvement in the quality of action corresponding to the benefit of the application of discoveries of physical principles in a new way.

All right. Now, the action is focussed in two ways: It's focussed on the point of production, for example, where you're applying an improved technology which reflects scientific progress, as a change in the way you behave, the way mankind behaves in dealing with this object, this point of production. You have a second point: is that the place that you're applying that, is to the society in general. You're not just applying it to an object. You're applying it to society in general, which means the environment of society, especially the physical environment. It also includes the human environment, in the sense of the development of people in society.

So therefore, your action is, on the first level, is, in the sense of technology—implying we're talking about scientific discovery of principles; and the second case, what you're doing at the point of production, so-called, you're applying the effect of that action on the point of production, to the *infrastructure*; not just to the infrastructure, but to the degree of *development* of the infrastructure, which in turn, represents, again, another effect of utilizing scientific discoveries.

So that, as I make the argument, is that what has happened to the world, the reason you guys are so poor, the reason you don't have anything that you used to have, is that we have transferred production increasingly to cheap-labor areas of the world. Now, sometimes, we've shipped across some of the technology that we would have used here, or did use here, to production in cheap-labor markets. Now, people would say: That means you've increased the profit and we have an advantage by having the thing produced more cheaply, so we can buy it at Wal-Mart, instead of producing it. But, then you look back here, and what we did is, by shipping this production out of the country, and destroying our production here, and letting our infrastructure collapse—as well as our productive infrastructure, our capacity to produce—what happened is, the average level of productivity of the human race, as a whole, *was dropped, as a result of globalization*.

And that's why we have this world crisis we have now.

Now, this is a case of a dynamic system, in which, in a dynamic system, we mean that any action, in the universe, is an *action on the universe*. And the reaction that will come, as a result of your action on the universe, will be a *reaction* of the universe. Just as I just described it for the case of economy: In the first instance, when you act to produce, the effect of what you do, is the action of a principle upon an environment—the environment of the facilities of production in the first instance; the environment represented by the infrastructure, and its development, in the second instance. That's a dynamic system.

So, the price, the cost of goods, in a rational economy, is the price which corresponds to *paying for the cost of maintaining the system, on which you are acting*. Now, the system on which you are acting, is not a fixed system. The system depends upon a rate of growth. We often think of this in terms of attrition. We think in terms of absolute attrition, like depletion of the environment. Or, relative attrition, in the set of the relative technology, that sort of thing.

So, in this case, you're acting on the system, and the value of what you do, and the cost of what you do to the system, is a result of the action in respect to the system; it's not the sum total of individual actions within the system.

That's why accounting is stupid. Because accounting systems, and related kinds of so-called "mechanical systems" of estimating, the kind of suggestions that people come up with: "Well, wouldn't it be, if you add and subtract, and so forth?"—that sort of argument. These are examples of *mechanical* approaches to the process. But, the real economy is *dynamic*: that is, your actions are always relevant *to the system as a whole*, within which the action occurs, rather than the action being the additive sum of the individual actions within the system.

So therefore, the price is the price which not only maintains the system, but compensates for attrition, compensates for entropy, and allows for improvement in the dynamic level of the system, that is, you're raising the system to a higher level of performance.

And you can see, when you think about this, exactly what our problem is, today, in the economy. The problem is largely in the *mind*, because we have a population that thinks in terms of *mechanical systems*: the characteristic of empiricism, for example. They think in terms of mechanical systems. And they think the action is located in the free will of the individual in the locality. They fail to understand the fundamental principle, that any action *within human space*, is an action *upon the system of that space*, implicitly, which leads, today, with an attempt at globalization, the action on the world as a whole.

And therefore, the value and the significance of the action, of the act of production, of the act of thinking, and so forth, is on the *system as a whole*. And it is the reaction of the system as a whole, to that action which determines its significance.

And obviously, people aren't thinking that way, these days, in Washington or other points, localities. Certainly, people who believe that money, the magic of money, somehow determines value and determines prosperity, are obviously on a much lower level than even the simple mechanical-thinking person.

So, that's where we stand.

So, we're dealing actually, with a population which is not merely poorly educated, in terms of levels of education, relative to modern technology in this world; even poorly educated from that standpoint, in terms of what education levels were, say, 30 years ago, 40 years ago. The cultural level of people is poorer today, than it was then. But the whole system, is a system that doesn't work. And that's what's coming down: *a system that does not work*.

It's not a system that needs fixing, needs repairing, that requires errors fixed. No. That's not that. The errors are the errors of a system, of an organism that's taken as a whole, not an error part by part, point by point, piece by piece.

That's our biggest problem.

That's the problem I run into. People say, "Why *can't* you make it clearer? Can't you explain it in clearer ways, that people can understand?" Well, what people understand, unfortunately, are mechanical systems, as best. And, at worst, they understand accounting! Which is not reality.

But, at best, they think in terms of mechanical explanations of things. And therefore, what they think is an explanation they can understand, is not an explanation at all! It doesn't explain anything. It's useless. So, they want to hear words, that they think they understand. But the words they think they understand, are words that correspond to no solution for any problem! So therefore, they can walk away, having heard something they agree to, thinking everybody's in good fellowship with everybody, and both parties know nothing, and have gained nothing, but probably lost something in the process of getting the explanation which they think they can understand.

Therefore, the real problem in education, is to challenge the population to *rise up* to something, to understand something they *don't* understand! Something that isn't so damned simple. It may appear simple, once you solve the problem, but you've got to go through the process of generating a creative solution.

Now, what we've done, just to reflect upon what the Youth Movement has done: We started out, simply, in California, with some occasions out there, where I was answering questions at cadre schools, or retreats organized in the mountains or down by the Salton Sea and things like that. And it soon became apparent, as it was also apparent to me in discussing with various student groups during the course of the 2000 election campaign, that we had a youth ferment in the United States, which was functioning on a completely different table than the older, adult population. These young people were asking questions, and challenging things and had different conceptions and different problem—these were largely university students—which were not the way of thinking, not the kind of questions I would get from the older audience, the older part

of the population.

And this, coincided with these retreats out in California, of young people.

Now, you can imagine that many of the questions I got, and these would go on for a couple of hours or so, many of the questions I got were rather idiotic—but that's all right: There was a beginning. We did a series of these things, and there was discussion among people who participated in these retreats. And after a few of these sessions, it became apparent to me, that a process was occurring. We were, in a sense, weeding out people who didn't come back, and—they weren't thinking seriously. They had things they wanted to talk about, but they weren't willing to accept the challenge of ideas. But, we had people who, more and more, in the group, were people who were responding to the challenge of ideas, rather than trying to babble about simple explanations among each other.

So, I knew we had a youth movement. I knew I had to protect it from interference by the older generation. Again, you're now dealing with systems; you're dealing with a dynamic situation. The older generation, the generation of people who were now between 50 and 60, is a different population—almost a different species—than young people who are intelligent, who are in, say, the 18 to 25 age-group. It's almost different species. And you find out, that whenever you try to mix the two, except under certain controlled conditions, you run into problems.

Because, the older generation, even among our people, has gotten into a "life-style syndrome," which becomes a substitute for reality. You find it in the form of habits. Now, these habits are not permanently fixed in all cases; as a matter of fact, they tend to change as people get older, because their life-style changes a bit as they age, and therefore they get new habits. But, you find their life is organized, about the way they organize their time, the way they organize their weekend, what they like to talk about, what interests them—this sort of thing. And what they don't want to talk about, also; what they don't like to talk about. What makes them feel "comfortable" with what they're doing.

And you find that, among youth who are serious, and adults who you would otherwise consider serious, that they're almost two different species: One is the Baby-Boomer generation. The other is the youth, young-adult generation. Completely different.

So, your society is composed, largely, of a few old geezers like me, who are aware of both of these adult generations—and the "Tweeners" also in between. So therefore, we're dealing with this kind of social system.

Now, what I knew we had to do, and we started largely with a youth movement based largely in California: The question came up, "What are we going to do for an education?" Because the youth are largely people of university age, or university-eligible age. And naturally, they had questions, identity questions, "How are we going to get our education?" And I answered then, in the first time—this was in the West Coast phase—I answered, "Well, first of all, you're going to go to Gauss. And in Gauss, you're going to discover the meaning of an idea. You're going to look at physical science, from the standpoint of the meaning of 'idea.' Now, you're going to look at history, and study history, as the history of ideas, so defined."

There was some misunderstanding about that, but it was a good beginning. So then, when we started to go on the East Coast, as some of you remember—I think Jenny Kreingold and so forth, in particular, would remember this—that, I talked to John Sigerson. I said, we've got to do something with this. I'm convinced that in launching the East Coast Youth Movement, we had to bring in Bach. And I suggested we take the Bach "Jesu, meine Freude" as a challenge. And this was worked out in a meeting we had out there at the house, in Virginia, and we launched the commitment to use the "Jesu, meine Freude," as a music project, which would correct for the errors, or shortfalls, that would tend to come in from the so-called "physical science-only" orientation to the history of ideas.

We're getting along pretty well, so far, largely due to John Sigerson's emphasis, because he understands, in a practical way, as well as in an abstract way—he understands what it means to develop the cross-voice relationship within choral music. And this, of course, is the essence of all music.

It's this approach to choral music, which defines the difference between Romanticism, and serious music. By Romanticism, I mean, a Romantic performance of Beethoven, a Romantic performance of Mozart and so forth—that's all Romanticism, in which the cross-voice relationship is ignored. And some of you know what John has done with the choruses, and a good number of you have been through it; and how that there are slight changes, which become changes in *mode*, as distinct from key signature. Changes in mode, which arise when you are taking a note in one voice, and related to a voice in the next instant, coming in, in a different voice. So you are singing *across the voices*, the human singing voices, and it is that working across the human singing voices, which defines the unity of the musical composition as a whole, if the unity is put there by the composer.

But if you *don't* do that, if you're not conscious of that question of modality, as typified by the cases in which the Lydian mode is the modality which defines this cross-voice progression, then you lose it.

So therefore, the point was, is to get the *idea* refined by using the Bach. Because Bach, as you have discovered, Bach's "Jesu, meine Freude" has a lot of challenge in it, that may not be apparent to you at the first crack. When you start to work at it and don't try to oversimplify just by singing notes, then you begin to say, at last, you've got a real challenge here. And there is an *idea*, underlying the way the composition as a whole is organized, which is not simply an algebraic, or similar kinds of code idea. It involves a lot of problems, a lot of conceptual problems.

So, anyway: We now have a Youth Movement. And to the extent that this musical aspect is applied, together with what we started on the West Coast, and by integrating the two things, we now have a core program of group education, which I think works.

And it *has* begun to work: I think, most recently, particularly in the last efforts around the Senate—and around the Congress, generally, but particularly the Senate; around the Senate efforts, and our mobilization in Washington—that these things have defined a specific phase of development of the Youth Movement, which has now come to a higher level than it was before.

And we would hope that this would also spread into Europe, where there is some promising potential, but a lot of work needs to be done to bring it up to what we're doing in the States.

So, that's where we go.

So, this is all dynamics. And if you think about what I just described as dynamics, that, when you're singing in the chorus, and you're really doing a proper job with "Jesu, meine Freude," what you're doing at any instant, in one particular voice, is doing at any instant in the performance of that chorus, is actually *an action upon the performance of the composition as a whole*. And, of course, what it's doing to the audience, presumably, is also an action on the whole.

So, we have to, at this point, be conscious, of thinking in terms of what Leibniz would call "dynamic systems." Which, as I've described living processes in general, in the Vernadsky paper, and I've defined the human process, as distinct from the ordinary living, or biological process.

So, we're at the point that, you, in the movement, must complete the shift to getting free of the relics of the mechanistic view of history, and proceeding to understand the dynamic view, as I just described it, in these opening remarks, here

today.

This is essential, because, just take for example, of one case, which I refer to again, as I had earlier, in the Vernadsky paper, on the question of what globalization has done: It has *lowered*, through this ignorance of dynamics, the attempt to think things through mechanistically; the assumption that if something is produced more *cheaply* in one part of the world, that this is a *benefit* to the world. And that we want to get the cheapest production from every part of the world, to make up, additively, the total world product. And we're living in the point, where, over the past 40 years, especially the past 35 years, that we've seen the world go to Hell, as a result of a process which is now called "globalization."

So therefore, we're seeing how a policy, acted on the basis of mechanistic assumptions, has had a dynamic effect on the world, which has lowered the productive powers of labor globally. And you suddenly see, if you look at China today—and look at India, tomorrow—you see that China is *not* in such a happy condition, as some people have portrayed it. It is not the powerhouse of the future in its present form. It is now coming to a point of crisis. The crisis can be solved. But we have to look at this problem of crisis, from the standpoint of *dynamics*, not mechanistic thinking; not the mechanistic thinking which is typical of the way most people in all countries are thinking about the world economy today.

So, your function is, essentially, a dynamic one. You have to typify, and embody as typifying, this dynamic approach to a world situation. And to spread this dynamic view of the world, as the alternative to the mechanistic view by which mankind is destroying itself. That's the big nut we have to crack. And therefore, I would hope today, and this weekend, that we really begin to approach this consciously. As I said, in writing the Vernadsky paper, that I thought that the development of some of the work of the youth movement, particularly around this question of the Dirichlet Principle, showed that the Youth Movement as an organism, as a dynamic organism, is now ready to take on this question of the dynamic view of process, from that standpoint. And thus, to transform, by upgrading our work and our thinking, in a way which is appropriate to the world situation today.

Now, where do we stand, on this world situation today?

First of all, it's clear—or should be clear—and the General Motors case, as we've dealt with it in recent weeks, helps to make clear: The system is disintegrating. When you consider the importance of the machine-tool principle in economy; and you realize that the capacity for machine-tool development has been concentrated in the civilian side, mainly in the automobile sector—and to some degree more on the military side, in the aerospace sector, that *if we lose these sectors*, we lose the ability to maintain what can be called a modern economy.

We realize that we're in jeopardy. If we look around the world, we see a similar pattern: we see it in Europe; we see it elsewhere.

That's where we are: We're at the end of a system. We're at the end, not because of a certain mathematical point has been reached, not because a certain value has been reached, but because we're having a *systemic breakdown*. We are losing an essential component—dynamic component, dynamic factor—of the system as a whole. And you look around the world, outside the United States, and you see the same thing, manifest in other ways.

Therefore, we're coming *now* to the point of a breakdown. By the way, I would interpolate, that my success as a forecaster—and it is quite a record of success—has always been based on this dynamic approach, from the beginning, when I first did the first forecast, as a private corporate forecast, of the U.S. economy back in the middle of the 1950s. It was a *dynamic* conception at that point, which is how I was able to solve the problem.

So, we're at that point, in which the system is coming down, for dynamic reasons. It will be finished. We have to try to defend essential elements, which are essentials, because they're essential for this dynamic reason. We have to make people

conscious of this dynamic feature of world economy. We have to realize what's going to happen, and what the solutions are.

We have a very interesting situation, and let's take the military side: You have this fellow, Vice President Cheney. Now, he was on a program, which was a recorded interview with Larry King, and in the program, there were several things of interest: First of all, he was threatening, in effect, to launch a nuclear attack on North Korea. That was a clear implication. And there are policies taking shape, in the Defense Department, which coincide with what he was saying on television. So, there's a clear threat, to go to a mini-nuke attack on North Korea—without notice. The implication is, *without notice*. And we already have the aircraft stationed in Korea, which are positioned *to do exactly that*: That is, to drop mini-nukes, probably into some mountainous area of North Korea, where some of the nuclear facilities are located. Without warning! That's the capability. That was the threat.

The second thing in there, was really even more interesting: It was something I would pick up on quickly, because I've been studying this Cheney family for some time. And that the boss in that family, is not Dick Cheney! Dick Cheney is the puppy-dog, a nasty puppy-dog, on the leash of Lynne Cheney, his wife! He was mumbling about not running for President in the year 2008, or something! And she prompts in and corrects him, and says, "No—he's running."

And we've studied her, and she is the boss of the family. He flunked out of school, flunked out of college. She knew him from high school. And she picked him up, like a stray bulldog out of a kennel. And she took him over, sent him to college, got him into college—sent him to college—and managed him! She is the one who is close to the late Leo Strauss, Chicago University crowd. She's the one that has the direct connections to the Blair liberal-imperialist government of Britain—which Dick Cheney profited from. But, she's the contact!

So, we're at a situation, where we're on the verge, now, of going into an incalculable kind of warfare, that is, using nuclear weapons at all—even mini-nukes, the so-called "bunker busters"—using them in any part of the world, opens the gates on something which never was possible up to this time. We are now—this is the crossover into *generalized* nuclear warfare, at a time that many countries have nuclear weapons capabilities, and under the pressure, the threat, of mini-nukes, will be developing those weapons systems in response to the fact that they're proliferating in many parts of the world!

So, we're now entering into that. We're entering into a period of incalculable effects: For example, we're seeing the breakup of what was civilization in Central Asia. This goes back to the 1970s, when Zbigniew Brzezinski and his friends unloaded this policy of the soft underbelly of the Soviet Union, where they moved in people who later came to include Osama bin Laden; and *moved them into* the Afghanistan War with the Soviet system! This destroyed Afghanistan, and gave us this al-Qaeda phenomenon in its present form—in the present form of the Muslim Brotherhood; was organized by the British and by Vice President George Bush, back in the 1980s, as part of what became known as "Iran-Contra"!

This drug operation in Afghanistan *expanded*, is a dominant feature of politics in parts of Central Asia; is the pivot for the operations of destabilization in Ukraine, in Transcaucasia, and in Central Asia, as, for example, the southern part of Kyrgyzstan, the southern part of Uzbekistan. These are *spillovers* of the drug war! Also, Xinjiang province of China, is also in the target-area of this old Brzezinski operation, which is still running around today.

Lynne Cheney, on the other hand, and her puppy-dog there—nasty puppy-dog—in threatening North Korea, are intentionally sending a signal to China, that China's under nuclear threat.

So, this is the kind of world we're living in: A world in which the economic systems are collapsing; in which a threat of warfare is increasing; in which the President of the United States is clinically insane; in which Cheney is a sociopath, a stupid sociopath, run by his wife, and whatever's behind her—and we're headed for the greatest economic-financial crisis in modern history, with threats of warfare all over the place: Syria, Iran, a new degree of intensification of the crisis of the

Israel/Palestinian crisis, which, if Sharon does what he apparently is going to do, will raise this—it will not be a solution, it will be a worsening of the situation.

So, this is the situation around the world. We're entering into the verge of a dark age. And our job, is to be a catalyst, in giving people first of all the confidence to face the reality, of the sheer awfulness of what is now threatening us, and which is coming on down; and at the same time, to give them a conception of the positive, of what the solutions are.

The positive, of course, as I've indicated, depends upon getting people to become conscious of the fact that the world system, the system in which living beings and human beings are dominant, is a *dynamic* form of organization, not a mechanistic one. And that's what you guys, are going to do! You are going to exemplify, in your activities, the communication of this dynamic concept.

One of the ways this is going to be made manifest, is by our upgrading a change—which I've been pushing for already—but a change in the way we deal with economic reporting and its applications. Now, a number of you have been running into the offices of Congressmen, Senators, and others, and other institutions, with your portable computers, your laptops, into which you have inserted some of the animations we've produced. And those of you, who've done that, or who have been part of that process, realize the increased pedagogical power of getting concepts across to intelligent people—that is, people who are experienced in government, members of government staffs, Congressional staffs for example—and actually enable them to understand some important concepts of what the history of problems in the economy and what they are, and what the solutions might be.

Now, I've been moving for some time, to cut down on the number of articles we produce which tend to explain things, or which try to explain things, in the conventional way in which economic argument is made in literary forms. To get more and more emphasis upon this use of animations, as a way of communicating ideas. And we have the basis for this, in what John Hoefle has been sitting on top of, in terms of our county-by-county census of the United States. And we keep plugging new elements into these censuses, and compare historically, over the past 20, 30, 40 years, whatever—of what the process has been of changes in the economy. And in this form, we put it in the form of animations, as we did, of course, during the election campaign, last year's election campaign, people begin to understand things that, otherwise, mystify them.

You find, that when people try to explain things in terms of written reports on the economy, they often tend to mystify the thing, because they don't present a *dynamic* picture—they present a mechanical picture, a mechanistic picture, an interpretation of a mechanistic portrayal.

So, we're going to do things in that direction, which will increase the power of the Youth Movement to effect things, change people's minds.

So, now, we're going to be very serious, as I've indicated, and we're going to realize how serious this world situation is. We're going to short-circuit some things we got ourselves drawn into, which are not really much use to us, or to anybody else; and to focus our energies on these kinds of things which fit the age which is now emerging.

It's possible that we can save civilization: There are no guarantees. We could go to a dark age. I can't guarantee we won't. Nobody else could guarantee we won't. It could happen. There are, however, solutions, which, if applied, would prevent that. And that's what we're going to be doing!

So, I throw it back to you.

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## FROM THE EDITORS:

### LaRouche: Now Is The End of the 'End of History'

by Nancy Spannaus

When the Soviet Union collapsed in 1990-91, a new madness took over in the precincts of the would-be Anglo-American imperialists in Washington and London. Now is the 'end of history,' they declared. We don't have to worry about any more challengers to our new feudal empire of globalization and looting. We can rule forever, because the last nation that represented an obstacle to the post-industrial system inaugurated in 1971, has finally disappeared.

## International:

### THE NEW CULTURAL PARADIGM-SHIFT

#### Where Does Europe Go Now?

by Lyndon H. LaRouche, Jr.

May 31, 2005

Just one week after the U.S. Senate had successfully resisted a virtually rabid Vice President Dick Cheney's intended coup d'e'tat against the U.S. Constitution, a wide majority of the participating 70-odd percent ration of eligible French voters rejected the proposed European Constitution. Meanwhile, during the entirety of that intervening week, the leading European press, with the most notable exception of Switzerland's Neue Zürcher Zeitung, had kept a strict silence on the Earthshaking implications of the U.S. Senate's actions in resisting Cheney's intended, almost Hermann Göring-like—or, should we prefer 'Carl Schmitt-like,' or 'Leo Strauss-like'—coup.

### French Vote 'No' To Globalization

by Christine Pierre

The French vote of 55% 'no' against the proposed European Constitutional Treaty May 29 was, as Gen. Charles de Gaulle would have said, 'bold and massive.'

- Cheminade: A Mandate To Lift Europe From Crisis

Jacques Cheminade, leader of the Solidarity and Progress party in France, and an associate of Lyndon LaRouche, used the words of Gen. Charles de Gaulle to declare, after the 'no' against the financial oligarchy, 'the harsh joy of taking responsibility.' Cheminade, who played a major role in catalyzing the mobilization of the 'no' vote, headlined his May 30 statement with this slogan from de Gaulle.

### Signs of Change In Germany, Also

by Rainer Apel

Three spectacular developments on May 22, 23, and 29 have changed the strategic and economic environment for Germany in a profound way—more so, than most Germans may yet recognize. The stunning defeat of Chancellor Gerhard Schröder's Social Democrats (SPD) in the May 22 legislative elections in Germany's most-populated state of North RhineWestphalia, and Schröder's surprise announcement on election day

evening, after the SPD defeat, of his plan for early elections by mid-September, have created a rather turbulent situation in Germany.

## **Philippine Senator Pimentel Calls for New Bretton Woods**

Sen. Aquilino 'Nene' Pimentel, the head of the opposition in the Philippines Senate, issued a stirring call for the Congress of the Philippines to join with the Italian Chamber of Deputies in its resolution for an international conference of sovereign nations, to discuss and adopt a New Bretton Woods monetary system, a fixed exchange rate system to replace the decrepit floating-exchange rate system based on the International Monetary Fund (IMF), which has bankrupted the world financial system. Senator Pimentel made the call during an address to the Chamber of Real Estate and Builders Associations (CREBA) in Manila on May 26.

- **Interview: Aquilino Pimentel**

### **Defend Our Rights, Against Globalization**

Opposition leader Sen. Aquilino Pimentel, of the Philippines, was interviewed by Mike Billington on June 2, 2005, by telephone.

*EIR: How was the reception to your speech calling for a New Bretton Woods monetary system?*

- **New Bretton Woods Signers**

Helga Zepp-LaRouche issued a call in April to form an 'Ad Hoc Committee for a New Bretton Woods,' which is drawing supporters worldwide. Since mid-May, a few of the new signers include...

## **On-Site Report**

### **Korea Crisis: Asia Has Cards, Must Think Big**

**by Kathy Wolfe**

As South Korean President Roh Moo-hyun prepared to fly to Washington for a June 10 summit with George Bush, Vice President Dick Cheney unilaterally issued a personal attack on North Korean leader Kim Jong-il May 30. On nationwide CNN TV, Cheney called Kim 'one of the world's most irresponsible leaders.' North Korea responded to profile June 2: Its Foreign Ministry called Cheney 'a blood-thirsty beast' who 'has drenched various parts of the world in blood.'

## **Interview: Luigi Malabarba**

### **Behind the Screen of The 'Dirty War' in Iraq**

Luigi Malabarba is a member of the Italian Senate from the Communist Refoundation party (Rifondazione Comunista, PRC). Before entering politics, he worked at the Alfa Romeo automobile factory in Arese, near Milan, where he was a leader of the trade union factory council. As president of the PRC group in the Senate, Malabarba was named to the Parliamentary Control Commission on Secret Service activities. He has launched a number of initiatives against the Bush preventive war policy, and against Italian military participation in Iraq. On May 5, he posed parliamentary questions to the government, concerning U.S. Director of National Intelligence John Negroponte's 'Operation Salvador' operations, and parallel intelligence warfare in Iraq and elsewhere...

## **Book Review**

### **Italian Journalists Probe 'Faceless War'**

**by Paolo Raimondi**

***Iraq: La guerra senza volto (Iraq: The Faceless War)***

**by Paolo Cucchiarelli and Vincenzo Mule`**

**Milan: Selene Edizioni, 2005 161 pages, paperback, 11.50 euros**

In analyzing some of the most dramatic events involving Italian journalists and humanitarian activists kidnapped in Iraq, and the mobilization of Italian authorities in the attempt to free them, this book gives a detailed account of the tensions between American and Italian intelligence agencies in dealing with these cases.

# **National:**

## **IMPLICATIONS OF THE U.S. SENATE'S ACTION**

## **Be Tolerant and Compassionate**

**by Lyndon H. LaRouche, Jr.**

May 28, 2005

A new world economic, and strategic situation has been defined by U.S. Senate developments of May 23, 2005. This condensed summation of the strategic highlights of that change, has been prepared for the information of some relevant higher-ranking circles in Europe, and also some comparable places in Eurasia more broadly. I report this from my position of advantage as an insider to much of the process leading up to this most recent development.

## **Congress's Mission for Bankrupt Auto: Build U.S.A. Electrified Rail Network**

**by Richard Freeman and Hal Cooper**

Congress, turning to the real tasks of the economy after disposing of Cheney's coup attempt against the Senate, is focussed on the spreading collapse of industrial workers' pension plans; the need for creation of good jobs and protection of America's infrastructure; and stopping the White House's attempt to eliminate the national passenger rail system, Amtrak. At the center of this focus of attention, should be saving the auto sector from a collapse which, if unchecked, will cost the nation its greatest industrial/machine-tool capacity. GM is heading for bankruptcy and perhaps, dismemberment, faster than policy-makers have supposed or admitted; Ford and the auto parts suppliers are not far behind.

- **What Can Bring U.S. Manufacturing Back?**

**by EIR Staff**

Against the background of early June's new government reports of still-declining U.S. manufacturing activity, employment, and real wages—and the associated loss of more and more industrial pension plans—the responsibility for 'recreating our economy' is falling upon the Congress. The President's priorities—more tax cuts, more budget cuts, replacing Social Security with 401(k)s, tax breaks for energy speculation—are completely remote from the real economy. And the Senate agreement of May 23 has ended his ability to give orders to the Legislature. Congress must take the reins of an economic recovery.

## **VA Hospital Cuts Could Backfire**

**by Patricia Salisbury**

On June 7, the final hearing in the current round of the Bush Administration's campaign to cut back and close Veterans Administration hospitals around the country will take place in Poplar Bluff, Mo. At issue is the entire acute-care inpatient capacity of the John J. Pershing VAMedical Center. The unit is small, with 18 beds, but is critical for veterans and general health care in the area.

- **Maps: Veterans, by State; VA Facilities, by State**

## **Revolt Brewing Around Base-Closing Swindle**

**by Carl Osgood**

Secretary of Defense Donald Rumsfeld's base-closing plan, which is nothing more than a giant real estate swindle, has generated a vehement reaction across the country. Although it is natural that constituencies would arise to defend bases targeted for closure in their area, what makes the reaction more pointed is that Rumsfeld's plan intersects austerity measures being pushed by the Bush Administration.

## **Legislative Initiatives: Save Private Pensions**

An indication of the new seriousness of the U.S. Congress on questions of economic policy, comes from the series of pieces of legislation which have been introduced into the 109th Congress either to stop the Administration's most egregious looting policies (such as Veterans Administration cuts, or pension cuts), or to initiate much-delayed infrastructure projects. Notably, a growing number of these bills is gaining bipartisan sponsorship. EIR will be compiling an overview of this legislative agenda in coming weeks. We begin with the bills introduced to deal with the dumping of private pensions.

## **Wayne County: Save Auto, Machine Tools**

The Wayne County Commission, which represents a county of 2 million, including the city of Detroit, passed a resolution June 1 calling on Congress to 'take every possible action to promote and diversify the automotive and machine tool sectors of our national economy.' The resolution, which passed by a 13 to 0 vote, with one abstention, was introduced by Commissioner Philip Cavanagh, who had attended an April 9 meeting with Lyndon LaRouche in Northern Virginia, to discuss saving GM and the auto industry. Representatives of LaRouche PAC and the LaRouche Youth

Movement gave short presentations in favor of the resolution.

### **Interview: Jeffrey Bailey**

#### **'We Need to Put the Heart Of America Back to Work'**

Jeffrey Bailey, business manager and financial secretary for Ironworkers Local 292, in South Bend, Ind., was interviewed June 2 by Mary Jane Freeman. Mr. Bailey has been an ironworker for 22 years.

### **Interview: Juanita Walton**

#### **Auto Is 'Very Large Part Of St. Louis Community'**

State Rep. Juanita Head Walton (D) represents the 81st District in the Missouri General Assembly, which encompasses North St. Louis County. She is the president of the Missouri Legislative Black Caucus Foundation and Secretary of the National Order of Women Legislators. In 2004, she endorsed Lyndon LaRouche for President in the Missouri Democratic Primary, and invited the candidate to speak in St. Louis along with other legislators. Representative Walton sponsored legislation in 2004 to reform the election laws in Missouri, to return to a system of paper ballots. She serves on the Veterans, Appropriations for General Administration, and Higher Education Committees in the Legislature.

## **LaRouche Youth Movement:**

### **How LaRouche Youth Organizing Uses the Dirichlet Principle**

The May 28 edition of EIR's Internet radio program, **The LaRouche Show**, featured a discussion of Lyndon LaRouche's latest document, 'The Noëtíc Principle: Vernadsky and Dirichlet's Principle,' with Bruce Director, one of the prime authors of the LaRouche-commissioned series of pedagogical exercises, called 'Riemann for Anti-Dummies.' Host Harley Schlanger and Director were joined by a panel from the LaRouche Youth Movement, who described how they were applying their own studies in the principles of mathematical physics to conveying economic principles in day-to-day organizing. The youth also had an opportunity to query Director on specifics of some of the concepts presented in LaRouche's document. The LaRouche Show airs weekly on Saturdays, from 3-4pm, ET

## **U.S. Economic/Financial News**

### **Just What *Is* the Fed Thinking?**

The Federal Reserve is "debating pricking the U.S. housing bubble," moots an article in the *New York Times* Business section May 31. The article then goes on to show exactly the opposite: that the Fed created the bubble and is unlikely to do anything to change it. They quote one "chief economist," who argues, "The Fed chairman cleaned up the mess caused by the bursting of the technology and telecom bubbles, by creating another bubble. Now he [Alan Greenspan] has failed to stop the alarming deterioration of mortgage lending standards to stop the housing bubble." This is an echo of the argument of Steven Roach (chief economist at Morgan Stanley), who has said that the housing bubble is basically a continuation of the tech bubble, which burst in 2000. Ted Meyer, a former Fed governor, said the "evidence of risky lending practices" is abundant, mentioning the interest-only and adjustable-rate loans. The Fed is in a tight spot, because, even though they have been steadily raising the prime rate, the rates on home loans are actually lower than they were a year ago.

Even though they acknowledge that their policies bear much more directly on the creation of the housing bubble than the tech bubble, the Fed is loath to raise rates, saying that their job is not to control asset (home) prices, only to monitor and control inflation. "For the Fed to be an 'arbiter of security speculation or values' is neither desirable nor feasible," said former Fed governor Ben Bernanke, back in 2002. Why, if the Fed had intervened in the tech bubble in 1997, the way some were counseling, they would have "choked off growth" and perhaps "prevented the big increases in productivity" that occurred before the market blew.

### **U.S. Housing Prices Still Soaring**

Housing prices rose by 12.5% from March 2004 to March 2005, compared to a rise of 11.9% for the comparable period a year earlier, according to the quarterly report of the Office of Federal Housing Enterprise Oversight. The index does not even include mortgages valued above \$359,000.

The highest price appreciation occurred in Nevada (31.2%), California (24.5%), and Hawaii (24.4%). The lowest was in Texas (3.8%) and Indiana (4.1%).

## **Anatomy of the Housing Bubble**

A Reuters report, "Housing sector sales hit record highs," dated June 1, offers the following picture of the red-hot housing bubble:

"The hot U.S. housing market powered forward in April which propelled U.S. construction spending and pending sales on existing homes to new highs, even as home prices continued to soar across the country. Prices in the first quarter of this year from the first quarter of 2004 surged more than 10% in 23 states and by more than 20% in five states and Washington, D.C. Construction spending has hit a new high every month since February 2004, while residential outlays have been hitting new monthly highs since November on persistently low interest rates. [T]he National Association of Realtors said pending sales of existing U.S. homes hit a record in April. The Pending Home Sales Index, based on data collected in April, stood at 128.2, up 3.6% from March and 9.2% from the same month a year ago. Meanwhile, average home prices in the first quarter climbed 12.5% from a year earlier, according to a report from the Office of Federal Housing Enterprise Oversight. Home values appreciated 2.21% during the first quarter from the fourth quarter of 2004, or at an annual rate of 8.82%. According to the Mortgage Bankers Association, [f]ixed 30-year mortgage rates averaged 5.61% last week, excluding fees, down two basis points from the previous week and down from 6.24% a year ago."

## **Ford, GM Auto Sales Collapse Further in May**

Ford sales fell 10.5% in May for their fifth monthly drop this year, it was reported June 1. In May, Ford sold 283,994 vehicles, its 12th straight month of decline, compared with 317,471 vehicles in May a year ago. Ford set its third-quarter production 2.3% below year-ago levels, reducing its production from 747,000 cars and trucks to 730,000.

GM sold 393,197 cars and trucks in May compared with 446,787 a year earlier. However, in contrast to Ford, GM cheated by adjusting its results for the two extra selling days in May 2004, thus claiming that its sales were down only 5%. GM set its third-quarter production target 9% below its year-ago level.

GM said it will try to boost sales by offering its employee-discount program to all customers through July 5. The program will let consumers buy new GM vehicles for about 2% to 3% less than the regular dealer price. GM then reimburses the dealer for the discount. Buyers will still be able to apply existing rebates to cut the price even more.

Shares of GM have fallen 21% this year to \$31.53. The yield on GM's 8.38% bond, maturing in 2033, is 11.08%, compared with a 7.85% yield at the beginning of the year.

## **Ford Takeover of Visteon: Wages To Be Slashed by Half**

As the United Auto Workers in Michigan and five other states vote on whether to allow Ford to reabsorb Visteon, the parts supplier Ford spun off not so long ago, word has it that many of the factories will be sold to suppliers, two factories will be reabsorbed by Ford, and a small number of the factories will be closed, the *Detroit Free Press* reported June 1.

The biggest change will happen in the hourly wage at Visteon. When the deal goes through, current and new-hire employees at Visteon plants will have their wages cut in half, from \$38 an hour to \$17, but there is an exception: the minority of employees at Visteon who are Ford employees will retain their current pay.

Delphi, a leading auto parts supplier to GM, is eyeing the announced deal as a way to sell off unproductive plants to suppliers, or, as in the case of Ford, get reabsorbed by GM. Delphi is looking to dump four to six of its 20 high-wage UAW plants in the U.S.

## **GM, Ford Bonds Move Into Junk Bond Market**

Bonds of General Motors and Ford made the official transition into the junk-bond market at the end of trading May 31, as the Lehman Brothers Aggregate Bond Index—an index of investment-grade bonds, used as a benchmark by 90% of investment institutions—will push both car companies' bonds out of the index. The May 30 *MarketWatch* reported, "bonds issued by General Motors Corp., and Ford Motor Co., are likely to create turmoil this week."

The official transition into junk-bond status will not only affect GM and Ford, but other companies now in junk bond status, which will find the cost of selling their bonds rise. There are only a certain number of funds that can invest in junk-bonds, and some investment funds will sell-off the junk bonds of other companies to make room for GM and Ford bonds. GM, in particular, will have to depend, to a significant extent, on hedge funds and junk-bond mutual funds to buy up GM junk bonds, of which the total amount outstanding is more than \$275 billion. Not all of GM's bonds may be purchased initially. "GM's bonds may become more volatile, leading to wider credit spreads," Dennis Adler, a corporate bond specialist at Citigroup, told *Bloomberg* May 31. This could unsettle the volatile junk-bond market, and the derivatives contracts based on that market.

## **U.S. Manufacturing Indices Continue Precipitous Decline**

The National Association of Purchasing Management-Chicago reported May 31 that its index of business activity in the Midwest area fell to 54.1 in May from 65.6 in April. On June 1, the Institute of Supply Management issued its report which showed that U.S. manufacturing expanded in May at the slowest pace since June 2003. Its factory index fell to 51.4 in May, the sixth straight decline, from 53.3. A reading of 52 was forecast for May.

The employment index decreased to 48.8 in May, compared to 52.3 in April, the lowest since October 2003, ending 18 months of alleged expansion. The backlog of orders gauge fell to 51 from 53. The index of supplier deliveries declined to 50.5 from 51.5. The inventories index dropped to 47.8 from 47.9.

## **Medicaid Cost-Cutting Benefits No One**

The Center on Budget and Policy Priorities (CBPP) held a teleconference on May 31 to release its overview of several studies carried out in different localities, of the devastating effects resulting from the cutbacks in the Federal-state funded Medicaid program, which provides health care for 54 million poor, disabled, and elderly people in the U.S. Unable to cover the Federal government's cuts themselves, scores of states instituted co-payments which Medicaid beneficiaries have to pay for each prescription they need, or for each visit to the doctor or hospital, and some states began charging a monthly premium for beneficiaries to get services.

What the studies found, is that when "out-of-pocket" costs go up for an insured person, they may skip care but not suffer serious consequences. But, since Medicaid beneficiaries tend to have multiple problems or are disabled, when their costs go up, and they cannot afford the care, they become sicker, and end up in emergency rooms, or are hospitalized.

For example, when co-payments for doctor visits went up by just \$1 in California, many on Medicaid skipped needed visits and ended up in the hospital. The study found that the state saw no "savings," because the increased costs of hospital care completely offset what co-payments "saved" the state.

When premiums were raised in Oregon's expanded Medicaid program from \$6 a month to \$20 a month, *half* of the people (50,000 people) dropped out of the program, and three-quarters of them became uninsured. The dis-enrolled were four-five times more likely to end up in Emergency Rooms.

One study of the effect of similar policies applied in Quebec, Canada to its welfare program, found that after co-payments for prescription drugs were added, patients stopped taking essential medications, which led to a 78% increase in "adverse events," including deaths, hospitalizations, and nursing home admissions. The co-payments led to an 88% increase in Emergency Room use.

### **Medicaid Beneficiaries Pay More Than Insured Patients**

Medicaid beneficiaries pay up to eight times more out-of-pocket health-care costs than privately insured patients, according to a study by the Center for Budget Policy and Priorities. Adult Medicaid beneficiaries living at the Federal poverty level (\$16,000 for a family of three), spend three times more on out-of-pocket medical expenses than insured individuals, who spend an average of 0.7% on out-of-pocket health-care cost.

## **World Economic News**

### **A 'Plan B' for the Euro?**

While the euro plunged to its lowest level against the U.S. dollar in eight months June 1, the German Finance Ministry, the Bundesbank, and the European Commission all delivered public statements describing as "ridiculous" and "absurd" the story by *Stern* magazine on euro failure discussions. Nevertheless, it could not be denied that there actually had been a closed-door meeting in Berlin the previous week on the implications of the euro for the European economies, sponsored by the German Finance Ministry and the Bundesbank. Several international economic experts were invited. One of the issues raised was that, apart from the overall neo-liberal framework and the blocking of public investments, already the establishment of a common interest-rate level throughout the euro-zone had a devastating effect, in particular on the German economy. This point was elaborated at the meeting by Morgan Stanley economist Joachim Fels, who, according to *Stern*, told the audience, "In a few years this could lead to the worst possible catastrophe: a collapse of the euro."

### **New Regulations Threatened Against Credit Derivatives**

The British Financial Services Authority has threatened to impose new regulations on credit derivatives, unless banks and hedge funds improve their management of such derivatives deals, the *Financial Times* reported June. 1. The head of the FSA, Gay Huey-Evans, stated in an interview with the *Times*: "If we do not see an improvement over the summer, the FSA will take appropriate supervisory action." By a credit derivatives contract, two counterparties are transferring the risk of yet another company defaulting on its bonds. However, as the volume of such contracts has exploded in recent years, it now appears that counterparties often fail to sign the contract on time, "which could create a nasty legal quandary—and potentially cause a market seize-up—if any player collapsed or stopped trading. What further complicates the issue is that many financial players are selling on their contracts to third parties without telling the original parties," the *FT* summarizes the FSA warning. According to bank estimates, notes the *FT*, the trading volume of European credit default swaps was "four to seven times higher in recent weeks than the levels of the first quarter of the year," due to the downgrading of

General Motors and Ford.

## **Derivatives Traders Anticipate More Regulation**

According to a report in London's *Financial Times* June 2, an international gathering on derivatives regulations took place May 28 in New York. Participants included the International Swaps and Derivatives Association (ISDA); five other international groups representing the top derivatives trading banks such as Citigroup, JP Morgan, UBS, and Deutsche Bank; as well as 40 global regulators. As the *FT* notes, leading banking industry representatives at this meeting will "voice their deep concern about new rules on the trading of derivatives. Bankers say that the rules—which were created as part of the Basel II package of reforms—will dramatically raise the cost of many trading activities, particularly in complex financial instruments and private equity." The ISDA warns that the Basel II regulatory framework, which has been in negotiation for many years, and is supposed to finally go into effect by 2007, would have a huge impact on derivatives traders by requiring "a very significant increase in regulatory capital."

The Basel II requirements cover only the ordinary banking sector, but not hedge funds nor securities houses such as Goldman Sachs or Morgan Stanley. All of this is happening at a moment when the volume of derivatives trading is exploding, while at the same time, many banks have seen burning up significant parts of their core capital during recent speculative disasters.

## **United States News Digest**

### **'Death of a Salesman's Merchandise'**

Even the "progressive Democratic" opponents of Social Security privatization are starting to figure out that Bush is a lame duck: On a Center on Budget and Policy Priorities conference call June 2, one speaker noted that "since Bush was sent out on the road by Rove and Cheney," misstatements and lies by the White House have multiplied, with Cheney the leading liar.

A clear sign of what's happened to George W. "Beanie" Bush was that while he's been on his never-ending road tour for privatization, the House Republican leadership appears to have dropped it from their legislative agenda. Bush was in Hopkinsville, Ky. on June 2, holding another in his standard "invitation-only roundtable discussions." In Washington, *The Hill* reported that Tom DeLay's majority whip Roy Blunt (R-Mo) sent out an e-mail to GOP aides and lobbyists, outlining a set of GOP legislative priorities for after the Memorial Day recess; the list did not mention Social Security

"Ever see a lame duck run?" asked Lyndon LaRouche about Bush's road show. When the analogy of Arthur Miller's famous play, *Death of a Salesman*, with Willie Loman endlessly driving his territory, at the same time that, in the home office, his bosses prepared to fire him, LaRouche commented, "Well, it's the death of a salesman's merchandise."

### **Pentagon Delays Release of Recruitment Numbers**

On June 1, the Pentagon announced that it would be delaying release of the monthly recruiting figures for May, until June 10. A spokesman said that the services wanted more time to analyze the numbers, since the services are hard pressed now to meet recruitment goals, the *Washington Times* reported June 2. The Army and the Marines have missed their monthly goals this year, and the Army is increasing the enlistment bonuses and offering 15-month enlistments. Army officials are admitting that the Iraq war is making young people reconsider joining the military.

### **Bush Denounces Senate Request for Documents on Bolton**

At his press conference on May 31, President George W. Bush denounced the Senate request for documents relating to John Bolton's nomination as UN Ambassador, as a "stall tactic," designed to prevent an "up or down vote" on Bolton, which the *New York Times* June 1 reported to be a sign that he will not compromise on the nomination. The Administration is refusing to turn over documents concerning allegations that Bolton made about Syria, which turned out to be grossly distorted, and others relating to the instances where Bolton got National Security Agency wiretap information on "American person identities" (a peculiar term that the *Times* says, could refer to either an individual or a company).

The *Times* also reports that last week, the new Director of National Security, John Negroponte, had offered a compromise to the Senate Democrats, offering to partially brief the two Senate leaders—the GOP's Bill Frist (Tenn) and the Democrats' Harry Reid (Nev)—on the documents, without revealing the names of the parties about whom Bolton was seeking the information. This was the same restricted information that had been given to Senators Pat Roberts (R-Kan) and Jay Rockefeller (D-W.Va.), the two leaders of the Senate Intelligence Committee.

Reid refused the offer of this partial information, and a spokesman for Reid told the *Times* that "the fate" of the Bolton confirmation now "lies with the President."

### **Bush Line: Charges of Detainee Abuse Are Lies**

The emerging line of the Bush Administration, in response to growing accusations of torture and other abuses of detainees, is that anyone who says that there's abuse of detained terrorists is a liar. In an appearance on Larry King Live May 31, Vice President Dick Cheney said that he was "offended" by the Amnesty International report on Guantanamo prison abuse. "For Amnesty International to suggest that somehow the United States is a violator of human rights, I frankly just don't take them seriously," said Cheney.

An AP story May 31 on claims of maltreatment at "Gitmo" cites a May 29 statement by the Pentagon about the training of the Guantanamo detainees to be liars. This is elaborated on in a *Washington Times* front-page article on administration claims that al-Qaeda has trained its operatives to make false claims of torture, as part of disinformation operations when captured. These claims are said to be based on a terrorist war manual seized in a raid on an al-Qaeda cell in Manchester, England. In the same article, White House spokesman Scott McClellan is quoted remarking on this training in response to a question about treatment of detainees, at an unidentified press conference. The article gives more extensive quotes from Rumsfeld spokesman Larry DiRita on the same subject.

Finally, Bicyclist-in-Chief Bush was asked at his press conference today about Amnesty International's recent assertion that the U.S. is running a "gulag" of prisons around the world, and he responded, "It's an absurd allegation. The United States is a country that is—promotes freedom around the world."

Unreferenced by the Administration spokesmen are the myriad of trials of Armed Forces personnel for mistreatment, including death, of detainees. Amnesty International spokesmen also noted that the Administration has no problem with its accuracy when its reports deal with North Korea, or other "enemies" of the United States.

### **Was General Demoted Because He Ran Afoul of Rumsfeld?**

A U.S. Army three-star general was demoted and given early retirement, apparently, for publicly contradicting Defense Secretary Donald Rumsfeld. Lt. Gen. John Riggs argued that the Army was overstretched in Iraq and Afghanistan, and needed more troops. Riggs last spring was told by superiors that he would be retired, reduced in rank by one star, for infractions considered so minor they were not placed in his official record. (This appears to involve his having assigned a

female civilian contractor to perform functions which were to be performed only by government employees.)

"Over the past several decades, generals and admirals faced with far more serious findings—scandals at the Navy's Tailhook Convention, the Air Force Academy and Abu Ghraib prison, for example—have continued in their careers or retired with no loss of rank, the *Baltimore Sun* reported May 31. Riggs's supporters argue that the reason for the extreme penalty, was that Riggs, who was in charge of the Army's "transformation task force," contradicted Rumsfeld's analysis of troop strength. "They all went bats—t when that happened," retired Army Lt. Gen. Jay Garner is quoted as saying. According to the *Sun*, Riggs gave an interview to the paper in January 2004, which "made him the first senior active-duty officer to publicly urge a larger Army—and the first to publicly take on Rumsfeld and Army Chief of Staff Gen. Peter Schoomaker, who had repeatedly told lawmakers that such increases were not necessary."

## **Conyers Demands Truth About Downing Street Iraq Memo**

Rep. John Conyers (D-Mich) is out to get 100,000 signatures on his request to President Bush to respond to the revelation of a "Downing Street Memo," recently exposed by the London *Times*. The memo is actually minutes of a Downing Street meeting disclosing that Bush and British Prime Minister Tony Blair agreed to an Iraqi invasion in July 2002, long before it happened, and even before the President sought authorization from Congress to do so. Conyers notes that already over 1,600 servicemen and women have been killed in Iraq, and that his letter to Bush was co-signed by 88 other members of the House of Representatives, but, so far, his "search for truth" has been "stonewalled" by the President.

## **Congress Wants Commission To Study Strategic Doctrine**

Rep. David Hobson (R-Ohio) sponsored a rider to the 2006 Defense Authorization Bill, mandating the creation of a commission to study the implications of the new Bush Administration strategic doctrine, integrating nuclear and conventional weapons, the *Washington Post* reported May 29. The Hobson commission mandate was framed in the need to "lessen the overall United States dependence on nuclear weapons," but it comes at a time when the Cheney-Rumsfeld crowd in the Bush Administration is pushing for a new generation of mini-nuclear weapons to be integrated into U.S. strategic military operations, targetting countries like Iran and North Korea.

The Hobson rider, which passed the House on May 25 as part of the overall DOD appropriation, calls on the Secretary of Defense to appoint a 12-person commission, that would take the next 28 months to study the issue of new strategic doctrine and weapons systems, and then another year to produce a final report. The *Post* noted that there is widespread confusion over the Administration's policy on future use of strategic weapons, both nuclear and conventional. The Administration asked for \$9.4 million for the Reliable Replacement Warhead (RRW) program at the National Nuclear Security Administration, under which the Administration appears to be pushing the development of a new generation of mini-nukes, while Congressional opponents seek to assure no resumption of U.S. nuclear weapon testing. Last week, the Congressional Research Service issued a report on the RRW program, in which Deputy Assistant Secretary of Defense for Nuclear Matters, Steve Henry, made it clear that the Administration did not rule out resumption of nuclear testing on a new generation of post-Cold War nuclear weapons that would "relax" the "Cold War design requirements for high nuclear yields."

## **Ibero-American News Digest**

### **Kirchner Challenges Brazil: Take Up Debt Fight**

In a May 31 meeting with leaders of the Organization of Ibero-American Political Parties, COPPAL, Argentine President Nestor Kirchner delivered a hard-hitting message to the Brazilian government, which hasn't broken with neoliberalism, and

whose support for Kirchner in his battle with the IMF has been almost non-existent. Although Kirchner never mentioned Brazil directly, there was no mistaking for whom the message was intended.

Kirchner made the point that there can't be integration, and the building of regional organizations, if everyone isn't on the same page. The world, and the region, "have to face reality.... [W]e can't continue to keep ignoring what's going on around us." There is a dichotomy, he said, between what is said and what is done.

Our nations are burdened with problems of poverty, unemployment, underdevelopment, and indigence, Kirchner said. Therefore, "we have to have an absolutely clear approach, and not be fearful of multilateral lending agencies and those who globally lead and are a reference point for the world." People "many times choose neoliberal options or options that have little to do with transformation and change because those who have to make the change ... many times became too prudent, too calculating about their own future or destiny."

Huge debts and lack of protection for our people is such that "it truly harms public morale," the Argentine President underscored. Yet "some seek individual solutions above collective ones that the region must carry out..." Then, in an undisguised reference to Lula's original Presidential campaign in 2002, Kirchner explained: "The same thing happens when we present ourselves as an alternative to lead our different states: We have one speech during the electoral campaign, but then when we go to lead, the criteria of prudence, fear and rationality take over, ...'rationality' means always to bend ... [and that] it is always impossible to do battle against those elements which have so tremendously damaged our region."

"That is why we can't fail to take advantage of moments in history.... When you have the historic responsibility of having ... to lead a country, you have to try to carry out the things you dreamed, the visions you had, and the convictions, and not have one speech when you're out of government, and then have a totally different action when you're in it..."

### **Kirchner Mocks Financier's 'Courtesans' Attacking Him**

"Every time I defend our national interest, there are some political and press sectors that get very nervous," Argentine President Nestor Kirchner told a La Pampa audience on May 31. Referring to Mont Pelerinite Ricardo Lopez Murphy, a darling of the Washington, D.C. neo-con apparatus, and candidate for the Senate, the Argentine President explained that the origin of such nervousness is that, "instead of being Argentines, for many years they got used to being courtesans of those interests who had nothing to do with our country." Kirchner reminded his audience that it was Lopez Murphy, Finance Minister briefly in the Fernando de la Rúa government, "who said that the first thing we had to do was pay the Fund, and slash wages of professors, workers, cut the education budget, take money from the provinces, and resources from those who had least."

Kirchner has announced that he intends to use the October Congressional elections as a plebiscite on his policies, and will organize around the country in the coming months. This has provoked a wave of attacks from such "courtesans" as the off-the-wall Elisa Carrio, a candidate of the ARI party, who accused Kirchner of being a "neo-fascist" following in the footsteps of Mussolini and Hitler, all because he goes directly to the people, which she called a perversion of "republican institutions."

Top advisers to the sleazy former President Carlos Menem, who wrecked the country at the behest of the IMF in the 1990s, have joined the "center-right" electoral alliance of Lopez Murphy and co-thinker Mauricio Macri which hopes to defeat Kirchner's candidates in the October elections. This includes Ecuadorean Jaime Duran Barba, who helped run Menem's failed 2003 Presidential campaign, after playing a key role as one of ousted Ecuadoran President Jamil Mahuad's cabinet ministers in imposing dollarization on Ecuador in 2001. Duran Barba helped run Menem's failed 2003 Presidential campaign.

It is with good reason that Kirchner responded to the official launching of the Lopez Murphy/Macri alliance with the remark that "those that brought us decadence" in the 1990s are once again seeking power. "God help us," should they succeed, he said.

## **Ecuador Rebuffs IMF**

Ecuadoran Finance Minister Rafeal Correa repeated on May 31 that Ecuador is no "colony" of the IMF, after an IMF delegation finished an inspection at the end of May. Correa called media worries about the lack of support from the IMF for the new government's economic program "psychological warfare," and reminded people that when IMF chief Rodrigo Rato had visited Ecuador in February, he called the previous government's economic program a success. "This, in a country with 12% unemployment!... If Rodrigo Rato doesn't comment favorably on my program, I consider that an incentive," said Correa.

Earlier, on May 25, Correa warned that if the World Bank and Inter-American Development Bank did not release \$350 million in promised loans to Ecuador, Ecuador would be unable to pay \$800 million owed international creditors in debt service. "If they don't meet their commitment, I don't see why I should meet ours." Asked if this meant a debt moratorium, Correa answered: "Call it what you like."

With 80% of Ecuadorans living in poverty in this oil-exporting country, the situation remains as explosive as that of neighboring Bolivia. At the end of May, the president of the Ecuadoran Bishops Conference, Nestor Herrera, warned that increasing misery in the country "is a time bomb, and at any moment we could find ourselves faced with an uprising that no one and nothing can stop."

## **New Nuclear Program Being Prepared in Brazil**

The Lula government is debating adoption of a Brazilian Nuclear Program (PNB), the most ambitious version of which would involve the construction of seven new nuclear reactors between now and 2022, including four small ones built entirely with Brazilian technology, *O Estado de Sao Paulo* revealed on May 29. President Lula da Silva mandated a PNB be drawn up following his May 2004 visit to China, in which the Chinese government asked the Brazilians to sell them enriched uranium, when its enrichment program reaches commercial scale.

Three scenarios are being considered, the most modest of which would only complete Angra III (the last of the three nuclear plants planned in the Brazilian-German deal of the 1970s), and the construction of only one other 100 MW reactor, to be located in the Northeast, Brazil's poorest region. Under the most aggressive version, Brazil would finish ANGRA II, build two others of equal generating capacity (1.3 GW), and build four 300 MW reactors, all to be located in the Northeast.

The head of the National Nuclear Energy Commission, Odair Dias Goncalves, revealed on May 31 that the 300 MW reactor under discussion would be a slightly modified version of the 60 MW reactor built by the Navy, as part of its nuclear submarine project.

The Lula government is sharply divided over what direction to head in, with the Ministry of Mines and Energy, in particular, opposed to even completing Angra III, even though Brazil bought most of the needed machinery and equipment for the plant years ago. The Brazilian Association for the Development of Technical and Industrial Applications of Nuclear Energy (ABDAN) issued a study over the May 29-30 weekend, demonstrating that the Energy and Mines Ministry wildly exaggerates the cost of finishing Angra III. ABDAN, like others in the nuclear field, warns that Brazil is in danger of losing three decades of work in nuclear energy, if it does not advance its program. The generation of scientists who built the Angras are now reaching retirement age, and new programs are needed to train the next generation.

## **Pinera Brother Enters Chile's Presidential Race**

The surprise entry of millionaire businessman Sebastian Pinera, brother of the infamous Social Security privatizer Jose Pinera, into the Chilean Presidential race, has shocked the political establishment. Sebastian, who, like brother Jose, made his millions during the Pinochet dictatorship, announced on May 14 that he will run as the Presidential candidate of the National Renovation (RN) party, in the elections scheduled for December. The RN joins the Independent Democratic Union (UDI) in the "Alliance for Chile," and it was assumed that Pinochetista, former Santiago Mayor Joaquin Lavín, would be the right wing's sole candidate.

The real issue for Chile in these elections is whether the free-market model that has remained intact since its imposition through the 1973 Pinochet coup, will be finally overturned. There is already considerable political ferment, from trade union and other layers, who are demanding a different economic policy. But the Pinera surprise announcement underscores what's at stake. Although he represents the same "Chicago Boys" outlook as his brother Jose, and helped finance the failed past Presidential candidacy of Mont Pelerin fascist Hernan Buchi, Pinochet's Finance Minister, Pinera passes himself off as a person of great social and environmental conscience who cares about "the people."

His announced candidacy was perceived as an immediate threat to "centrist" Christian Democrat (CD) Soledad Alvear, one of the two pre-candidates of the ruling Concertacion coalition, who was trailing badly behind her popular rival, Socialist Michelle Bachelet. Alvear withdrew her candidacy a few days later, in the midst of rumors that the CD was split in two, and that sections of the party might defect to Pinera, who claims to now represent the "center-right." The Concertacion is now scrambling to figure out how to confront the Pinera threat, but it will have to confront the reality that, like the world economy, the Chilean "model" is finished.

## **LaRouche's Ideas Debated in Guatemala**

LaRouche's April 7 webcast, *"A New Bretton Woods: It's Time to Reverse Shultz's Destruction of Exchange Controls,"* was shown to about 100 economists and others on May 12, at the Italian Cultural Institute in Guatemala City, Guatemala. The event was sponsored by the Economic Analysis Committee of the Association of Economic Science Professionals, and included a lengthy discussion period following the video, led by journalist Carlos Wer and by Jorge Roberto Cancino Toledo, head of the national studies department of the Autonomous University of San Carlos. While Cancino Toledo undertook to bring out the uniqueness of LaRouche's thinking from an academic standpoint, journalist Carlos Wer went into detail on LaRouche's nine forecasts, and the proposal for a New Bretton Woods.

## **Western European News Digest**

### **Crisis Diplomacy in Europe Following 'No' Votes**

Emergency crisis diplomacy in Europe, following the "No" votes in the Netherlands and France last week on the EU Constitution, has begun (see InDepth this week for a report on the defeat in France of the EU Constitution). After Chancellor Gerhard Schroeder's meeting with Luxembourg Prime Minister Jean-Claude Juncker, June 2, the following day, in Berlin, Schroeder called for a "pause for thought" on the EU integration issue, in order to gain time for restoring the confidence of the peoples of Europe.

But at the same time, Schroeder endorsed a continuation of the ratification process for the EU Charter, in the 13 member countries that still have to vote on it. So far, 10 states, including Germany's parliament, have accepted the charter, while two voted against.

Schroeder, who will receive the French President in Berlin on June 4, also will meet with Britain's Prime Minister Tony Blair, the chairman of the EU for the second half of 2005, on June 13—an interesting date, because on the same day, Schroeder is expected to present his plans for legislation against the hedge funds. On June 16, a two-day EU heads of state/government summit will take place.

It has furthermore been leaked, from government circles in Berlin, that Schroeder first tried to convene a emergency crisis session of the EU's "founding six of 1957"—France, Germany, Italy, the Netherlands, Belgium, and Luxembourg. However, that did not work out, so, for the time being, there will be bilateral discussions.

## **Bilderbergs Meet: Euro Constitution Top Concern**

*Online Journal*, an internet publication, published on May 24, an extensive account of the May 2005 annual meeting of the ultra-elite Bilderberg Group, which took place this year at Rottach-Egern in Bavaria, and noted that the European Constitution was one of the priority topics of discussion. Under the headline, "The world in the palm of their hands: Bilderberg 2005," writer Daniel Estulin notes that the Bilderberg crowd was strongly backing the European super-state, and saw it as a way to integrate the efforts of France and Britain behind a common agenda. Relations between French President Jacques Chirac and British Prime Minister Tony Blair have been frayed, and, according to Estulin, the Bilderbergs were pleased that Blair retained power in Britain under a vastly reduced mandate, making him a weaker, more malleable pawn.

But, the Bilderberg crowd also worried at the strong prospect of the "hard-headed and obstinate people" rejecting the super-state scheme. According to Estulin, "A German Bilderberger insider said that France's yes vote is in trouble because of the 'outsourcing of jobs. Jobs in Germany and France are going to Asia and Ukraine.'" The resounding defeat of the Constitution referendum in France throws a giant monkey-wrench into the plans of the Bilderberg crowd, which had also included: moving ahead on a UN world tax, to be taken from oil at the wellhead; an environmental super-agency, housed at the UN, with participation by governments, as well as sanctioned NGOs; and major actions to curb global oil usage, as future reserves are seen as vastly smaller than earlier thought.

According to the *Online Journal* account, the American neo-con crowd was heavily represented by: Paul Wolfowitz, Richard Perle, Michael Ledeen, William Luti, Dennis Ross, and Richard Holbrooke.

Other American notables included: Henry Kissinger, David Rockefeller, Richard Haass, Henry Kravis, Gov. Mark Warner (D-Va), Donald Graham, Vernon Jordan, and Martin Feldstein.

## **France, Germany Ready to Shift ECB Policies?**

Rumors are circulating, as reported in various international press June 1, that the governments of France and Germany may modify their European Central Bank policies. Without any more details disclosed, the rumors, which in France have to do with the nomination of Dominique de Villepin as Prime Minister to replace Jean-Pierre Raffarin, following the stunning defeat of the EU Constitution in the French referendum May 29 (see InDepth for full report), have nevertheless created some unrest on financial markets.

The rumors say that France will insist more than before, on the creation of a new institution, a kind of "economic council" to oversee the monetary policies of the ECB; and that Germany wants to raise the issue of the currency, i.e., that when Germany accepted the euro, it sacrificed lower interest rates related to the strength of the mark, rates lower than those of the ECB today. The details will be spelled out in an article in the next issue of the *Stern* weekly.

German Finance Minister Hans Eichel and Bundesbank Governor Heinz Weber immediately issued denials, but those

circles otherwise known as "the markets," apparently do not rule out that such changes are possible or even likely, in the near term.

## **Brits, U.S. Doubled Iraq Bombing To Provoke War**

The British government has admitted that the UK and the U.S. doubled the rate of bombing in Iraq in 2002, to provoke Saddam Hussein into giving the allies a pretext for war, according to the Sunday *Times* May 31. The information was released by the Defence Ministry in response to a question from Sir Menzies Campbell, the Liberal Democrat foreign affairs spokesman. The attacks intensified from May 2002, and by the end of August had become a full air offensive. The Ministry's bomb-tonnage figures show that the allies dropped twice as many bombs on Iraq in the second half of 2002 as they did during the entirety of 2001, and that the RAF increased their attacks even more quickly than the Americans did.

Despite the lack of an Iraqi reaction, the *Times* notes, the air war began anyway in September, with a 100-plane raid. The *Times* also notes that, "The systematic targeting of Iraqi air defences appears to contradict Foreign Office legal guidance appended to the [recently leaked July 2002 briefing paper for Blair's war cabinet] which said that the allied aircraft were only 'entitled to use force in self-defence where such a use of force is a necessary and proportionate response to actual or imminent attack from Iraqi ground systems.'"

## **Russia and the CIS News Digest**

### **Strategic Triangle Foreign Ministers Meet in Vladivostok**

The foreign ministers of the three great nations that former Russian Premier Yevgeni Primakov named as the "strategic triangle" of Eurasia—China, India and Russia—met June 2, in the Russian Pacific port city of Vladivostok. It was their fourth "informal trilateral meeting," as they call the consultations, and the first one to be free standing, rather than being held on the sidelines of the United Nations General Assembly or other multilateral events.

"We attach great importance to this particular meeting," Indian Foreign Minister Natwar Singh was quoted as saying, in the *China Daily*. "We together have a population of 40% of the world and we are, I think, 20% of world GDP."

Singh, Russian Foreign Minister Sergei Lavrov and Chinese Foreign Minister Li Zhaoxing issued a communique, in which they affirmed their nations' "common approach to the fundamental problems of world development in the 21st century." They advocated a "multipolar world," in which the United Nations "ought to play a central role." They agreed on the need to reform the UN, including the Security Council, a statement that alludes to the expansion of the latter. The communique also supported joint efforts against terrorism, "on a long-term and consistent basis, without double standards," and pointed up the importance, within that, of "combatting narcotics trafficking and other cross-border crime."

The last part of the communique dealt with economic cooperation: "The ministers discussed the prospects for economic interaction in a trilateral format. They noted the significant potential for mutually beneficial cooperation among Russia, India, and China in areas such as transportation, agriculture, energy and advanced technologies. The sides agreed that the relevant experts and officials from the three countries could meet to explore the possibilities of cooperation in these and other areas, in order to prepare specific proposals." In that context, they also endorsed holding a trilateral businessmen's meeting in India in March 2006.

*China Daily* quoted Singh as saying to Lavrov, "Our requirements in the realm of energy are considerable and we look to your country for assistance."

*China Daily* and Russian media also noted the bilateral talks between Lavrov and Li, where documentation of the Sino-Russian border agreement was exchanged, and the two ministers took up the question of stability in Central Asia. GazetaSNG.ru reported that they stressed the need to strengthen the role of the Shanghai Cooperation Organization (SCO). But Lavrov and Li denied that either China or Russia had been requested by Kyrgyzstan's acting president, Kurmanbek Bakiyev, to send SCO or other security forces into his country (as had been reported in various media).

The Vladivostok meeting was covered in all major Russian media. *Izvestia* today featured the comments of a Russian professor. Mikhail Shinkovsky, who said, "The more often Russia, India, and China meet at this level in a multilateral format, the more realistic it becomes to create a true 'strategic triangle' over the coming 20-30 years."

### **Moscow Analyst: French 'No' Vote Is Blow to 'Oligarchy'**

Sergei Markov, Director of Moscow's Institute for Political Studies, who is also a professor at Moscow State University, head of the National Civic Council of International Affairs, and an advisor to the Russian government, told Interfax May 30 about the French referendum vote against the EU Constitution), "This is the first large-scale victory of the public against the oligarchy of financiers and bureaucracy, that will have serious political implications for the entire Europe." "He's right," Lyndon LaRouche commented on Markov's assessment.

Had the constitution signed by EU leaders last October in Rome, been approved, Europe would have embarked on the path of implementing "an oligarchic hyper-liberal project," Markov continued. Such a course of events "has already shocked Europeans twice, triggering price rises after the euro was introduced, and also in the wake of a considerable influx of migrants from less-developed nations," he went on. "Today, we witness the victory of socialists and left-wingers of every hue, who call for preserving French national identity. Undoubtedly, the events in France will strengthen that coalition throughout Europe, and it will have to be reckoned with. Political forces in Europe are changing."

Finally, *Mosnews* noted May 30, Markov anticipates certain changes in relationship between Russia and the EU. In particular, the "No" vote is likely to undermine positions of the European allies of Russia's liberal-oriented government officials in charge of economic issues. Furthermore, the EU will no longer be as active in the post-Soviet space as before, he concluded.

### **U.S. Senators in Uzbekistan**

Senators John McCain (R-Ariz), John Sununu (R-N.H.), and Lindsey Graham (R-Fla) visited Uzbekistan at the end of May. They called for the Uzbekistan government to allow an international investigation into the recent violent clashes in Andijon, in the eastern part of the country, which President Islam Karimov blames on Islamic extremists. McCain wants the Organization for Security and Cooperation in Europe (OSCE) to do the investigation. The Senators met with opposition political parties, but Tashkent government officials refused to meet them. In addition, they advised the avoidance of another "popular uprising" by allowing more press freedom, leeway for opposition parties, and economic liberalization.

On June 3, the U.S. State Department issued a warning about terrorist actions against Americans in Uzbekistan: "American citizens currently in Uzbekistan should consider departing Uzbekistan via available commercial options." It went on to name groups active in the region: the Islamic Movement of Uzbekistan, al-Qaeda, the Islamic Jihad Union, and the Eastern Turkistan Islamic Movement. The statement urged Americans to take precautions, avoid crowds, etc. It authorized all non-emergency personnel to leave with their families.

### **50th Anniversary of Baikonur Cosmodrome**

June 2 was the 50th anniversary of the establishment by the Soviet military of the Baikonur experimental research and space facility in Kazakhstan. It was at Baikonur that the first successful intercontinental ballistic missile test took place, in August 1957; two months later, the Soviet Union became the first nation in the world to launch an Earth-orbital satellite, Sputnik. From Baikonur, Yuri Gagarin became the first man in space in 1961, and it has been the launch site for of Russia's space stations, and its missions to the International Space Station. With the Space Shuttle grounded, Baikonur is launching all crew and supplies to the station.

Russian President Vladimir Putin and Kazakhstan's President Nursultan Nazarbayev spent today at Baikonur—the oldest and the largest launch facility in the world—touring launch sites and spacecraft production facilities, visiting with space specialists, and attending ceremonies. They also signed a joint statement which includes the training of two Kazak astronauts to visit the space station, the launch of Kazakhstan's first satellite—the Russian-built KAZSAT, the opportunity for students from Kazakhstan to study military space subjects in Russia, and the construction of a new launch facility at Baikonur, called the Baiterek complex, designed for the Angara class of rockets Russia is developing. Last year, Russia signed an agreement to lease the cosmodrome from Kazakhstan until 2050, for about \$100 million per year, assuring the facility's future.

President Putin recalled the history of Russia's space effort, stating that building Baikonur was an "historic feat," by "a nation that had come through an appalling war, to make huge sacrifices. Baikonur construction was launched a mere ten years after the end of World War II," he stated. "That fact defies imagination."

Also speaking to the press at the Baikonur celebrations, Russian Defense Minister Sergei Ivanov emphasized that Russia's position on the placement of weapons in space, now being threatened by the Bush Administration, "has not changed for decades. We are categorically against the militarization of space." But "if some state begins to realize such plans," he continued, "then we doubtless will take adequate retaliatory measures," Ivanov made clear.

The Russian Defense Ministry will move several space programs to the northern cosmodrome Plesetsk, "but this does not mean that we are going to refuse to use Baikonur," Ivanov said. "We want to leave there a military component that must solve defense tasks. There are no plans of withdrawing from Baikonur any of our regiments or battalions."

## **Russian Children in Crisis**

The condition of Russian children is comparable with that after the 1920s Civil War or World War II, when much of the country lay in ruins, Russian Interior Minister Rashid Nurgaliyev told a meeting of ministry officials recently. About 700,000 children are orphans, he said. Two million adolescents are illiterate, and four million use drugs, one of the reasons for an upsurge in AIDS.

## **Southwest Asia News Digest**

### **Sharon-Abbas Summit Set for June 21**

Following a June 2 meeting between Palestinian Authority negotiator Saeb Erekat (also a long-time close associate of former Palestinian President Yasser Arafat), and two top aides to Israeli Prime Minister Ariel Sharon—Dov Weisglass and Shalom Turgeman—it was announced that a summit meeting between Sharon and PA President Mahmoud Abbas (Abu Mazen) will take place on June 2; the location was not specified.

This upcoming summit—attributed to pressure from Washington on Sharon, who has refused other such meetings—may be a valuable side effect of lame-duck President George W. Bush's increasing desperation on almost every front: Iraq, Social

Security privatization, the Republican Party revolt, etc. According to two well-placed Middle East sources based in Washington, Bush was forced, by virtue of his abysmal record, especially since the November 2004 election, to try to accomplish some tangible result in the Palestinian-Israeli conflict. That involves making Sharon deliver on his Gaza withdrawal, and actually providing the \$50 million to the Palestinian Authority, which Bush promised to the Palestinian President, during Abbas's visit to the White House May 26.

If Bush does not deliver the \$50 million to the PA, reported an Arab source, then there is a good chance that Hamas will make significant strides in the upcoming parliamentary elections, now scheduled for July, in advance of the Gaza pullout. Bush's promise, during a White House press appearance was explicit; he said: "To help ensure that the Gaza disengagement is a success, the United States will provide to the Palestinian Authority \$50 million to be used for new housing and infrastructure projects in the Gaza. These funds will be used to improve the quality of life of the Palestinians living in Gaza where poverty and unemployment are very high." It remains to be seen if Bush will actually turn to funds over to the PA.

Bush also announced that Secretary of State Condoleezza Rice will travel to Jerusalem and Ramallah before the beginning of the Israeli withdrawal.

As American statesman Lyndon LaRouche has insisted, since he drafted the economic peace proposal for Israel and Palestine known as "The Oasis Plan" in 1975, only economic development and infrastructure, will provide a permanent peace. But Bush's \$50 million is a mere token, which sources close to the Saudi royal family say is amplified by a Saudi contribution to the Gaza Strip that is in the order of \$250 million. The Saudi aid to Gaza was arranged during Crown Prince Abdullah's visit to Bush's Crawford, Texas ranch on April 25.

### **Sharon, Israeli Right Not Happy with Bush Treatment of Abbas**

The May 26 visit of Palestinian President Mahmoud Abbas to the White House was the occasion of a policy statement by President George W. Bush to a Rose Garden news conference, which provoked Israeli right-wingers and members of Prime Minister Ariel Sharon's government, to demand a virtual "retraction" in the form of "clarifications." One day after the new conference, reported the U.S. national Jewish newspaper *Forward*, a National Security Council official called "the Washington correspondent of Israel's government-run radio and television stations," to tell them there had been "no change" in U.S. policy from the April 2004 letter that Bush gave to Sharon during his visit there. But, the May 2005 statements definitely put Sharon on the line about returning to the Road Map, and the nation of Israel on notice that the final border between the Israeli and Palestinian states could only be established on the basis of being "mutually agreed to."

Bush's statement was uncharacteristically clear about Israel's obligations, as viewed by the U.S., though Sharon and Co. are trying to take maximum advantage of the "wiggle room," provided by Bush's linking of Israel's actions to its "security." Since 2001, Sharon has used the "security" issue to block any peace negotiations with the PA.

With President Abbas at his side, Bush made clear demands in several areas:

"Israel should not undertake any activity that contravenes Road Map obligations or prejudice[s] final status negotiations with regard to Gaza, the West Bank, and Jerusalem. Therefore, Israel must remove unauthorized outposts and stop settlement expansion." [This is a direct assault on the Sharon plan to link the settlement of Ma'aleh Adumin which is east of the city, by building thousands of new homes in the corridor that links the settlement to Jerusalem.]

"The barrier being erected by Israel as a part of its security effort must be a security rather than political barrier. And its route should take into account, consistent with security needs, its impact on Palestinians not engaged in terrorist activities." [This would mean giving back the hundreds of square miles of Palestinian farmland and other properties have already been seized and placed behind the barrier, which is known as the Berlin Wall of the Middle East.]

"As we make progress toward security and in accordance with the Road Map, Israeli forces should withdraw to their positions on September the 28th, 2000." [This would return the Israeli forces to the positions before Sharon took over the government].

"Any final status agreement must be reached between the two parties, and changes to the 1949 armistice lines must be mutually agreed to." [This could be in major conflict with Bush's April 2004 letter to Sharon, which allowed for Israel to depart from the 1949 armistice line, and which made no mention of the "mutual" consent of the Israelis and Palestinians.]

"A viable two-state solution must ensure contiguity on the West Bank and a state of scattered territories will not work. There must also be meaningful linkages between the West Bank and Gaza." [This puts a major constraint on the Sharon government's attempt to manipulate the vague formulation that Bush has used before which recognizes the "facts on the ground," i.e., that Jewish settlements in the Palestinian occupied territories, must be respected. Sharon had asserted that Bush has allowed for Israel to keep all their West Bank settlements.]

"This is the position of the United States today. It will be the position of the United States at the time of final status negotiations.... The imminent Israeli disengagement from Gaza and parts of the West Bank presents an opportunity to lay the ground work for a return to the Road Map." [This is a direct refutation of the statements made by Sharon's closest adviser, Dov Weisglass, that the Gaza withdrawal is a means to ensure that peace negotiations that include giving up the West Bank will never take place.]

### **U.S. Arrests Sunni Leader of Gov't Party 'by Mistake'**

On May 30, in a dawn military raid, involving guard dogs, and armed U.S. soldiers, Mohsen Abdel Hamid, the Sunni leader of the Islamic Party, which is part of the Iraqi government, was arrested by U.S. authorities in Iraq, along with his three sons. They were seized in their home, hooded, and taken away by U.S. forces. Iraqi President Jalal Talabani condemned the action, and called for Abdel Hamid's immediate release. "The Presidential Council has not been consulted ... and feels that treating a political personality of this level in such an arbitrary way is unacceptable," said a statement.

Hamid was then released on May 31, but said he had no news about his sons. They were subsequently freed.

Prime Minister Ibrahim Jaafari issued a statement saying: "The Iraqi government welcomes the news of Abdel Hamid's release and stresses its deep concern about the detention of senior political figures who support the political process and Sunni participation in it."

Though U.S. military authorities admitted that the arrest was a mistake, they have not apologized, drawing further criticism from Abdel Hamid and other Iraqi leaders, who frequently encounter such U.S. behavior.

Arab sources placed the event in the context of a complex, ongoing process of behind-the-scenes negotiations taking place between moderate Sunni forces (who are in direct contact with the resistance) and government people. The effort involves the Islamic Party, and the Sunni representatives, including those in the Association of Muslim Scholars (AMS). The aim is to reach an agreement whereby the armed conflict would end, and the Sunnis would be given a fair share of power. To bring this about, the radical wing of the armed struggle, identified as "al-Zarqawi," and made up largely of elements from outside Iraq, would have to be dismantled, eliminated, or sent outside the country. This group, made up of foreign elements, is the one responsible for brutal attacks against civilians, in market places, mosques, etc. It can operate in Iraq only with the help of Iraqis; thus, to eliminate them, it would be required to cut off their logistics, intelligence and supply lines, and/or eliminate their leadership.

It is in this context that reports and rumors have been circulating over the past several weeks, about the condition and whereabouts of al-Zarqawi: It was said he had been severely wounded, and lay in some hospital; that a succession fight had broken out among his followers; then, from al-Qaeda sources, that he was alive and well, only slightly wounded; then, that he had left Iraq.

The talk about al-Zarqawi reflects the negotiating process going on, and the conflicting statements indicate the ups and downs, as well as factional viewpoints, in that process. The conflicting statements also point to a split in the Sunni camp. This has been exacerbated by attacks against Sunni moderates, by groups that can only be called hit squads. The AMS has accused the Badr Brigades of the Shi'ite Supreme Council of the Islamic Revolution in Iraq (SCIRI), of targeted assassinations.

The detention of Hamid is seen by Arab observers as an outright provocation, aimed at obviously disturbing or sabotaging this delicate reconciliation process. Although U.S. Secretary of State Condoleezza Rice recently spoke out in favor of Sunni participation in the political process, it appears that the U.S. government does not want it to work.

That a serious effort towards reconciliation is afoot, is clear also in the fact that radical Shi'ite militia leader Moqtadar al-Sadr has been negotiating with some Sunni figures. Furthermore, Arabic media report that a covenant of honor has been signed by al-Sadr and other groups, a "Mithaq Sharaf," which is an agreement not to shed the blood of brethren Iraqis.

## Asia News Digest

### China Will Not Impose More Export Tariffs on Textiles

China will not implement another export tariff on 81 textile goods, nor on flax yarn, Xinhua reported May 30. "If some countries have imposed restrictive measures upon China's textile goods, then China needs to revoke export tariffs on these goods, because the country cannot make its textile export shoulder double pressures," Commerce Minister Bo Xilai said.

Bo later said that the enterprises in China will be treated fairly, and he questioned how China could have more export taxes on textiles while the EU and the U.S. have quotas on certain Chinese textiles. Xinhua news agency notes that this decision by China came shortly after the EU reimposed quotas on Chinese textiles.

Bo also noted—and not for the first time—that the sudden rise of Chinese textile imports into the U.S. and Europe during the first quarter of the year, was due to the fact that those countries had not gradually eliminated the quotas on the textiles.

### Japan High Court Okays Restart of Breeder Reactor

In a May 30 ruling, all five justices on Japan's Supreme Court supported the decision to restart Monju, a 280-megawatt fast-breeder reactor. This prototype breeder reactor is designed to create more plutonium fuel than it consumes. This is particularly important for Japan, which has no natural uranium—or other fuels such as oil—and which now produces about 30 percent of its electricity from nuclear plants.

Monju, on Japan's northern coast, has been shut down since 1995, when there was a large leak of sodium coolant, caused by a defective thermocouple. A local court had blocked the restart in 2003, by ruling in favor of a lawsuit filed by local residents, and withdrawing the government's permission to operate the reactor. The Supreme Court reversed this decision.

The Japan Nuclear Cycle Development Corp., which runs Monju, has redesigned the faulty thermocouples and is ready to

get the reactor working. The concept of the breeder reactor, which replenishes the nuclear fuel supply, particularly angers the Malthusians because it can make possible plentiful energy for economies and populations to grow. The Bush Administration destroyed the only U.S. breeder reactor, the Fast Flux Test Reactor in Hanford, Wash., last month. China, India, and the European nuclear countries are pursuing breeder technology.

## Africa News Digest

### Exponential Increase in Angola's Marburg Fever Cases

The increase of Marburg fever cases in Angola is exponential, while the World Health Organization (WHO) admits that surveillance may not have "reached the efficiency needed to interrupt chains of transmission." A plotting of officially acknowledged cases from October 2004 through May 2005, on a grid with a logarithmic y-axis (number of cases), against time on the x-axis, is linear; that is, the growth in cases has been, and continues to be, exponential. The plot was posted May 27 on Recombinomix.com.

The WHO update #20 of May 27 states: "This week, staff from the mobile surveillance teams were able to visit and look for signs of illness in more than half of the 100 persons known to have had close contact with a Marburg patient. New cases are, however, continuing to occur with no known link to a previous case, suggesting that the surveillance system has not yet reached the efficiency needed to interrupt chains of transmission."

The total number of officially reported Marburg fever cases jumped to 399, with 335 reported deaths, as of May 26. The same figures as of May 18 were 345 cases and 319 deaths.

### Is Uganda's Museveni About To Be Dumped?

Is Uganda's President Yoweri Museveni about to be dumped? That appears to be the signal from an extended, two-and-a-half hour seminar June 2 at the Woodrow Wilson International Center for Scholars in Washington, D.C., to an overflow crowd, which included representatives of the leading think tanks and an unusually large number of retired ambassadors to Africa. Needless to say, the presentations by Johnnie Carson, a former ambassador to several African nations and now senior vice president of the National Defense University, and Joel Barkan, an East African specialist, provoked a great deal of commotion with this 180-degree reversal of the previous "undying" love and support for Museveni by the United States, United Kingdom, and the International Monetary Fund.

Uganda's ambassador to Washington, Edith Ssempala, was almost apoplectic, and could not compose herself sufficiently after listening to the presentations, to even give a coherent response when she had the opportunity, and had the audience laughing at her. The remarks by the speakers kept to the theme alluded to in the title of the seminar: "Uganda: An African 'Success' Past Its Prime." After praising the accomplishments (sic) of Museveni in his first ten years of power, they detailed the reasons for his downfall in the last ten years, and why it was time for him to go. They spoke of Uganda as a success story now becoming a problem case. Or, Uganda as a former failed state, which now risks squandering its legacy.

Most of the charges they presented against Museveni have been provided to readers of *Executive Intelligence Review* in numerous articles over many years, albeit with less detail. These included "grand corruption" by Museveni and his family; the failure of the economy in recent years; his failure to deal with the Lord's Resistance Army in the North; and Uganda's stealing of gold and diamonds from the Democratic Republic of Congo. The two main reasons, according to speakers, why Museveni should leave now, after he has already "peaked," are: his resistance to a multi-party political system, instead of his one party rule; and his attempt to overturn key stipulations in the constitution limiting Presidents to only two terms, so he can run for President again in the March 2006 elections.

The obvious questions to ask are: What does this mean for U.S. foreign policy towards Uganda, after decades of unwavering support? This question was asked, but no one could answer it. Barkan accused the State Department of being in denial. He said, "State won't face it; they have to stop the celebration." The other obvious question, which was not asked, is: Since there were no new revelations in these presentations, why now?

The Bush Administration policy toward Africa, which obviously comes from those much higher up than lame-duck Bush, is centered on "good governance," respect for human rights, and unrestricted free trade. One theory for signalling the end of Museveni's almost two-decades-long dictatorial regime, is that his image is not "liberal enough" or too tarnished to implement the bankers' policies in this period. In other words, he needs to be a "liberal fascist," not just a fascist.

## This Week in History

**June 6 - 12, 1741**

### **Celebrating the Birthday of Dr. Joseph Warren — The Patriot Leader Killed at Bunker Hill**

"Not all the havoc and devastation they have made has wounded me like the death of Warren," wrote Abigail Adams after the Battle of Bunker Hill. "We want him in the Senate; we want him in his profession; we want him in the field. We mourn for the citizen, the senator, the physician, and the warrior." Warren, shot through the head at the age of 34 as he rallied the militia outside the American redoubt, was considered by Britain's Lord Rawdon "to be the greatest incendiary in all America."

This "incendiary," who kept a cool head under fire and possessed a good sense of humor, was born to a Massachusetts farming family in 1741 and graduated from Harvard in 1759. He taught school for a year and then decided to become a physician. His skill in medicine, added to his kindness and frankness, soon brought him to the top of his profession, but by 1768 he was devoting more and more time to the patriot cause. He made the acquaintance of John Adams when he inoculated him for smallpox, and he quickly joined the leadership group composed of Adams, John's cousin Samuel Adams, James Otis and John Hancock.

Warren wrote many of the patriot broadsides that were produced in Boston, and frequently contributed articles for the press as well. One such blast at East India Company policies in the *Boston Gazette* of Feb. 29, 1768 caused Royal Gov. Sir Francis Bernard to attempt to prosecute the printers. Warren also wrote a patriot song called "A Song on Liberty" to the tune of "The British Grenadiers," which was an old English song, singing the praises of Britain's soldiery. Warren's song, which came to be known as "Free America," was no mere parody; it reminded Americans that they had a distinct republican identity which they were morally bound to maintain.

Two of the verses give a flavor of Warren's song, which was sung in all the colonies:

The seat of science, Athens,

And Earth's proud mistress, Rome

Where now are all their glories?

We scarce can find their tomb.

Then guard your rights, Americans,

Nor stoop to lawless sway,

Oppose, Oppose, Oppose it,

For North America.

Torn from a world of Tyrants,

Beneath this western sky

We form'd a new dominion,

A land of liberty;

The world shall own we're freemen here,

And such will ever be,

Huzza! Huzza! Huzza! Huzza!

For love and liberty.

When the British government, controlled by the rapacious and bankrupt East India Company, closed the Port of Boston in retaliation for the Boston Tea Party, Joseph Warren took on a multitude of tasks. One of the most important was the drafting of the Suffolk Resolves during the late summer of 1774. The resolves stated that the Coercive Acts passed by Britain were unconstitutional and therefore were not to be obeyed by Americans. The people of Massachusetts were urged to form a government of their own and to collect taxes and withhold them from the Royal authorities until such time that the repressive British legislation might be repealed. In addition, the citizenry was urged to gather arms and form their own local military groups. The Resolves also recommended heavy economic sanctions on Great Britain.

As a center of intelligence gathering, and of sharing news with the other colonies, Warren deployed one of his couriers, Paul Revere, to take the Resolves to Philadelphia, where the First Continental Congress was meeting. The arrival of the document had an electric effect on the delegates. When Peyton Randolph, the presiding officer, finished reading the Resolves, Carpenters' Hall exploded with cheering and shouting, and the delegates surrounded the Massachusetts delegation to congratulate them. The Resolves were passed by Congress with absolutely no change in Warren's wording.

As months passed, and the American boycott of all British goods began to have an effect on Britain's economy, the tension between the British occupying army and the citizens of Boston escalated. It was traditional in Boston to hold an anniversary meeting every March 5 to commemorate the Boston Massacre in 1770. Weeks before the 1775 memorial, British officers were overheard threatening the life of any patriot who attempted to give the memorial oration. Joseph Warren volunteered to deliver the address, but when the day came, it looked as though it might never happen.

British soldiers, fully armed, turned out in force for the memorial and scattered themselves in the church pews among the citizens of Boston. Samuel Adams, alarmed by the prospect of civilians being injured if violence broke out, invited the soldiers up to the front rows, where they also lounged on the raised area around the pulpit. When Warren arrived to give his speech, the building was so tightly surrounded by excited Americans and threatening soldiers that he could not enter.

The sailing men of Boston soon found a solution: They rigged a block and tackle and hoisted him in through a second-floor window and down into a sea of Redcoats. The soldiers talked, hissed, and booed through the first part of the speech, but then everyone stiffened as the British officer nearest to Warren lifted a handful of bullets and waved it in front of his face. Warren calmly took out his handkerchief, covered up the bullets, and kept on talking. The memorial ended without incident.

The following month, Samuel Adams and John Hancock were chosen as delegates to the Second Continental Congress. Joseph Warren was elected to take Hancock's place as president of the Provincial Congress. He was also chairman of the important nine-man Committee of Safety, which made decisions when the Congress could not be gathered in time to deal with an emergency.

Although most of the patriot leaders left Boston in order to have the freedom to meet openly to develop their plans, Warren stayed in the occupied city to receive intelligence reports and coordinate his couriers. At the beginning of April, he started receiving reports which said that the British were planning to march or sail out of Boston on the night of April 18 to destroy patriot military supplies and arrest Samuel Adams and John Hancock, who were staying at Lexington.

Therefore, on the night of April 18, 1775, Warren sent Paul Revere and William Dawes out to warn the countryside and the delegates to the Continental Congress. Not being able to resist the opportunity, Warren also secretly left Boston to join the Minute Men at Concord, and almost lost his life there. Even after the British had retreated back to Boston, militia units from all over New England continued to stream into Massachusetts, and formed a ring around the city. The British now found themselves blockaded, and Warren found himself with a new set of problems.

The Provincial Congress and the Committee of Safety now had to provide a civil government and, at the same time, coordinate the actions of the loose-knit army that had camped around Boston. Many New England officers favored an immediate attack on the British, but Warren persuaded them that the lack of gunpowder would doom any such effort. In the meantime, he concentrated on obtaining support from the other colonies, and supplying the needs of the army.

But soon intelligence came in from "a reliable New Hampshire gentleman" that the British generals were planning an attack on either Charlestown, where Bunker and Breed's Hills were located, or on Dorchester Heights. Gen. Israel Putnam, who commanded the army, determined that Charlestown would be fortified and a reconnoitering party would be sent to Dorchester Heights. Consequently, on the night of June 16, New England troops silently occupied the heights above Charlestown and constructed a redoubt and breastworks. When dawn came, the British were astounded to see the rebels entrenched directly across from Boston.

The ensuing battle was of great moment for both sides: The Americans were able to turn back two charges of the British Grenadiers, and were only forced to retreat when their gunpowder ran out during the third charge. The British, although they won the ground, paid the high price of losing half their attacking force to death or wounds. As Gen. Sir Henry Clinton said afterwards, "A dear bought victory, another such would have ruined us."

Joseph Warren had been named a Major-General four days before the battle, but since his commission was not yet official, he fought as a volunteer. Although Dr. Warren lost his life that day on Bunker Hill, he had already set another event into motion which would help determine the outcome of the war.

As Chairman of the Committee of Safety he had sent a letter to the Second Continental Congress, asking the delegates to adopt the New England army now blockading Boston as an American army. Congress was also requested to set up a civil government for the colonies. On June 16, the day before the Battle of Bunker Hill, John Hancock announced that he had "the order of Congress to inform George Washington, Esq., of the unanimous vote in choosing him to be General and Commander-in-Chief of the forces raised and to be raised in defence of American Liberty. The Congress hopes the gentleman will accept."

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