

National News

Rumsfeld Threatens Defense Bill Veto

Secretary of Defense Donald Rumsfeld has sent a letter to House Armed Services Committee Chairman Duncan Hunter (R-Calif.) warning that if the Pentagon doesn't get exactly what it wants in the defense authorization bill, and if certain provisions currently in the bill aren't removed, he will recommend that President Bush veto it. Among the items that Rumsfeld doesn't want are changes to the round of base closures in 2005—which was approved a couple of years ago; the "Buy America" provision in the House bill; and the Senate proposal for concurrent receipt of military retirement pay and disability pay—it's apparently too expensive care for retired, disabled military veterans—along with other unrequested entitlements in both bills.

Two items that Rumsfeld wants included are the so-called National Security Personnel System, which dismantles the present Federal Civil Service system, and direct authority to assist other nations in training and equipment, authority which presently rests with the State Department. This authority, Rumsfeld says, "would allow the Department to be developing training relationships" in countries supporting U.S. military activity "related to the global war on terrorism."

Tom DeLay In Mideast To Stop Road Map

House Majority Leader Tom DeLay (R-Tex.) went to Israel, the Palestinian National Authority, and Jordan, in the last week of July, where he was to meet with Israeli Prime Minister Ariel Sharon, P.N.A. Prime Minister Abu Mazen, and Jordan's King Abdullah, to whom he intends to deliver a "dissenting message" against the Bush Administration's Road Map for Middle East peace. DeLay wants to "remind the Bush Administration to pay heed to its right flank," meaning the fundamentalist vote.

The July 24 *New York Times* quoted him saying, "I'm sure there are some in the Administration who are smarter than me, but I can't imagine in the very near future that a Palestinian state could ever happen. I can't imagine this President supporting a sovereign state of terrorists. You'd have to change almost an entire generation's culture."

DeLay is calling for the United States not to give any aid directly to Palestinian leaders and entities, and instead to take direct responsibility to carry out a "Marshall Plan" to rebuild the economy there. He said he intends to bring this up with leaders in the Mideast directly, and he has been trying to persuade the President of this. The *Times* noted that DeLay has in the past called the Administration's peace plan, "a Road Map to destruction." It further notes that, "As an evangelical Christian, he is the most prominent member in Washington of the Christian Zionist movement." DeLay is quoted on how, in his faith, which "came from that part of the world—fighting for right and wrong, and understanding good and evil, is pretty apparent and pretty straightforward."

In August, Rep. Steny Hoyer (D-Md.) will lead a delegation of 29 House members to Israel, where he hopes would carry a more optimistic view of the peace effort.

'D.C. General Substitute' Hospital To Be Shut

On July 18, Washington Health Department officials recommended the shut-down of Greater Southeast Community Hospital—the only one remaining in D.C.'s Southeast quadrant—for persistent violations of safety and health standards. The hospital went into bankruptcy on Nov. 20, 2002. Six preventable deaths have been reported at the hospital this year. The confidential recommendation was made by D.C. hospital inspectors, led by Theodore J. Gordon, the Health Department's senior regulator. Greater Southeast is owned by Doctors Community Healthcare (DCHC) of Arizona, a scavenger outfit that privatizes public and community hospitals for profit, which was exposed during the LaRouche movement-led citizens' fight to preserve D.C. General Hospital; that

DCGH was closed in July 2001. In March 2003, Gordon recommended "de-licensure."

Health Department Director James A. Buford and City Administrator John A. Koskinen are trying to keep the facility open. Koskinen is quoted in the July 25 *Washington Post*, "The department and regulators have an obligation to ensure quality care is provided and people aren't being put at risk, but it's in a context where the operation of Greater Southeast is important to a significant part of the city." The hospital is the principal intake center for D.C. Healthcare Alliance, the privatized program for the uninsured, and for Medicaid, jail, and thousands of other patients, which took over for D.C. General, the city's only public hospital—a top-ranking national facility in its own right, which had been established under George Washington.

If Buford relents, and acts on the closure recommendation, the hospital will have 30 days to appeal; it could be sold out of bankruptcy by auction. This situation typifies the urban hospital crises in Los Angeles, Detroit, and many other urban centers.

DOD Challenged on Health Care in Iraq

At the July 25 Pentagon press briefing, *EIR* challenged an Defense Department spokesman on the man appointed to be interim Health Minister of Iraq, James K. Haveman, Jr. Haveman, as director of Michigan's Department of Mental health, closed 10 of the state's 15 psychiatric hospitals, and all but one of its developmental disabilities centers, resulting in 50% of those incarcerated in the three Michigan county jails being diagnosed with mental illness. One state senator told the *Lansing State Journal*, "He single-handedly did more damage to the mental health system than I can imagine an army doing."

Haveman is now the U.S. senior advisor to the Iraqi Ministry of Health, working under "viceroy" Paul Bremer, perhaps giving the same kind of budget-cutting advice he gave to Michigan's Gov. John Engler. Dr. William Winkenwerder, the Assistant Secretary of Defense for Health Affairs, who

WASHINGTON, D.C. ranks lowest in lives saved in medical emergencies, found a survey of patients in cardiac arrest. The survey was published on July 28 by *USA Today*. Washington is near or at the bottom of 50 large cities, with only 4% of patients saved. The medical director for Washington's Fire and Emergency Medical System pointed to the severe shortage of medics, and less emergency-room space since the closing of D.C. General Hospital two years ago.

STRAUSSIAN Daniel Pipes' nomination to the U.S. Institute for Peace may be cancelled; it caused a firestorm among liberal and pro-Arab circles because of his ultra-right-wing, racist views on Muslims and Arabs. The Senate Health, Education, Labor and Pension Committee, at the initiative of Edward Kennedy (D-Mass.) and other committee Democrats and some Republicans, postponed discussion of the nomination indefinitely on July 27.

A TRANSPORTATION Department proposal would turn Amtrak rail system over to bankrupt states. Legislation proposed July 29 by Transportation Secretary Norman Mineta, would split Amtrak into operating and maintenance companies, both opened to competition from outside contractors. Under the plan, Federal subsidies to Amtrak, necessary to keep it operating, would be replaced by 50-50 matching grants to states, all of which are being forced to cut their expenditures. Some long-distance train routes would be scrapped, Administration officials acknowledge.

FANNIE MAE regulator nominee Mark Brickell, a former J.P. Morgan derivatives trader, was slammed by Sen. Paul Sarbanes (D-Md.) on July 22, as "the fox guarding the henhouse." The Senate Banking Committee's top Democrat charged that Brickell "led lobbying efforts to prevent regulation of derivatives," and noted, "Questionable accounting for derivatives is at the heart of the recent troubles at Freddie Mac."

gave the briefing on the Iraqi health-care system, was challenged by *EIR* on Haveman's qualifications. Winkenwerder claimed that Haveman, who is not a physician, is doing "an outstanding job," and that he has "quickly established credibility and strong ties with the medical leadership and has the full support of everybody involved."

Public health expert Dr. Frederick Burkle, Jr., MD, MPH, FAAP, FACEP, with great experience in complex humanitarian emergencies, was originally appointed to the Iraq post, but was fired 24 hours after telling doctors at Baghdad's largest hospital, "We are not here to direct, to dictate; we are here to facilitate." Winkenwerder could not clarify why Dr. Burkle was removed, claiming, "The job to be done . . . is not humanitarian assistance or crisis medical relief. It is rebuilding the health-care system, and obviously, Mr. Haveman brings the right set of skills to that task."

'Compromise' Continues California's Crisis

The state of California is far from out of the woods of its fiscal disaster, despite passage on July 30 of a long-delayed "compromise" budget which makes for large state layoffs and healthcare cuts, and requires the state borrow \$10-12 billion with its bond rating shattered.

After more than 24 hours of rancorous debate and two failed votes, the California Assembly passed the compromise budget crafted and passed by the Senate earlier. The only thing "compromised" was the protection of citizens' general welfare. Desperate for a budget, Democrats agreed to "no new taxes," a GOP demand, and otherwise conceded on spending cuts. Gov. Gray Davis (D) is expected to sign it as soon as it hits his desk.

While "erasing" the \$38 billion deficit for *this* fiscal year, the deal pushes an \$8 billion deficit into the *next* fiscal year, gouges health-care services, hikes higher education tuitions, imposes a nearly 10% cut in state employee salaries, will result in almost 15,000 job cuts, and slashes child-care programs through restricting eligibility and

reducing reimbursements—to name only the worst cuts.

One component to this new budget is nearly \$13 billion in authorized new borrowing. The state will issue \$10.7 billion in five-year deficit retirement bonds, which will put the state in hock for both the principal and also interest, which is now at higher rates, because the state bond ratings were downgraded to near-junk bond status earlier in July. Approval for pension obligation bonds and tobacco securitization bonds was also granted. All these bonds must be paid out of future state revenues.

Indebting the state in this way, while making drastic cuts in its real wealth-producing activity, ensures large future deficits, unless there is LaRouche-led economic recovery in the broken-down national economy.

Congress Still For Electricity Dereg

Despite the 2000-2002 disaster in California, and the failure or rejection of electric power and natural gas price regulation in many other states, Congress appeared ready, on July 30, to scrap the FDR-era legislation passed precisely to end similar thievery and scandals of the "Roaring Twenties." The House of Representatives voted to repeal the Public Utility Holding Company Act (PUHCA) in April as part of its energy package, and the Senate was poised to vote on repealing PUHCA in the last week of July. The July 30 *Washington Post*, described repeal as a "top priority of large U.S. investor-owned utilities and Bush Administration officials, who describe the law as the fossilized remains of a bygone era."

PUHCA was created under Franklin D. Roosevelt's Presidency to break up the Morgan-dominated electricity cartel, and its repeal is being pushed so that the cartel can be rebuilt. Electricity deregulation is what Lyndon LaRouche said it was from the beginning: a scheme to allow the financiers to draw off the electricity income stream, after these same financiers have bled dry whole nations' economies.