

**GI SPECIAL 5G25:**

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***A Bankrupt Empire Hits  
The Wall:***

**“Today There Was Full-Blown  
Carnage”**

**“It’s Kind Of Like Catching A  
Falling Knife Right Now”**

**“A Fairly Disorderly And Hysterical  
Move”**

# **“By Spreading To Other Markets, The Subprime Mess Is Driving Up Interest Rates For Borrowers Of All Sorts, Which Can Lead To A Credit Crunch”**

**Comment On The Articles Below: T**

**Contrary to absurd fantasies, crises that interrupt the operation of capitalism don't just go on day after day at the same or increasing levels of panic and collapse. There will be weeks ahead when everything seems quiet, and alarming news reports like the ones below fade away.**

**But as the contagion spreads through more and more realms of production, distribution and accumulation, dramatic upheavals become more frequent and severe; the interruption of the cycle of production, distribution and accumulation becomes more pronounced; and it becomes ever clearer to everyone in the society that a serious downturn has arrived, with falling production, cuts in employment, and intense downward pressure on wages.**

**Occasional violent shocks -- the bankruptcy of some major corporation or financial institution -- grab headline attention transiently, but play out against the background of a slower, grinding attack on the standard of living of the working class as a whole.**

**And who better suited to preside over attacks on the standard of living of the American working class and use the government to impose discipline upon it than the Democratic Party?**

**And who less suited to do so than the Republican Party, too clearly identified with wealth and naked, crude corporate greed? The relatively few remaining political representatives of the American ruling class who still have enough intelligence to perceive reality know that.**

**Meanwhile, within a year or two, the want of ready money, called a credit crisis, will finally reach the debt instruments of the Imperial government itself.**

**Those who today look for safety from the violence shaking financial markets by buying U.S. treasury bonds and notes, the famous “flight to quality” reporters love to point to today, will come to regard those instruments as toxic waste, and wonder how they could ever have been so foolish as to seek safety in the worthless paper of a bankrupt Empire.**

**With that, the crisis matures into a crisis of confidence in the government and the class of capitalists the government was instituted, designed, and is operated to serve.**

**No, we have not been through this before.**

**Never before.**

**Certainly not during Vietnam, when the U.S. economy was still relatively stable, with substantial capital reserves and deriving some income from the Empire, rather than seeing the relative costs of the Empire pile up mountains of dollar denominated debt that can never be repaid short of a violent depreciation of the dollar sufficient to impoverish much of the population.**

**Never before in U.S. history has a major crisis in the sphere of economic relations, expressing both massive private and governmental bankruptcy, come at the same time as a failing Imperial war draining off what little national capital remains.**

**Those who babble mindlessly about a new world being possible had best appreciate that this indeed will be a new world, and it will not be pretty.**

**One question, of some importance, will be whether our troops will choose to serve the vast majority of Americans who are the working class of the United States, or will choose to serve the few on top who oppress, exploit, and torment us for their own benefit, and who preside over the hopelessly antiquated economic relations that bring on Imperial war abroad and economic disaster at home.**

**The answer to that question will depend, more or less, perhaps decisively, on what links we have forged with our class brothers and sisters in arms.**

**Now, not later.**

**Those who are willing to invest substantial amounts of time in forging those links, and see no greater priority in their lives, of necessity must find each other and begin the work.**

**A few who have made that commitment can accomplish infinitely more acting together in an organized way than an assortment more numerous who half-step their way lamely and hesitantly along because they have other priorities.**

**It has been said there is a world to win. There is also a world to lose, a more dangerous possibility now than has been the case previously in human history.**

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**July 27, 2007 By MICHAEL HUDSON, PETER A. MCKAY and AARON LUCCHETTI, Wall St. Journal [Excerpts]**

By bidding up stock prices all year, investors were effectively betting the housing slowdown wouldn't engulf the broader economy. Yesterday, that confidence appeared to be shaken.

Stocks and corporate-bond markets tumbled amid selling that was more widespread than during the three previous days of triple-digit declines this month.

**Along with risky bonds and anything connected to the housing market, investors sold off stocks, emerging-markets bonds and even high-quality corporate debt. The record trading volume in stocks reflected rising anxiety.**

Meanwhile, roughly 1,300, or nearly 17%, of the around 7,800 stocks that trade on U.S. exchanges hit their lowest price of the past 12 months.

To many investors, that made yesterday's selloff more ominous than other big declines this year. Sid Bakst, a senior portfolio manager at investment firm Robeco Weiss, Peck & Greer, said the steady drip of bad news on subprime-mortgage loans and the failure of some leveraged buyouts to get long-term financing has made investors increasingly nervous.

**"As each day has gone by, things have been leaking a bit more," Mr. Bakst said. "But today there was full-blown carnage."**

The Dow Jones Industrial Average sank 311.50 points, or 2.3%, to finish at 13473.57, after being down as much as 440 points at midafternoon.

**At the New York Stock Exchange, trading curbs designed as safeguards against a crash remained in effect for nearly all of yesterday's trading session.**

**The selloff marked the biggest three-day point drop for the Dow industrials in five years and wiped \$105.9 billion off the average's market value.**

The broader Standard & Poor's 500-stock index slid 35.43 points, or 2.3%, to 1482.66, leaving it up 4.5% on the year. The technology-focused Nasdaq Composite Index shed 48.83 points, or 1.8%, to 2599.34, and was up 7.6% on the year.

Yesterday's volume on the nation's three major stock exchanges totaled 10.59 billion shares, up 34% from the previous record, which was set earlier this year. When volume is high, investors take big market moves more seriously.

The moves in the stock and bond markets, and discouraging news about home sales and orders for capital equipment, led the federal-funds futures markets -- where traders can bet on the Federal Reserve's next move -- to conclude that the central bank is now much more likely to cut interest rates sometime this year.

**Yesterday, investors sold off stocks whose performance is tied to the ups and downs of the economy, like energy companies, industrials and basic-materials companies, a sign investors now think the economy will slow down. Those sectors were among the market's leaders this year.**

**Energy stocks, which were up 25% on the year before yesterday, led the way down after ExxonMobil Corp. reported weaker-than-expected earnings. The energy sector had accounted for roughly a third of the stock market's earnings growth over the past two years, meaning high oil prices actually had a positive impact on stocks.**

But now energy prices, which have flirted with new highs recently, are clearly a drag on the market.

**The meltdown in the subprime-mortgage market was clearly the factor that set off the cascade of declines.**

**Investors fears have been heightened by the sheer complexity of collateralized-debt obligations and other structured finance vehicles, which makes it difficult for investors to judge just how bad conditions are in the subprime sector, said Arthur Tetyevsky, chief U.S. credit strategist at HSBC.**

**“Now it’s a much broader, much more nebulous, much more intimidating issue for the market. And that’s adding to the duress that we’ve seen in the market,” Mr. Tetyevsky said.**

**By spreading to other markets, the subprime mess is driving up interest rates for borrowers of all sorts, which can lead to a credit crunch.**

Many bearish observers thought the housing slump might cause an economic slowdown by cutting into consumer spending, which accounts for about two-thirds of the U.S. economy.

Consumer spending has held up reasonably well, however, and now worries about the economy are focused on whether tighter credit will undermine companies’ ability to borrow money so they can expand and keep boosting their stock values.

**The impact of tighter credit is already apparent in the market for high-grade debt.**

**Yesterday, for example, Tyco Electronics Ltd. pulled a \$1.5 billion bond deal “due to unfavorable conditions in the debt markets,” the company said.**

**Selling bonds for a company like Tyco, which has put its past scandals behind it, is normally a routine affair.**

As another example, Mr. Tetyevsky pointed to the price action on a \$1.5 billion bundle of 30-year bonds issued two weeks ago by Lehman Brothers Holdings Inc.

By yesterday the quoted yield on those bonds was roughly 2.4 points above the yield on 30-year Treasuries, widening from a spread of roughly 2.15 points on Wednesday and 1.7 points back on July 12.

That’s a big increase for the investment-grade bond market and a sign that investors are nervous and want to get paid more for risking their money, even on bonds that are considered to have a very low chance of default.

Some analysts said the credit market, which had rallied strongly for several years, was due for a downturn. RBC Capital Markets fixed-income strategist T.J. Marta said the high-grade-bond market’s move may simply be a symptom of the air being let out of a credit bubble that had gotten too big.

**“But the concern is that this is a fairly disorderly and hysterical move, and that always carries the risk that you hit a tipping point where things get out of control,” Mr. Marta said.**

Juggling his phone on the floor of the New York Stock Exchange, broker Steven Grasso weighed in on a stock market where investors’ fear has replaced greed as the most-prominent emotion.

**The bond market “is a huge concern,” said Mr. Grasso. “It’s been overhanging the market. New companies keep getting lumped into what’s happening to subprime....People thought it would be a handful of companies, but we’re seeing a marketwide impact.”**

Mr. Grasso said many companies’ borrowing costs will go higher, lowering their earnings.

Until recently, emerging-market bonds had largely weathered the turmoil in the U.S. and European credit markets. That’s a testament to the strong economic fundamentals and financial stability of many emerging economies. But, in another sign of the disquiet in the markets, Russian energy giant OAO Gazprom abruptly postponed a bond offering planned for yesterday.

**“It’s kind of like catching a falling knife right now,” said Edwin Gutierrez, an emerging-market portfolio manager at Aberdeen Asset Managers in London, of yesterday’s trading. “I wouldn’t be in a hurry to add risk.”**

U.S. investors awoke to overnight selling in key Asian and European markets. In addition, the Australian asset-management firm Absolute Capital announced that it was halting withdrawals from two funds with about \$200 million in assets invested in credit instruments, including CDOs.

**As the morning progressed, the Commerce Department released data showing that new-home sales in the U.S. fell 6.6% in June -- more than quadruple the decline expected by economists in a survey by Dow Jones Newswires.**

**The government also announced a smaller-than-expected rise of 1.4% in June orders for big-ticket items known as durable goods.**

But mutual-fund investors have picked up their selling as volatility has increased recently, according to TrimTabs Investment Research.

**MORE:**

**“There Is A Full Blown Liquidity  
Crisis At Hand In World  
Financial Markets”**

# **“Right Now, Virtually All Sources Of Liquidity Are Drying Up Faster Than Anyone Would Have Thought”**

## **“The Speed Which This Liquidity Crisis Is Emerging Is Amazing Many”**

Jul 27 2007 By Chris Laird, Prudent Squirrel.com [Excerpt]

For the last several years, corporate buyouts, corporate stock buy backs and such, the Yen carry trade, and the mortgage derivatives markets have added tremendous liquidity to world financial markets. In tandem with this, the market analysts came to view a 'world stock bull' emerging, and even the most conservative market bears started to get into this world stock bull theme in their writings.

The total amount of these sources of financing and liquidity in the last 2 years is over \$5 trillion, and has been one of the major supports for stock markets.

**All of a sudden, these sources of liquidity are vanishing so fast, that market experts are amazed.**

This all came together in about 3 or 4 weeks after the Bear Stearns mortgage derivatives mess revealed how illiquid structured finance (derivatives in mortgages and such) can become – instantaneously.

**After that, investors started to flee from billions of dollars value of structured finance offerings in the last several weeks, and in the blink of an eye, almost the entire derivatives financing universe lost liquidity across the board.**

This is a prime cause of the latest world stock crashes.

**Right now, virtually all sources of liquidity are drying up faster than anyone would have thought.**

Or, put another way, with corporate buy outs and stock buybacks at over \$1 trillion in the last year alone – that is now almost gone as support for the markets. Investment banks such as Morgan and Goldman have had to park about 40 huge deals planned this year, as they have not been able to sell of the bonds and financing for these deals.

This picture emerged in only about 3 weeks.

Continuing, the now well known debacle with mortgage derivatives – structured finance packaging risky mortgages into so called AAA rated tranches – have led to financial

crises at Bear Stearns, Italease, killed deals with Morgan, and Goldman and others, and caused that sector to lose liquidity to zero basically, in a mere two or three weeks after the problems with Bears two now worthless hedge funds emerged.

Now, the almost the entire mortgage derivative universe is tanking – and huge margin calls by banks to counter parties are happening- and no one wants to buy.

**Then, the long threatening unwinding of the Yen carry trade is afoot, the Yen strengthening significantly now for two weeks, and as that continued apace, world stock markets finally started to fall apart – or crash – this week.**

Lots of cheap Yen are borrowed at about 1% and invested in every financial market imaginable. As the Yen rises, investors have to sell out stocks and whatever, and then pay back Yen at higher exchange rates – a sure loser.

This effect is magnified by a factor of ten by hedge funds who use 10 to 1 or more leverage.

**And the list of liquidity drying up goes on, but, only a few weeks after the Bear Stearns CDO (mortgage derivative mess) showed that no one wanted to buy CDOs any more, that rumbled through credit markets, and now, as one trader said, ‘there is a full blown liquidity crisis at hand in world financial markets’.**

This is not just about CDOs, but has now scared almost the entire structured finance (derivatives) universe because it showed how illiquid they can become- basically instantly illiquid.

And, as, in the case of Bear, or Italease, bankers have to call in loans from counterparties who hold their structured finance derivatives, and find that their counterparties cannot fulfill the ‘margin’ calls in many cases – read as a liquidity crisis.

**Then, as this all is occurring, world financial markets are crashing, as the easy liquidity for corporate buyouts and buybacks, and mortgage financing, all of a sudden vanishes in only about 3 weeks.**

The speed which this liquidity crisis is emerging is amazing many.

**MORE:**

## **“What Are, Generally Speaking, The Characteristics Of A Revolutionary Situation?”**

Comment: T

Whatever you may think of the politics of this writer, he was rather skilled at figuring out when a revolutionary situation was present:



He describes the essential ingredients:

1. A ruling class split and at war within itself about what to do: “a crack through which the dissatisfaction and the revolt of the oppressed classes burst forth”
2. An economic crisis hammering the working class
3. A war that breaks the passivity of “peacetime” politics.
4. He might have added, had this been written later, a ruling class so blind and stupid it can't conceive of a whole population rising in revolution against it, and an army happy to join the mass movement from below.

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1915, Excerpts from Collapse Of The Second International & IMPERIALISM AND SOCIALISM IN ITALY, Kommunist, Nos. 1.2, 1915, By V. I. Ulyanov. [The writer used the pen name “Lenin” to keep the government from terrorizing his family. Excerpts]

For a Marxist there is no doubt that a revolution is impossible without a revolutionary situation; furthermore, we know that not every revolutionary situation leads to revolution.

**What are, generally speaking, the characteristics of a revolutionary situation?**

**We can hardly be mistaken when we indicate the following three outstanding signs:**

**(1) it is impossible for the ruling classes to maintain their power unchanged; there is a crisis “higher up,” taking one form or another; there is a crisis in the policy of the ruling class; as a result, there appears a crack through which the dissatisfaction and the revolt of the oppressed classes burst forth.**

**If a revolution is to take place .... it is necessary that “one is incapable up above” to continue in the old way;**

***(2) the wants and sufferings of the oppressed classes become more acute than usual;***

**(3) in consequence of the above causes, there is a considerable increase in the activity of the masses who in “peace time” allow themselves to be robbed without protest, but in stormy times are drawn both by the circumstances of the crises and by the “higher-ups” themselves into independent historic action.**

**Without these objective changes, which are independent not only of the will of separate groups and parties but even of separate classes, a revolution, as a rule, is impossible.**

**The co-existence of all these objective changes is called a revolutionary situation.**

This situation existed in 1905 in Russia and in all the periods of revolution in the West, but it also existed in the seventh decade of the last century in Germany; it existed in 1859, 1861 and in 1879-1880 in Russia, though there was no revolution in these latter instances.

Why?

**Because a revolution emerges not out of every revolutionary situation, but out of such situations where, to the above-mentioned objective changes, subjective ones are added, namely, the ability of the revolutionary classes to carry out revolutionary mass actions strong enough to break (or to undermine) the old government, it being the rule that never, not even in a period of crises, does a government “fall” of itself without being “helped to fall.”**

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### **“Much Has Been Left In The World That Must Be Destroyed By Fire And Iron For The Liberation Of The Working Class”**

Take the present army. It is one of the good examples of organisation. This organisation is good only because it is flexible; at the same time it knows how to give to millions of people one uniform will.

Today these millions are in their homes in various parts of the country. Tomorrow a call for mobilization is issued, and they gather at the appointed centres. Today they lie in the trenches, sometimes for months at a stretch; tomorrow they are led into battle in another formation.

Today they perform marvels, hiding themselves from bullets and shrapnel; tomorrow they do marvels in open combat. Today their advance detachments place mines under the ground; tomorrow they move dozens of miles according to the advice of flyers above ground.

We call it organisation when, in the pursuit of one aim, animated by one will, millions change the forms of their intercourse and their actions, change the place and the method of their activities, change the weapons and armaments in accordance with changing conditions and the vicissitudes of the struggle.

The same holds true about the fight of the working class against the bourgeoisie.

**Today there is no revolutionary situation apparent; there are no such conditions as would cause a ferment among the masses or heighten their activities; today you are given an election ballot - take it.**

Understand how to organise for it, to hit your enemies with it, and not to place men in soft parliamentary berths who cling to their seat in fear of prison.

**Tomorrow you are deprived of the election ballot, you are given a rifle and a splendid machine gun equipped according to the last word of machine technique:**

**take this weapon of death and destruction, do not listen to the sentimental whiners who are afraid of war.**

**Much has been left in the world that must be destroyed by fire and iron for the liberation of the working class.**

**And if bitterness and despair grow in the masses, if a revolutionary situation is at hand, prepare to organise new organisations and utilize these so useful weapons of death and destruction against your own government and your bourgeoisie. .**

This is not easy, to be sure.

It will demand difficult preparatory activities. It will demand grave sacrifices.

This is a new species of organisation and struggle that one must learn, and learning is never done without errors and defeats.

**The relation of this species of class struggle to participation in elections is the same as storming a fortress is to maneuvering, marching, or lying in the trenches.**

**This species of struggle is placed on the order of the day in history very infrequently, but, its significance and its consequences are felt for decades.**

**Single days when such methods can and must be put on the programme of struggle are equal to scores of years of other historic epochs.**

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The question has been put squarely, and one cannot fail to recognise that the European War has been of enormous use for humanity in that it actually has placed the question squarely before hundreds of millions of people of various nationalities: either defend, with, rifle or pen, directly or indirectly, in whatever form it may be, the great-nation and national privileges, in general, as well as the prerogative or the pretensions of "our" bourgeoisie, that is to say, either be its adherent and lackey, or utilize every struggle, particularly the clash of arms for great-nation privileges, to unmask and overthrow every government, in the first place our own, by means of the revolutionary action of an internationally united proletariat.

There is no middle road; in other words, the attempt to take a middle position means, in reality, covertly to join the imperialist bourgeoisie.

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## **IRAQ WAR REPORTS**

### **U.S. Soldier Killed In Diyala**

July 27, 2007 Public Affairs Office, Camp Victory Release No 20072607-06

TIKRIT, Iraq — One Task Force Lightning Soldier died as a result of injuries sustained from an explosion near his vehicle while conducting operations in Diyala province, Thursday.

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## **Everett Soldier Who Joined Army For His Daughter Killed In Iraq**

July 27, 2007 By ROB PIERCY, KING 5 News

EVERETT, Wash. — The family of Army Private Michael Baloga, who grew up in Everett, says he has been killed in Iraq.

“He was probably my best friend,” says Baloga’s sister, Leah Valade. “He was the last person I would expect or want anything bad to happen to. I was really upset because I know the risks involved with him going over there, but I was really proud he took the initiative to do something he wanted to do with his life.”

After graduating from Sequoia High School in Everett, Baloga worked construction.

Then his daughter, Isis, came along. Wanting to give her more than he could at the time, he joined the Army.

On his Myspace page, Baloga wrote that two of his goals in life were to watch his daughter graduate and give his daughter away at her wedding.

“The whole reason he went into it was pretty much for his daughter,” said Valade. Baloga was a cavalry scout at Fort Hood, Texas. He shipped out just about a year ago to Camp Normandy in Northern Iraq.

Every few weeks, he’d send his family an email update.

“Every time he’d come back from a mission, he’d tell me, ‘I’m back, I’m okay, you can stop worrying now,’” said Valade.

Exactly what happened Thursday that killed Baloga was not immediately clear. All Valade knows is that there was some sort of explosion and her brother died. Not just a brother, but a friend.

“Make sure you tell the people you love, that you love them everyday, because you never know when they’re going to be gone,” said Valade.

The Baloga family is gathering in Idaho, where Baloga’s father lives. No funeral arrangements have been made.

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# Army Nurse From Puerto Rico Killed In Iraq

Jul 16, 2007 By Michael Melia, The Associated Press

SAN JUAN, Puerto Rico — A Puerto Rican soldier killed in a mortar attack in Baghdad's Green Zone was the first Army nurse to die from combat-related injuries in the Iraq war, a Pentagon spokeswoman said Friday.

Army Capt. Maria Ines Ortiz, 40, who had been serving in Iraq since September, was caring for wounded Iraqis at a hospital inside the fortified district that also hosts the U.S. Embassy and Iraq's parliament, her family said.

"She touched everyone's lives and everything about her was positive," her fiance, Juan Casiano, said from her mother's home in Pennsauken, N.J. "She always carried a smile."

Born in Camden, N.J., Ortiz grew up in Bayamon, Puerto Rico. She had been assigned to Kirk U.S. Army Health Clinic at Aberdeen Proving Ground, Md., where she was chief nurse of general medicine.

She was the only U.S. citizen among three people killed in the barrage Tuesday, one in a series of recent attacks that have added to safety concerns for key Iraqi and international officials who live and work in the Green Zone.

**Her father, Jorge Ortiz, said she was not wearing body armor because she felt safe inside the walls of the central Baghdad district. It is common for people not to wear protective gear in the area, especially during warm summer months.**

Ortiz, who died from her wounds Tuesday, was the first Army nurse killed in Iraq since the 2003 U.S. invasion, according to Pentagon spokeswoman Cynthia Smith.

Through January of this year, 90 Army medical personnel had been killed in combat in Iraq and Afghanistan since 2001, said Margaret Tippy, a spokeswoman for the Army Medical Command.

"It was her calling," said Casiano, an Army veteran. "I saw in her what everyone else sees, a beautiful person who brings joy to everyone she touches."

Ortiz is survived by her parents, and four sisters in New Jersey and Florida.

A memorial service is scheduled for 3 p.m. Wednesday at Aberdeen's chapel.

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## One Carried On A Family Tradition; Another Was A 'Soldier At Heart'

July 19, 2007 By Mark Berman, Washington Post Staff Writer

Army Pfc. Steven A. Davis was a fearless, stand-up guy who exceeded expectations and wanted to take care of his young family, those who knew him said. Yesterday, friends and family members gathered to honor Davis as he was laid to rest at Arlington National Cemetery.

Davis, 23, of Woodbridge, was killed July 4 in Baghdad when insurgents attacked his unit with grenades, the Defense Department reported. He was assigned to the 2nd Battalion, 12th Infantry Regiment, 2nd Brigade Combat Team, 2nd Infantry Division based at Fort Carson, Colo.

More than 90 mourners stood under a cloudy sky and braved intermittent rain to pay their respects to Davis, who was the 351st member of the military killed in Iraq to be buried at Arlington.

Davis came from a family steeped in military tradition. His mother, Tess Davis, is a paramedic in Iraq; his grandfather, Rick Lara, is there as a mechanic; and his younger brother, Christopher, is a soldier there as well, said Davis's father, Buck, an Army veteran who spoke to The Washington Post this month.

"He had no sense of any type of fear," Buck Davis said. He said he had encouraged his son to work and go to school, because not everyone is suited for military service.

But Buck Davis said his son turned out to be "a really good soldier. He exceeded all of my expectations."

As a teenager, Davis was the only youth allowed to play ice hockey with the grown-ups at Fort Bragg, his father said.

As an adult, Davis continued to show maturity beyond his years, joining the Army to support his family. His wife, Ayla, gave birth to their daughter, Elizabeth, in April 2006.

"He wanted to be a man and take care of his family," his sister-in-law Michelle Davis told The Post in an interview this month.

Yesterday, Ayla Davis received a folded American flag while Elizabeth sat on her grandmother's lap. Davis's parents also received flags, as the three family members in Iraq had returned for the funeral.

Although Davis had only been in the Army since 2005, he had received several awards, including the Purple Heart and Bronze Star Medal. He was on his first tour in Iraq and had been home in April to celebrate his daughter's 1st birthday.

Beside his grave were half a dozen wreaths and floral arrangements, including a red and white wreath from the Baghdad fire department, with a card that read: "With heavy hearts, please hear the words we are not able to speak."

Earlier yesterday, mourners had gathered to say goodbye to another Southern son, Army Sgt. Gene L. Lamie of Homerville, Ga. Family members said that there was little doubt that Lamie was going to join the military.

"He grew up with a soldier's heart," his brother, John Lamie, told the Florida Times-Union last week.

His mother, Linda Lamie, agreed. "My son served his country. He was a soldier at heart. His biggest concern was to get the people under him home."

Lamie, 25, died July 6 in Iraq of wounds suffered when a makeshift bomb detonated near his vehicle. Pfc. Le Ron A. Wilson, 18, of Queens, N.Y., was also killed. Lamie was assigned to the 3rd Battalion, 7th Cavalry Regiment, 2nd Brigade Combat Team, 3rd Infantry Division based at Fort Stewart, Ga.

More than 50 mourners followed Lamie's flag-draped silver coffin to his grave site. He was the 350th member of the military killed in Iraq to be laid to rest at Arlington.

Lamie's wife, Dara, was presented with a folded flag, as were his father, Eugene M. Lamie, and mother.

Lamie's brother John Lamie, a Georgia National Guardsman, served in Iraq and spoke with his brother after his own squad suffered casualties.

"He told me we were soldiers," John Lamie told the Times-Union. "We were meant to do what we were doing."

The Davis and Lamie services were among 32 burials at Arlington yesterday. Separated by two years in life and two days in death, the men were laid to rest side by side in what John Lamie called "a house of heroes."

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## Community Bids Farewell To Marine

July 16, 2007 By Hallie Winchell, Community Editor

COOS BAY - "You hear about soldiers dying but you never think it will happen here, to someone you knew."

Words of disbelief and sorrow were whispered into the dusky gloom on Friday night, as the light of more than 70 candles formed a bright circle in the courtyard at Marshfield High School. A young woman wept, embracing her friend and said the war in Iraq had come home - to Coos Bay.

Flames wavered in the soft breeze and sobs broke the somber quiet, as friends and family gathered to remember the life of local U.S. Marine Lance Cpl. Steven Stacy.

More than a week after Stacy was killed outside Fallujah, the Bay Area community was still reeling with the news that one of its own had died on a dusty road in the middle east - very far from home. Stacy, a Marshfield graduate, was described as a gentle soul, often generous and kind to friends and strangers alike.

The son of Dana Potts and her husband, Robert, of Coos Bay, and Stanley Stacy, of Albany, Steven was an avid scuba diver and had earned the nickname "Scuba Steve" during his time as an employee at Sunset sports. He is remembered fondly for his easy laughter, big smiles and adventurous spirit.

On Friday and Saturday, Steven was honored by a series of memorial services, with friends and family sharing memories and grief by candlelight or graveside. The ceremonies included not only those who knew Steven well, but those who never met him, as a community grieved for its lost son.

According to Coos Bay Chapel Director Tom Boynton, the community's reaction to Steven's death has been overwhelming.

"When we were leaving the airport with the deceased, I called the Coos Bay and North Bend police for an escort to the chapel," he said. "But they must have sent everyone they had on duty, and it looked like a few off-duty officers came over as well. We had an escort from Coos Bay Police, North Bend Police and Oregon State Police."

As the motorcade - which was led by Steven's grandfather and veteran Steve O'Brien - left the airport and drove through downtown North Bend, Boynton said he was astounded to see motorists pull over to the side of the road.

"Traffic stopped in both directions even though we were just in one lane. People got out of their cars, construction workers stopped working, and put their hands over their hearts as we drove by," he said.

Boynton said the community support for the Potts and the Stacy families has been astounding, with veterans from all over the state and hundreds of community members attending the service on Saturday.

"I had hoped we would get through this war without losing any local boys, any local servicemen or women, but it's been my honor and privilege to help the family in their time of need," he said.

As the dusk deepened on Friday night during the candlelight vigil at Marshfield, the silence of the evening was broken by nearby songbirds, stifled sobs and the sudden laughter of a young toddler held in his mother's lap.

Community members and friends spoke of Steven's kindness and great loyalty through voices choked with tears.

"I adored him," said Janet Holmes, a former teacher at Marshfield and close friend of Steven's. "My heart is broken."

Holmes was Steven's study hall teacher and said they shared an interest in music and Steven almost had her convinced to go scuba diving.

"You hear a lot about the teachers who influenced students' lives, but you don't hear about the students who influence our lives," Holmes said, with tears in her eyes. "Steven was one of those, for me."



Flags flew at half-staff, motorcyclists lined the route and hundreds of people gathered at Sunset Memorial cemetery outside of Coos Bay on Saturday morning, as Steven was buried with full military honors.

Under an overcast sky, the great crowd of mourners ringed the pavilion where Steven's casket was draped with the stars and stripes, their heads bowed in sorrow.

The Rev. Don Berney officiated at the graveside service and praised Steven's great spirit, which had touched so many lives among his community - both before and after he joined the Armed Services.

"He became a Marine and was sent where his country deemed he was needed the most," Berney said, looking to Steven's mother, Dana, sitting only 3 feet from her son's casket. "I want to thank you for his sacrifice."

Chris Stevens, a friend and colleague of Steven's, remembered him as a great outdoorsman. Even fishing on the East Fork of the Millicoma River in February couldn't dissuade Steven from swinging on a nearby rope swing, Stevens said.

"I'll never ever forget his great sense of adventure," he added.

The crack of the gun salute split the silence of the cemetery as the Purple Heart that was awarded to Steven for receiving wounds in action while in Iraq was given to his mother.

Voices clashed against one another in the narrow dining room at TJ Shaws restaurant, 240 S. Broadway, in Coos Bay, filling the building with the chaos of noisy conversations and exclamations at a reception following Stacy's graveside service.

The relief from sorrow so fresh and new left a trail of giddy laughter and quick smiles behind. Friends and community members gathered first, eventually joined by the Potts and Stacys, who greeted the partygoers with soft smiles.

Eating from tables laden with homecooked foods, such as lasagna, potato salad and tuna noodle casserole, the community remembered Steven as it seemed he would have liked best - with laughter. Stories were swapped, memories traded and treasured over an afternoon as different from the morning as night from day.

"While the grief is raw now, we must remember one day we will look back and think of Steven, and feel only a pang for the man we knew," Holmes said earlier.

Eventually, it will be with a smile, if not laughter, that we tell stories of his antics and adventures, she added.

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## **War Hits Home For Another Utah Family With Death Of American Fork Soldier**

07/19/2007 By Jason Bergreen, The Salt Lake Tribune

AMERICAN FORK - Kevin Barnes got a call from his wife, Donna, around 1:30 p.m. Tuesday asking him to come home from work because a master sergeant and a military chaplain were at their home in this northern Utah County city.

Their 23-year-old son, Sgt. Nathan Barnes, had been serving his first mission in Iraq with the Army's 10th Mountain Division, an infantry unit out of Fort Drum, N.Y. The Barneses knew the news they were going to get about their son was not good.

Early Tuesday, Nathan Barnes had gone on an assault mission with his unit. The helicopter he was in was taking fire when it landed and troops began to exit.

"As they opened the door, he caught one," his father said Wednesday as he stood on the front lawn of his home surrounded by family, friends and U.S. flags.

He and his wife had just one question for the chaplain.

"We asked them if there was any chance of a mistake," Kevin Barnes said. "They said, no."

Nathan Barnes was born in American Fork and went to high school here. He loved camping, hiking, hunting and being in the outdoors, his family said.

Nathan Barnes joined the Army when he was 19 and had already given three years of service to his country when he died. He was shipped to Baghdad in August and was scheduled to return home toward the end of this year.

Nathan Barnes' older sister Lisa Blake said her brother was smart, and loved to read and discuss books with her. They corresponded by e-mail several times a week. The last e-mail Nathan Barnes sent his sister was written an hour before he was killed, she said. It promised a letter and some stories would arrive in the mail. Nathan's e-mail didn't hint at what the stories were about, and now Blake must wait for her brother's last gift to arrive.

"He was philosophical and intelligent and so smart," Blake said.

Danger was part of Nathan Barnes' everyday life. His sister said he had several near-death experiences in Iraq, including bullets whizzing within six inches of his head during a gunfight with insurgents. Once he nearly tripped on a wire that was rigged to an explosive while entering a home. And he suffered minor injuries when a bomb hidden in a trash can exploded.

"We affectionately called him our little soldier," Kevin Barnes said.

Nathan Barnes' mother Donna stayed in the family home Wednesday.

"She's not doing that good," Blake said. "She misses her son and she's sad."

Nathan was Kevin and Donna Barnes' fifth child. He had three older brothers, Jay, Tim and Mike, an older sister, Blake, and a younger brother, Matthew, who is serving an LDS Church mission in Nicaragua.

"We were all really close," said Tim Barnes.

Several members of the Barnes family, including Nathan's grandparents and uncles served in World War II and Vietnam War respectively, said Kevin Barnes.

Nathan "just felt like he wanted to do it," he said. "He understood it takes a soldier's sacrifice to ensure peace and freedom."

Nathan Barnes loved children and was planning to go to college to study to be a physician's assistant when he was discharged. His family has set up a fund at Zions Bank that is expected to benefit kids and military families, Kevin Barnes said.

Blake said she would always remember her brother's "infectiously happy and positive," attitude.

"He was always grinning from ear to ear," said Blake.

Nathan Barnes' body is expected to return to the U.S. within the next two weeks. Funeral services are pending.

"He was a good kid and a wonderful young man," his father said.

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## Cordele Airman Injured in Iraq



7/27/2007 Marilyn Peguero, WMAZ

A 24-year-old airman from Cordele was injured in southern Iraq. Staff sergeant Chris Forsythe's arm was shattered when an improvised explosive device exploded next to a vehicle he was riding in, according to Forsythe's wife, Jessica Forsythe. It happened Tuesday in Iraq -- that's Monday Georgia time.

More than 26,000 servicemen and women have been injured in Iraq, according to the Secretary of Defense website.

Tony Forsythe, Chris Forsythe's father, says he's just glad that his son's injury wasn't worse. But he says his son knew the risks. "He believes in what he's doing, so we gotta back him," Tony Forsythe said.

Chris Forsythe joined the air force about five years ago. He's been stationed at Moody Air Force base in Valdosta. Forsythe was on his fourth tour in Iraq.

Jessica Forsythe says the injury hasn't changed how her husband feels about the Air Force.

"He's planning on staying in and retiring," Jessica Forsythe said. "And he said that it wasn't enough to make him want to get out."

Jessica, who is eight months pregnant, says one good thing has come out of the her husband's wounds: the Air Force is taking him to Florida to recover. "He'll be here when the baby is born," Forsythe said.

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## **Stupid U.S. Command Orders Another Attack On Nationalist Forces; Thousands March In Karbala: Mehdi Army Holds The Streets After U.S. Soldiers Retreat**



Thousands of Iraqi citizens march in Karbala against the occupation killing of members of the Mehdi Army July 27, 2007. Nine people were killed while 23 others were wounded during clashes between the U.S. soldiers and members of the Mehdi Army on Thursday night, hospital sources in Kerbala said. REUTERS/Mushtaq Muhammad



Armed members of the Mehdi army take the streets during a funeral for their comrades in Kerbala, 68 miles south of Baghdad, July 27, 2007. (Mushtaq Muhammad ,/Reuters)

07/27/2007 By SINAN SALAHEDDIN Associated Press Writer & Reuters

KERBALA, Iraq (Reuters) - Nine people were killed, including several civilians, in clashes between U.S. soldiers and militia fighters in Iraq's holy Shi'ite city of Kerbala on Friday, police and hospital sources said.

Helicopters were called in to support the U.S. troops.

At least 25 people were wounded in the fighting, including a number of civilians, a hospital source said. Six militiamen were arrested.

The fighting in Karbala, 50 miles south of Baghdad, broke out at about dawn as the joint U.S.-Iraqi force conducted a pre-dawn raid on the house of a leader of the Mahdi Army militia, which is loyal to nationalist politician Muqtada al-Sadr, prompting the militia fighters to open fire, according to a police officer and a local council member.

The militia leader Razzaq al-Ardhi and his brother were arrested in the clashes, which lasted nearly two hours, the officials said.

**Reuters pictures showed fighters dressed in black, traditionally the uniform of Mehdi Army fighters, and brandishing AK-47 assault rifles as they stood in the back of a truck beside coffins being taken for burial.**

**Other pictures showed coffins being held aloft by civilians and Mehdi Army fighters, and a teenage boy lying wounded on a mattress. Walls in several streets were pockmarked by bullet holes, and several cars had shattered windscreens.**

**There was no immediate response from the U.S. military, which generally stays out of Kerbala, home to one of the holiest Shi'ite shrines in Iraq.**

It is one of Iraq's best protected cities because of its holy status, though there have been several large bomb attacks in the city this year.

**The officials said four militiamen and five civilians were killed and 23 people were wounded in the fighting, which also damaged four or five houses.**

**Another clash erupted about three hours later as residents were removing the dead bodies from the hospital. Militiamen with the mourners briefly fought with a joint Iraqi army and police patrol, but no casualties were reported, the officials said.**



Armed members of the Mehdi army take the streets during a funeral for their comrades in Kerbala, 68 miles south of Baghdad, July 27, 2007. (AP Photo/Ghassan al-Yassiri)

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## **AFGHANISTAN WAR REPORTS**

### **British Soldier Killed In Gereshk Valley**

28 Jul 07 Ministry of Defence

It is with much sadness that the MoD must confirm that a soldier from 14 Signal Regiment was killed whilst providing support to operations with Task Force Helmand in Southern Afghanistan on Friday 27 July 2007.

The soldier was serving with Battle Group South as a communications specialist in support of operation 'Chakush' ('Hammer') aimed at disrupting Taliban forces in the upper Gereshk Valley in Helmand Province.

At around 15.30 (local) he was working in a compound between Heyderabad and Mirmandab when he was fatally wounded in a rocket attack.

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## **Soldier Recovering From 30-Hour Battle That Never Happened [According To The U.S. Occupation Command, That is]**

**[Two U.S. Troops killed, four more wounded in a thirty-hour battle that got no coverage by any news service, including the military itself. The cowards are afraid to let us know the truth about these wars, so they try to cover it up and pretend everything is going just so well. A pack of lying rats, no exceptions. T}**

Jul 28 2007 By MICHAELA MARX WHEATLEY, South Whidbey Record

**FREELAND — A soldier with South Whidbey roots is recovering from wounds suffered during one of the worst firefights in recent years in the war in Afghanistan.**

Sgt. Jeremy Czarnik of Freeland was shot in his right arm on July 5, the bullet busting through his ribs and puncturing his chest and lungs before exiting through his sternum.

Czarnik, 23, was airlifted from Afghanistan to Germany where military doctors at Landstuhl Medical Center saved his life, his family said.

“They were in the firefight for several hours when, he said, he felt something funny on his side. He looked down and saw the blood,” said the soldier’s father, Matt Czarnik, of Freeland.

“He told his buddy — who was also shot in the left side — and they took him down and cut his vest open,” his father said. “He says he doesn’t remember anything until waking up in the hospital in Germany.”

Czarnik is a paratrooper with the 2nd Battalion, 503rd Infantry Regiment (Airborne) 173rd Airborne Combat Team. The sergeant and his fellow soldiers came under attack July 5 in the mountains in the Watapor Valley near Tsangar, Afghanistan.

**During the 30-hour battle, four soldiers of the company were seriously injured, including Czarnik. Two team members were killed.**

**Spc. Christopher Honaker, 23, from North Carolina and Pfc. Joseph Miracle, 22, from Michigan were killed after their dismounted patrol came under enemy small arms fire, according to the Department of Defense.**



The Czarnik family got a phone call from the military at 6 a.m. the day following the attack. "We almost didn't answer the phone," stepmother Angela Czarnik recalled.

By the time the family learned what had happened, however, their soldier was on his way to Germany after going through field surgery in Afghanistan.

The first 24 hours were sketchy, and doctors didn't know if Czarnik would make it. A captain from the 173rd Airborne Brigade gave the family updates of Czarnik's condition every four to five hours, and there was a phone hotline that the family could call to speak to nurses on call at the hospital.

"He was listed as an ICU in serious condition, which isn't the worst, but they had already said they would have to fly me and his mom out to Germany," his father recalled.

About three days after the attack, the soldier was able to call home himself and tell his father that he was OK. "The first time he called was Sunday," his father said. "He didn't really say much. They had just taken the tube out. He just said he was fine and he said he was sore. He said the whole time he was fine."

It was also the first time that Czarnik got the chance to talk to his son's doctor and ask about the details of the injuries. Miraculously, the bullet had done surprisingly little damage to other vital organs.

The next day, Jeremy seemed to be on his way to recovery.

"Monday we talked and his voice sounded incredibly better," Czarnik said.

Czarnik, an EMT, went to Germany two weeks ago to check out his son's progress.

The trip was an unfortunate family reunion for more reasons than one.

"We were the ones that told him about the two guys that got killed," Czarnik said. "It really bummed him out. He knew both of them."

Czarnik was impressed with the medical facilities and the staff at the hospital and how the Army served its wounded soldiers.

"They seemed to take their injured very serious," Czarnik said.

After a few more days at the hospital, Jeremy was released and the Army gave him convalescent leave. He eventually returned to Italy where he is stationed. His father said his son still has trouble with his arm and back and is very sore.

He occasionally discovers a scratch or scar that he isn't sure how he got. But overall, his son is doing much better.

It is not clear if he will return to duty in Afghanistan with his teammates. His company deployed for Afghanistan in May and is scheduled for a 15-month tour.

"It depends," Angela Czarnik said. "They'll check how he is doing physically and psychologically."



The family said they could only imagine how tough it would be for their son to return to Afghanistan, but his father is confident.

“He has a lot of experience, this tour to Afghanistan, and before that, he was in Iraq for 11 months,” Czarnik said.

The injury wasn’t their son’s first brush with death, however. “Jeremy already had a close call in paratrooper school. He had a bad fall and busted his arm up,” Angela Czarnik said.

“In Afghanistan, the truck behind him blew up, ripping the guys in it apart,” she said.

“In Iraq, his vehicle came around a corner and a bomb exploded in a trash can,” Matt Czarnik added.

The family is now looking forward to a few uneventful days when their soldiers comes home on leave. If all goes well, he is expected for a visit in about two weeks to see his sisters Jennifer, 21 and Alexis, 3, and step brothers Adam and Kyle, both 15, as well as his grandpa Lenny Workman and other relatives who live on Whidbey.

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## **TROOP NEWS**

**THIS IS HOW BUSH BRINGS THE TROOPS HOME:  
BRING THEM ALL HOME NOW, ALIVE**



The casket containing 3rd Infantry Division U.S. Army Sgt. Gene L. Lamie, 25, from Homerville, Georgia, who was killed in Iraq earlier this month, at Arlington National Cemetery July 18, 2007. REUTERS/Larry Downing

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**FUTILE EXERCISE:  
ONLY 15 MILLION MORE TO GO:  
COME ON HOME NOW!**



A handcuffed Iraqi citizen is held prisoner by a foreign occupation soldier from the USA on the roof of his own home in Baghdad, 20 July 2007. (AFP/Olivier Laban-Mattei)

**Troops Invited:**

**What do you think? Comments from service men and women, and veterans, are especially welcome. Write to Box 126, 2576 Broadway, New York, N.Y. 10025-5657 or send email [contact@militaryproject.org](mailto:contact@militaryproject.org):. Name, I.D., withheld unless you request publication. Replies confidential. Same address to unsubscribe.**

**NEED SOME TRUTH? CHECK OUT TRAVELING  
SOLDIER**

**Telling the truth - about the occupation or the criminals running the government in Washington - is the first reason for Traveling Soldier. But we want to do more than tell the truth; we want to report on the resistance - whether it's in the streets of Baghdad, New York, or inside the armed forces. Our goal is for Traveling Soldier to become the thread that ties working-class people inside the armed services together. We want this newsletter to be a weapon to help you organize resistance within the armed forces. If you like what you've read, we hope that you'll join with us in building a network of active duty organizers.**

<http://www.traveling-soldier.org/> And join with Iraq War vets in the call to end the occupation and bring our troops home now! ([www.ivaw.org/](http://www.ivaw.org/))

## **IRAQ RESISTANCE ROUNDUP**

**It's Their Country;  
They Don't Have To Go Home;  
They Are Home**



Nationalist soldiers take up position behind a garbage bin as they fight British occupation troops in central Basra, July 16, 2007. The clash began before sunset when the Provincial Joint Coordination Center was subjected to small arms fire and rocket-propelled grenades, said a British military spokesman. (AP Photo/ Nabil al-Jurani)

**IF YOU DON'T LIKE THE RESISTANCE  
END THE OCCUPATION**

**OCCUPATION ISN'T LIBERATION  
BRING ALL THE TROOPS HOME NOW!**

Do you have a friend or relative in the service? Forward GI Special along, or send us the address if you wish and we'll send it regularly. Whether in Iraq or stuck on a base in the USA, this is extra important for your service friend, too often cut off from access to encouraging news of growing resistance to the war, inside the armed services and at home. Send email

requests to address up top or write to: The Military Project, Box 126, 2576  
Broadway, New York, N.Y. 10025-5657

## OCCUPATION REPORT

# 60% Of Iraqis Want U.S. Troops Dead: Big Surprise



An Iraqi citizen is forced at gunpoint to sit on the floor of her own home after foreign occupation soldiers officers break in to search her belongings in Baghdad July 17, 2007. REUTERS/Nikola Solic

**[61% of Iraqis say they approve of attacks on U.S.-led forces in their country, up from 47 percent in January. A solid majority of Shiite and Sunni Arabs approved of the attacks, according to the poll. 9/27/2006 By BARRY SCHWEID, AP & Program on International Policy Attitudes**

Iraqis feel about U.S. troops trampling them in the dirt the same way Americans felt about British troops trampling them in the dirt in 1776. They are right to resist.  
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### **GI Special Looks Even Better Printed Out**

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